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OFFICIAL REPORT
(HANSARD)

Tuesday, March 8, 2005
(Part A)

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, March 8, 2005

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

● (1000)

[*English*]

INTERPARLIAMENTARY DELEGATIONS

The Speaker: I have the honour to lay upon the table the report of the joint parliamentary delegation which attended the 13th Mexico-Canada interparliamentary meeting held in Mexico City from January 24 to 27.

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● (1005)

GOVERNMENT RESPONSE TO PETITIONS

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 14 petitions.

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PETITIONS

MARRIAGE

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, I have a petition from a number of my constituents in St. John's East who wish to draw the attention of the House to the fact that marriage is the best foundation for families and the raising of children.

They want to draw attention to the fact that we passed a motion in June 1999 calling for marriage to continue to be recognized as the union of one man and one woman to the exclusion of all others. As a result of that, they are now calling upon Parliament to pass legislation to recognize the institution of marriage in federal law as being the lifelong union of one man and one woman to the exclusion of all others.

CHILD PORNOGRAPHY

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC): Mr. Speaker, I have the honour to table two petitions this morning on behalf of the good people of Dauphin—Swan River—Marquette.

The first petition calls on Parliament to take all measures necessary to ensure protection for children from child pornography and sexual exploitation.

AGRICULTURE

Mr. Inky Mark (Dauphin—Swan River—Marquette, CPC): Mr. Speaker, in the second petition, the petitioners request that Parliament take immediate steps to develop internationally recognized protocols designed to restore confidence in Canada's beef products and open international beef markets to Canadian producers.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 15 will be answered today. This is a supplementary response.

[*Text*]

Question No. 15—**Mr. David Chatters**:

> Since January 1, 1997, have any past Members of Parliament been hired or appointed in any capacity by the government and, if so: (*a*) who was the member; (*b*) what was their salary at the time of hiring and any subsequent increases; (*c*) what have the job descriptions been; (*d*) what advertisements were used to solicit applications for these positions; (*e*) how was the interview process conducted for all positions; (*f*) who approved the hiring; (*g*) how many applicants were interviewed; (*h*) when was each position created; and (*i*) what were the annual expenses of each indivudual?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, National Defence undertook to examine contracts let by Public Works and Government Services Canada, PWGSC, on behalf of National Defence to determine whether Members of Parliament from the 36th and 37th Parliaments have been hired or appointed as civilian employees by the department.

An examination of these records indicates that no contracts were let by PWGSC on behalf of National Defence with Members of Parliament from the 36th and 37th Parliaments.

It should be noted that no records are maintained, nor is any information available on persons employed by firms who may have a contract with the Department of National Defence. Similarly, while National Defence contracts as well as those contracts issued by PWGSC on behalf of National Defence, permit subcontracting, it is ultimately the prime contractor that decides whether or not to subcontract. Since the Crown is not privy to these subcontracts, no contractual relationship is created between the Crown and third party subcontractors. As a result, records are neither created nor retained by National Defence concerning contractual arrangements between a prime contractor and its subcontractors.

[*Translation*]

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

● (1010)

[*English*]

REQUEST FOR EMERGENCY DEBATE

CANADIAN LIVESTOCK INDUSTRY

The Speaker: The Chair has notice of a request for an emergency debate from the hon. member for Battlefords—Lloydminster. I will hear from the hon. member now.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, in accordance with Standing Order 52, I seek leave to make a motion to adjourn the House for the purpose of discussing the continuing crisis within Canada's livestock industry.

This crisis must again move to the forefront as the American border remains closed to live Canadian cattle, and efforts made by the United States department of agriculture to reopen the border are now being delayed by a temporary court injunction recently brought down in Montana.

To that end, I would ask that your attention to this matter is urgently required and would be greatly appreciated by the livestock producers of this country.

SPEAKER'S RULING

The Speaker: The Chair has considered the request from the hon. member for Battlefords—Lloydminster and is prepared to grant the debate requested. Accordingly, the debate will take place this evening following the ordinary hour of daily adjournment of the House.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 7 consideration of the motion that this House approves in general the budgetary policy of the government, and of the amendment.

Mr. Charlie Penson (Peace River, CPC): Mr. Speaker, I am grateful for the opportunity to speak today on the budget. I will be splitting my time with the member for Fleetwood—Port Kells.

Last week when the budget came down a lot of us were concerned about the way it was structured. In fact, I would almost term this budget 2008 instead of budget 2005 because so many aspects of it are back-end loaded. Given that this is a minority Parliament, I think this is a significant issue. There is a real likelihood that this government will not be here to implement the very programs that it is talking about in 2007, 2008 and 2009. That is probably a good thing in that Canadians will have an opportunity to shake things up in the near future.

To start with, for the government to bring in a five year budget is a problem for me. I would prefer to see a one year budget. I would like to see what the government intends to do in this next year. I think that is the most responsible position that a government can bring forward, because to some extent the rest of it is pie in the sky.

Even if the government were to be re-elected, there is no assurance that what it is introducing in this budget for the subsequent years will be implemented. In fact, we have seen just the opposite of that in many cases, where events overrun that five year timeframe and the government's priorities change significantly. Therefore, I think it is of little use to be projecting five years ahead.

Let us look at the budget for a moment. The budget the government did bring forward for this period of five years has been very severely back-end loaded. The government talks about changes to the income tax personal basic exemption, from $8,000 to $10,000. There is only a $100 change this year and next. The rest is all back-end loaded into the last three years of the budget.

What this really means is that the average Canadian would have a $16 tax cut as a result of this change this year. I hope Canadians do not spend it all in one place. Would that not be a major change in the economy? The fact that $16 is all that is really being talked about here is quite significant.

The same applies to the proposed corporate tax cut. It goes in the right direction, but it is not enough and it is not timely. Corporate tax rates are going from 21% to 19%.

I have been involved with both the industry committee and the finance committee. We have had a lot of different studies on this very subject of what should happen on corporate tax rates. Why have Canadians been stuck in a mould over the last 40 years where our GDP or our standard of living has been only about 85% of that of the United States? Some people say that we should not compare the two standards of living, but the United States is our major trading partner and competitor and I think it is relevant. In fact, group after group that has come to our committees over the years has said exactly that.

What does it mean when we say that our standard of living is only 85% of that of the United States? It means that the average Canadian family is taking home $24,000 Canadian less than the average American family takes home. What could Canadians do with that $24,000? They could put an extra $2,000 a month on their mortgages. That is pretty significant. That is the kind of opportunity we have given up as a result of the Liberals being in control for the last almost 12 years.

In fact, we have seen a number of other areas slip as well. We have seen Canadian investment on a constant decline. We have seen the world share of direct foreign investment in Canada decline every year for the last 30 years.

In fact, we have seen Canadians increasingly looking outside our country for opportunities, so we then have a net outflow of foreign investment. That is not good for the country. Investment in Canada brings in innovation. It brings in the newest technologies. When Canadians have an opportunity to upgrade their factories and their businesses with this new technology, they are able to compete better. We have to ask why it is that people are looking outside Canada or in other places for investment.

● (1015)

It comes back to the mismanagement of the economy by this Liberal government. The Liberals have a very short term vision and it is not good enough. Canadians are looking for opportunity. They are looking to realize their full potential. They are not able to do that under this administration, which is wasting billions of dollars of Canadians' money on the wrong priorities and in not getting off Canadians' backs and letting them achieve their potential.

Our standard of living is 85% of that of the United States. If we look at it structurally, what is the reason for some of this?

I would say that its genesis goes back about 30 or 40 years to the Trudeau era. Canadian unemployment rates are now consistently about 4% higher than those in the United States, even though for about 100 years preceding this we could chart the different sectors of the Canadian economy and the U.S. economy, the growth, the employment and the unemployment, and they looked very similar because we went through the same business cycles.

In the 1970s substantial changes were made to the unemployment or employment program, which structurally have factored in about a 4% difference between the U.S. and Canada, Canada being 4% higher. We have seen growth in the size of government over that same period.

Why is it that up until about 30 years ago all levels of government spending in Canada were at about 30% of the economy? In the United States it was about 30% as well. Let us look at the situation 30 years later. The United States government takes up 29.5% of the GDP of the country. Canada's has now moved to 41%. In 30 years we have increased the government's role in the economy by about 12%. If that was all constructive spending, maybe that would be good, but we see a lot of areas where it is not. We are into all kinds of areas such as subsidizing corporations and I do not think that is what Canadians want.

This budget should have addressed a number of issues that it did not. In prebudget hearings, our finance committee had a lot of input from Canadians who were saying that they are being taxed too heavily, but the government did not appear to listen on the issue of capital taxes, which were identified as a job killer. Why is it that a government would tax people on the size of their business, on the capital of their business, even though it does not make any difference if it is a profitable business or not? This has really inhibited growth and investment.

On corporate taxes, as I have said, the government is saying it will move them down from 21% to 19% over the next five years. There is nothing for the first three years. It is all factored into the last two years.

Even so, there is something called the effective corporate tax rates versus what shows up on paper, and there are a whole lot of other areas that enter into how corporate taxes are considered. These would be things like capital gains tax, capital tax and all of that, but the effective corporate tax rate difference between the United States and Canada means that Canada's corporate tax rates are roughly 31.5% right now. That is the effective rate when everything is factored in. In the United States it is 20.1%. That is a spread of more than 11%. That is not good enough when we have to compete with the very country next door that has opportunities which Canadians do not enjoy.

On the capital gains tax, we still have a 50% inclusion rate on capital gains tax. That again is described as a job killer, an investment killer.

On the capital cost allowance, there were numerous requests to change the capital cost allowance so that companies could write off certain sectors a lot faster when they make investments. For some investments in technology, for example, the technology is gone in a few years because it becomes outdated.

On unemployment or employment overcharges, we still see this government overcharging employers and employees every year.

Our personal tax rates are the highest in the OECD and there are surpluses that somehow magically are predicted to be low when the government brings down the budget but then when year-end comes they are about four times as high. The government is doing the same thing again this year.

This type of accounting is what was heavily criticized in the corporate sector, yet it is this same government and the same Prime Minister who, when he was finance minister, criticized the corporate sector for corporate malfeasance in this area, and they are in the same category year after year. For seven years the Liberals have underestimated and lowballed the surplus and they have done it again this year.

I would say that this budget, while it contains some good things, has many glaring errors in it and does not go nearly far enough.

● (1020)

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, I thank the member opposite for his comments. Obviously he knows the subject very well as a member of the finance committee. I just want to point out a couple of things and ask him for his comments.

I understand his concern about the five year budgeting. I share it and I have shared it for a long time, but in this instance I think there is a difference that we have to recognize. In many instances in the past we had five year projections but we would not meet them in year one, year two, year three, year four or year five. They would never come to pass. We have seen that with many successive governments.

We have a different situation now in that we have had eight consecutive surpluses, so the targets have been met. Also, this budget does build in prudence. Should the interest rates go up or should unemployment go up or should growth go down, there is some $24 billion in prudence built in.

The member points to the question of changing priorities. It is true that in certain instances in the past few years we have seen hurricane Juan, SARS, BSE and softwood lumber. They have required a lot more spending but it was done within the framework, so I believe that room is still there.

Mr. Charlie Penson: Mr. Speaker, that is a good question. I do believe it is important to build in prudence and contingency reserves in the budget. There are things that come up from time to time that we cannot possibly anticipate. That is true.

The member talks about the government's record over the last seven years of having a surplus every year. While that is certainly true and those surpluses are a lot bigger than the government projected during its budgets, any government can have a surplus if it taxes people more than required. That is really what these surpluses represent: an overtaxation of Canadians.

The responsible thing would be to try to pinpoint as closely as we can the amount we need. We can build in the contingency reserve, but we must pinpoint as best we can what is required and not overtax Canadians. I will point out one of the areas where this overtaxing of Canadians has happened. It is in the foundations. There is $7.7 billion sitting in the foundations that is not available to Canadians for tax relief, so that is overcharging them in this area.

The government has to be responsible. I do not think it is the government's role to be our banker and build up huge reserves. It should be using the amount of money it needs for expenditures, and it should dovetail that as closely as possible with the amount it taxes Canadians so that it is at a net balance and does not built up huge surpluses over the years.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened with interest to my colleague's speech. I would like him to clarify the position of the official opposition. For the past few weeks it has not been clear where the official opposition stands on this budget.

Since the Conservative Party advocates cutting spending and being more serious about how to allocate public funds, can the hon. member guarantee that the members of his party will vote against this budget that increases spending by 12%?

Furthermore, in his arguments he said that far too much money has been accumulated in the EI fund. Yesterday I was very surprised to see the official opposition vote against the Bloc subamendment to sanction the government in connection with EI. Of the $45 billion surplus in the EI fund, some $30 billion comes from employers. The opposition knows this all too well.

Can the hon. member assure us that, in light of this situation, all the members of the Conservative Party will vote against this unfair budget or are they simply going to give in to their fear of an election?

● (1025)

[*English*]

Mr. Charlie Penson: Mr. Speaker, I would like to address some of the issues the member raised. He talked about how the Conservative Party would cut spending, but that is not quite true.

What we would do is set priorities for what we think Canadians want. When we ran in the last election campaign of June 28, let me point out to the member that our package for the next five years was talking about $58 billion in tax cuts plus increased spending on things like the military and health care and some of these areas.

Here is what I think a responsible government would say: "These are our priorities. We need to spend more in certain areas, we need to cut in areas where we do not think Canadians' priorities are reflected, and we need to keep taxes as low as possible".

That is where we are at. We think it is all a matter of setting priorities. When we talk about cutting spending, we mean cutting spending in areas that are not high priorities for our constituents. We do not mean cutting spending in areas that we think are high priorities.

The member talks about the Bloc's subamendment and why it was not supported. Of course there were a number of things in that subamendment, including the Kyoto file, which many people think is a lot of hot air. They think that spending money to buy credits in Russia is probably not a very good use of Canadian taxpayers' money.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, I am pleased to rise today on behalf of the constituents of Fleetwood—Port Kells to participate in the debate on the 2005 budget.

This year's budget demonstrates that the tax and spend Liberals are back. The Prime Minister is engaging in false advertising. The numbers do not lie. The Prime Minister is a spendthrift. No other Prime Minister in Canadian history has been so fast and loose with our money.

Last year the finance minister claimed that this budget would demonstrate unequivocally the principles of financial responsibility and integrity. He promised Canadians to better control spending. That is another broken promise by the government, another promise made but again not kept.

Last year the finance minister projected program spending of $148 billion for 2004-05. It now stands at $158 billion with a month to go. That is a $10 billion overrun and an increase of $17 billion over the previous year. So much for controlling spending. At 12%, this is the largest single spending increase in over 20 years and the fourth largest in the last four decades.

Since 2000, program spending soared by 44% and, judging from this year's budget, Canadians should hang on to their seats because they have not seen anything yet. By 2010 program spending is projected to rise to $195 billion.

I could almost forgive this runaway spending if there was some demonstrable evidence that Canadians' lives were improving as a result, but that is not the case. My constituents in Fleetwood—Port Kells are at pains to see how all this spending has made any difference. Despite multi-billion dollar spending, child poverty continues to grow, health care further deteriorates, roads and bridges remain congested, public transit cries for funding , and there continues to be a strong demand for good, well paying jobs.

After this budget, hospital waiting lines will continue to get longer. Students will continue to plunge deeper into debt and our soldiers will be stretched as thinly as ever.

People in my riding depend upon Surrey Memorial Hospital for their health care. Our community is fast outgrowing its hospital. The hospital, built in the 1970s to accommodate about 50,000 patients a year, now handles between 70,000 and 72,000 patients annually and has the busiest emergency ward in western Canada. Surrey Memorial's facilities now cope with the demands placed upon it by our community's soaring population. There have been recurring complaints about waiting times, a lack of beds, insufficient staff, sanitary conditions and questionable procedures at the hospital's overcrowded ER.

The root cause of the problems we now face goes back to the Prime Minister and the cuts he made to the CHST in the mid-1990s as finance minister. These cuts left successive B.C. governments to find extra billions for health care. The new money for health care in this budget will not provide Surrey Memorial Hospital with the money it needs.

The agreement, which the Prime Minister hyped as a fix for a generation, will only allow B.C. to increase health expenditures by 3% annually over the next six years. Not only will this amount not fix health care, it will not even cover rising costs resulting from inflation and population growth, while the dollar figure spread out over such an extended period amounts to little more than a band-aid solution to our critically ill health care system. In fact, it seems as if this budget is for the year 2008 or 2010.

Transportation is another issue of critical importance to my constituents. Just last month I stood in this chamber demanding a commitment for the construction of the South Fraser perimeter road and the twinning of the Portmann Bridge and expanding our ports, among other things. Years of failing to build enough new transit and road capacity are exacting a heavy toll on commuters. Travel times in the lower mainland have increased by 30% in the last decade with the region's population expected to grow by another one million by 2021. Severe traffic congestion will only get worse.

● (1030)

The people of B.C. pay over $1 billion annually to Ottawa in fuel taxes but the Liberal government refunds less than 4% of that amount for reinvestment in our highways and public transit. Rather than direct gas tax revenues to infrastructure, the government has forced provincial and municipal governments to meet federal Liberal priorities.

Two years ago the Prime Minister promised civic leaders that he would not waste any more time ensuring cities receive a share of the gas tax by Christmas. Now it is March and there is still no money. The Prime Minister dithers, just like he has on other important files, including the foreign policy review, appointments to the Senate and the non-existent national child care agreement.

Media reports indicate that when the gas tax deal is finally revealed, B.C. will receive $635 million over five years, mostly at the back end of the program. This money will translate to less than 10% of what British Columbian drivers will contribute to federal coffers over that same period. The government will continue to hoard its money for pie in the sky programs while ignoring the very real needs of my constituents in B.C.

With all the billions the government plans to spend, all it could offer low and middle income taxpayers was a tax break of $16. A tax break indeed.

Canadians pay the highest taxes in the world. A single person in Fleetwood—Port Kells with a taxable income of $35,000 will pay $5,850 in federal taxes, a rate of 16%. If we factor in all taxes at all levels of government, federal and provincial income taxes, gasoline taxes, sales taxes, GST and property taxes, the tax grab is really $17,175 in total taxes, a rate of 49%.

A family of four in Canada has $2,000 less to spend per month than that same size family in the United States. If the government had lived up to its promises of 2000, the federal government would cost $30 billion less than it does today. If, instead of ramping up spending, the Liberals had delivered tax cuts, Canadians would have had their taxes cut by a third.

If we removed the cover page from the finance minister's budget, we could dust it off as a throne speech. It is replete with generalities, vague references, no meat and no potatoes. This budget is packed with billions in new spending for which no blueprints or road maps exist. There are too many unfocused commitments, no plans for how the government intends to deliver a national child care program, meet its Kyoto commitments, provide funding for cities and deal with farm problems. The budget also contains very serious errors and omissions.

Last week's horrible tragedy in Alberta, four RCMP officers murdered, is a terrible reflection on the government's weak-kneed approach to marijuana grow operations and crime. B.C. has an estimated 16,000 grow ops and 4,000 of them are in my riding alone. What more must happen before the government moves to staunch the proliferation of grow ops and gives law enforcement agencies the resources they need to combat growing crime?

The budget fails to deal with affordable housing, proper shelter that fulfills a basic human need. No mention is made of any programs or measures to deal with violence against women and no solution for the softwood lumber crisis.

I have called for more transparency in government spending. I want to see an end to these so-called arm's length foundations in which the government funnels billions of dollars that are spent at the discretion of the Prime Minister and cabinet. How the money is spent is beyond parliamentary scrutiny.

I want to see an end to the slush funds and the hidden government surpluses used for political manoeuvring. Those surpluses should be in the pockets of taxpayers so they can provide for their children's education and retirement years.

I want to see an end to the bulging surplus of close to $40 billion in the employment insurance fund. That surplus belongs to employers and workers who contributed far in excess of what was needed.

As one commentator put it, when everything is a priority, nothing is a priority.

It is with our Prime Minister, Mr. Dithers, who, in his poll obsessed world, has been unable to show the leadership to present a budget this country and the residents of my riding of Fleetwood—Port Kells demand.

● (1035)

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, I listened carefully to the honourable member's speech and would like to ask her a question. If I understood correctly, she and the members of her party oppose the Liberals' budget. First, she described very clearly why she opposed the government's budget. Then the Conservatives voted against the Bloc Québécois' subamendment on the budget, nevertheless.

There are two parts to my question. First, what are the member's main objections to the Bloc Québécois' subamendment to improve the government's budget, on which we voted yesterday? Second, if her party is opposed to the government's budget, can she assure us that most of the Conservatives will vote against the government's budget and will not find some way of getting out of it?

[*English*]

Mrs. Nina Grewal: Mr. Speaker, will we see federal funds to enhance health care at Surrey Memorial Hospital? Will we see federal measures to attack our growing crime rate? Will we see measures to address our urgent transportation needs, such as the South Fraser perimeter road or the Portmann Bridge bottleneck? Will we see improvement to highways leading to the ports? I think not. The budget does not represent the priorities of Canadians.

While the government is spending money at an unprecedented rate, increasing overall spending by 12%, the largest increase in more than two decades, the Canadian standard of living is falling further away from the U.S. In the last two years it has dropped another 2% to 84% to that of the U.S. This budget will do nothing to close this gap. It will do nothing to increase Canada's productivity. Corporate and personal taxes are still too high. The $16 tax cut offered by the government is an insult to people struggling to put food on the table.

● (1040)

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I appreciate the comments from my colleague from British Columbia but the question asked by my hon. colleague from the Bloc Québécois was quite simple. If she is dead set against the budget and she finds a million things wrong with it, will she and her party, all 99 of them, show up tomorrow and vote against the budget?

She talked about corporate taxes being too high. It is interesting to note that the insurance companies reported record profits under the current tax system. The banks will be reporting record profits under the current tax system. However, instead of giving, for example, a tax break to all Canadians and removing the GST off home heating essentials, that tax break will be given directly to the corporations which will make even more money.

She is right when she says that Canadians are suffering under taxes but why not give a proper tax break to all Canadians by removing the GST from home heating essentials? If she is so dead set against the budget, will she and her party en masse vote against the budget tomorrow?

Mrs. Nina Grewal: Mr. Speaker, the government is creating a legacy of broken promises. The Prime Minister said that he would change the way Ottawa works and cronyism but those things did not happen. Since then he has given patronage appointments to Glen Murray, Sophia Leung, Allan Rock and Dave Haggard, among many others. He promised a gas tax deal for the cities by Christmas 2004. The cities are still waiting three months later.

[*Translation*]

Mr. Benoît Sauvageau: Mr. Speaker, I have a very short question. Could we, my colleague and I, have an answer to our questions?

[*English*]

Mrs. Nina Grewal: Mr. Speaker, what I am trying to tell the hon. member is that we are not happy with the budget. Canadian farmers were promised the U.S. border would be open to cattle by the end of the summer 2004 but that did not happen. The Prime Minister promised the largest number of women candidates as part of his team for the 2004 election but that did not happen. He failed miserably and fewer women were appointed to cabinet than previously.

The Prime Minister visited my riding twice, once as finance minister and again during the 2004 election, and promised to provide funding for the South Fraser perimeter road but the people of Fleetwood—Port Kells are still waiting.

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, it is a great pleasure and honour for me to rise today to talk to this question.

On February 23, the Minister of Finance tabled budget 2005 in the House of Commons. I think all Canadians, especially we in Atlantic Canada, have reason to celebrate. The one weakness of it is that not all the money will be spent in West Nova and Dartmouth. Otherwise it is a very good budget.

Budget 2005 has delivered. It has given Canadians what they want and what they need. It builds upon past Liberal achievements such as the new health care accord and the offshore oil and gas agreements. It has kept the promises that we made to Canadians during the last election. As the Prime Minister reminded Liberals gathered in Ottawa over the past weekend: promises made; promises kept.

Response has been positive from across the country and from across the floor of the House of Commons also. The Leader of the Opposition said that he was pleasantly surprised, and I understand his party will be supporting the budget. In doing so, it sends the message that the Liberals have provided Canadians with a responsible and sound fiscal plan for the future.

In honesty and truth, we could say that it is our budget, that it is a Conservative budget or that it is anybody's budget. This is a budget for Canadians. It delivers what Canadians need, using their resources to build on their communities. It is also a dividend on the sacrifices that Canadians from coast to coast to coast have made in tackling the huge deficit problem and paying down the national debt. We are now in a position where we have financial stability, where we can look to the long term and where we can respond to serious problems in our country. This provides us with some important opportunities to make those investments and commitments.

Budget 2005 will ensure that Canada moves forward on the initiatives that matter most to Canadians such as building upon our solid social foundations, making major investments to preserve our natural environment, addressing climate change and committing resources to help us meet our global responsibilities.

It is important to note that budget 2005 is very good news for Nova Scotia. Like the people of Newfoundland and Labrador, the people of Nova Scotia face unique economic circumstances. The government is committed to creating opportunities in all parts of Canada in order to build a stronger nation.

The Government of Canada and Nova Scotia now have an agreement that ensures that the people of Nova Scotia will be the primary beneficiaries of their offshore oil revenues. This agreement fulfills the Prime Minister's promise to provide Nova Scotia with 100% of its offshore energy revenues without any corresponding reductions in equalization payments. The deal was the culmination of months of intense negotiations. It provides the provincial government with additional resources to grow their economy, invest in social programs and infrastructure and strengthen the region for the benefit of all Canadians.

I would be remiss if I did not congratulate the Minister of Fisheries and Oceans for his part in negotiating the deal between the Minister of Finance, the Prime Minister of Canada, the Premier of Nova Scotia and the Minister of Economic Development for Nova Scotia.

I also would like to thank the Premier of Nova Scotia for his tone in the discussions and for always keeping his eyes focused on what was important such as delivering the goods to Nova Scotians and to Canadians rather than taking perhaps cheap and dramatic shots across the bows.

Also I would like to thank the leader of the Liberal Party in Nova Scotia for his support for the deal and for not turning it into a political game of us against them, or Liberals against Conservatives or New Democrats in the legislature. He kept his eyes focused to ensure that the federal government and the provincial government negotiated a deal that would be to the benefit of Nova Scotians and all Canadians.

I believe that is what happened. I am very confident about what it does. Nova Scotia was in the same situation as Newfoundland and Labrador with a huge and crippling debt load that took all the money needed by the provincial government. I was often frustrated at the provincial government because it did not deliver the services that were needed in Nova Scotia. In all honesty, look at the debt load and the manoeuvre capability it had within its budget. It sometimes made the wrong choices, but often it did not have any potential choices to make.

● (1045)

This gives room for us to talk about improving our highway system and its security for Canadians. It will improve the safety for families and children travelling to school. It is also economic opportunity, getting goods and services to the markets at reasonable cost and making us more competitive with our friends and neighbours.

There is also the question of education. We have grievous concerns in Nova Scotia as to the quality of the education being provided to our children. This gives some flexibility. The province can now make investments in classroom size, extracurricular activities and in programs that we may see as non-core, but which I see as very essential. These include theatre, music, drama, sports and all the other elements that are very important in the full social development of our children. This will give them the same chances that children of other provinces have, chances that have been lacking in Nova Scotia.

We have a huge investment In our health care system, which I will speak to later. There is also the possibility of the province having some flexibility in its investment in innovative areas in the health care system. We have seen in the past while some areas in which it has done very good work with very little money. Look at the issue of the cardiovascular surgery and heart surgery. Nova Scotia had a big backlog. With an investment of $5 million, we were able to bring the wait list down to a reasonable length. It is understandable that those who are suffering or waiting for surgery would like it to be faster, but if we look at national standards, Nova Scotia is now there. When we look at the question of the nurse practitioner service to outlying communities, some very innovative things have been done with very little money. Now they have some flexibility to do even more.

We know of the problems with seniors and housing in certain parts of Nova Scotia, especially the rural parts. We know of the problems with people of advanced age, especially if they live alone in old stock housing. We know of the cost to them and their families. Now there are possibilities. The province has money to move.

When we talk about that deal, we also have to talk about the equalization agreement: the $33 billion being provided, the floor being raised and the guarantees to provinces like Nova Scotia, as well as the $41 billion in health care. All told there is $200 million or $300 million more that Nova Scotia can count on each year. Add to that the GST, which is no longer being paid by the municipalities, the return of the gas tax to municipalities, the child tax credits and the millennium scholarship.

I mention those as examples. In the past there was not that flexibility, which perhaps was the cause of the province not providing the programs to the people for whom they were designed. It also withdrew some equivalent programs so the poorest people did not get the benefit they should have from the child tax credit. I will give the benefit of the doubt to the province that it was its tight financial situation that caused this. Now I think we have alleviated that problem. It is to the benefit of all Canadians that we ensure Canadian families and children have the ability to reach their potential.

Nova Scotians have consistently identified health care as their number one concern. Our families come first, and the government has committed to making significant strategic investments in our health care sector. That is exactly what we have done.

In September 2004 the first ministers signed a 10 year plan to strengthen health care, which will provide $41.3 billion over 10 years. Budget 2005 builds on this with an additional $805 million over five years in new direct federal health investments such as healthy living and chronic disease prevention, pandemic influenza preparedness and drug safety.

Nova Scotia will receive $1.16 billion in health care funding over that period. Of this amount, $988 million will be for core health funding, $15 million for new equipment and $157 million for reduced waiting times. It is important to know that the money for reduced waiting times and health human resources will be continued past the initial five years, and we will not create a stress in Nova Scotia.

What is the effect of this? We are at the very beginning of this program. We already can see what has been done in the last while and it should be what we can expect in the future. In my area two MRI machines have been announced. One is for Kentville and the other for Yarmouth, at both ends of my riding. People are at their most difficult time in life will no longer have to drive three hours for an MRI at the Queen Elizabeth Health Centre in Halifax. They will no longer have to pay for a couple of nights in a hotel. They will no longer have to call upon their families or friends to miss a day or two at work so they can receive this care. A lot of stress has been taken off those people because they now can get their care close to home. That is very important.

● (1050)

Not long ago the Yarmouth hospital installed a digital x-ray. The small health facility could not afford that, but with the help of federal money, it has been installed, as well as a new state of the art CAT scan, all connected by the Internet to specialists all over the world.

The technicians at the Yarmouth hospital, who are under great stress and who operate the digital x-ray, can now quickly deliver diagnostic images to doctors so they can make their decisions. They can also receive from anywhere in the world some backup expertise or analysis of that imaging. They now can be more confident, when working in a rural or isolated setting, that they have the support and tools they need to practise there.

Hopefully, this will alleviate part of what I consider to be the biggest problem for health care in rural Canada, and that is the question of health human resources, doctors, nurses, technicians and all those who are needed. It is inconceivable to me that in 2005 we have thousands and thousands of people in rural Nova Scotia who do not have a family practitioner. We have to take care of this.

The money will help create new seats in medical schools. It will help improve the recognition of foreign obtained credentials. We then will be able to alleviate that health human resource problem.

An important target has been set that we would give over this term primary health access to 50% of Canadians, and we would ensure that. This is good and it is reasonable and attainable. My fear is we could do that very easily if we go to the major cities. Almost 50% of our population lives in major urban areas.

Hopefully, the provinces will take a bigger challenge and divide that again within their provinces fifty-fifty. That would be 50% in the outlying areas and 50% in the urban setting. That would contribute much more to providing the health care needs that Canadians need. That is a challenge for all of us.

In our communities there is a growing number of seniors and new challenges resulting from longer life expectancy and more vigorous lifestyles. To address these evolving needs, the budget invests in a wide range of policies that matter to seniors, from income security programs to retirement savings, assistance for people with disabilities and for caregivers and support for voluntary sector activities.

The guaranteed income supplement benefits for low income seniors will be increased by $2.7 billion over five years. Funding for new horizons for seniors' programs will be increased by $50 million a year to promote voluntary sector activities by and in support of seniors.

Last week I was in a small community hall in Brooklyn, Nova Scotia. This is a small tight knit community. Families have been there for a long time. They have a community hall and a new horizons program. Seniors meet there, sometimes to play cards, or to quilt or for a community meal, but always in support and with the intent of creating a community. They know they can count on one another to be there and be part of the safety net which they need. For the social fabric of that community, programs like this will assist in that.

If we look at the seniors and the voluntary sectors in all our communities, the amount of work that is done is fantastic. These people bring forward a lot of experience and knowledge.

I spoke with Mr. Gérard d'Entremont.

● (1055)

[*Translation*]

This is a man who retired from the Université Sainte-Anne maybe two years ago. Previously, he had a lovely garden, but it has started not being so lovely any more. I asked him how it was that, since his retirement, he was taking a little less care of his garden. He said that, when he used to work at the university, he always had an hour of free time when he arrived home to work in his garden. But when he retired, people said that, since Mr. d'Entremont was no longer working, he could go and represent them in Halifax, go to the meeting in Montreal or elsewhere to get an answer to all these questions. So he no longer had the time to devote to his garden

It must be recognized that retirement does not necessarily mean rest for seniors, just a change of mission. Often they are much more likely to volunteer in their communities and help out.

[*English*]

Albert and Bonnie Johnson in Middleton took their retirement not very long ago. Mr. Johnson was a school teacher, an educator. Since then he and his wife have been working 20 hours a day on different projects and on similar projects.

I do not know exactly how Al Peppard is, and he would not want me to say it in the House, but I know he is well past 100. He still plays hockey and still volunteers for all sorts of activities.

John Pearce, a young retiree, a village commissioner, president of the village commission, works for approximately 30 village organizations.

[*Translation*]

There is also Jean Melanson, a retired teacher and entrepreneur. He is a municipal reeve and leader of the Acadian community in Nova Scotia. He is always helping the communities out. These are people are indispensable to us and cost us nothing.

The same is true of Edward LeBlanc in the community of Argyle, whom I knew as a municipal reeve. The church depends on him a lot, as do the caisses populaires.

[*English*]

There are thousands I should mention, but I would be remiss if I did not mention Ruth Pink and her husband Irving, regrettably departed, who have given so much to the community of Yarmouth, to the hospital, to the organization, to the heritage side. I do not know what we could possibly have done without them. As well there is Remi Saulnier, a retired general in my riding. Every legion branch is asking him for assistance, as are the golf course and the universities. Of course the West Nova Liberal association depends on him greatly. These are but a few of the people. There are thousands of others I could mention, but my time is limited and I must cover a few other areas.

Budget 2005 provides $5 billion in new investments to build a foundation for an early learning and child care initiative across the country. This is a crucial first step if we want to grow our communities and make them attractive places for new and young families.

Speaking of new families, the budget is good news for our military. My riding is home to CFB Greenwood, the largest air base on the Atlantic coast. 14 Wing has a personal strength of approximately 2,050 regular and reserve force members and 550 civilian employees. As one of the largest employers in the area, CFB Greenwood injects millions of dollars into the local economy each year. Not only that, but military families help build our communities and enrich their character.

● (1100)

[*Translation*]

We can scarcely imagine what the communities of Greenwood, Kingston and all the other regions would be like without the armed forces. People of all cultures speaking many languages come to these regions with their skills and the volunteer work that they are willing to do.

[*English*]

The government has committed over $12 billion in new money for defence over five years. This is the largest spending increase in two decades. This includes funding for new troops and new reserves, operational sustainability and the acquisition of new equipment. We need to maintain the Canadian Forces at the highest standard possible and ensure that our men and women have the resources they require to do their jobs safely and effectively, because they are working for all Canadians protecting our interests and protecting our values.

Furthermore the Government of Canada will provide an increase of $3.4 billion over the next five years for international assistance to ensure that Canada continues to meet its global responsibilities, including aid to Africa, debt relief initiatives for the world's poorest countries, funding to combat diseases in developing countries, and support for immediate humanitarian responses such as the tsunami relief package.

Cornwallis, Nova Scotia is home to an internationally recognized institution, the Pearson Peacekeeping Centre. Established by the Government of Canada in 1994, the centre supports and advances Canada's contribution to world peace and security, to the provision of quality education, training and research on all aspects of peace operations. On March 3 the Minister of National Defence announced the government's commitment to provide long term funding to Pearson. National Defence and CIDA will invest $20 million over the next five years to support the centre's activities. I am pleased to say that the Atlantic Canada Opportunities Agency and the Annapolis Basin Conference Centre are in discussions as to how they can best cooperate to help the initiatives around supporting the hospitality side.

Canada has a proud history of peacekeeping and is considered a world leader in peace support operations. Having adapted to changing international requirements, Pearson is well positioned to play a key role in the coming years. The Pearson Peacekeeping Centre is an economic generator for southwest Nova Scotia. Around this important institution the local community was able to transform a former Canadian Forces base into a vibrant, flourishing community that currently provides over 1,000 full time jobs year round. This announcement is good news for Pearson's 100 employees and their families, for the community at Cornwallis Park and for the people of this region. It is also good news for Canadians.

I would like to thank my colleagues for their continued cooperation in ensuring that we maintain this valuable resource at Cornwallis. I have 20 minutes more of dialogue but I know there is not time. I would be remiss if I did not thank the Minister of Fisheries and Oceans, the Minister of National Defence, the minister responsible for CIDA, the Associate Minister of National Defence and the President of the Treasury Board, who all played a role in encouraging and supporting the Prime Minister's decision to maintain Pearson.

Mr. Mark Warawa (Langley, CPC): Mr. Speaker, unfortunately I am not in agreement with the hon. member on a number of issues. In particular, I do not support the budget. I think it is a lot of smoke and mirrors.

I would like to ask the member specifically about his comments on the guaranteed income supplement for seniors. We all know that our seniors have worked hard to make Canada a wonderful country in which to live. They have worked hard and they need to be respected and honoured. They deserve dignity. The seniors who receive the guaranteed income supplement are on a fixed income.

We have been told by the hon. member and by the government that the government will be providing in the budget $2.7 billion. It sounds like a lot and it sounds like good news until we do the math. It works out to be $36 a month for a senior and with the clawbacks, it amounts to only $18 a month.

Can the member in all good conscience say that $18 a month for seniors is going to meet their needs? They have increased costs for rent, for gasoline for driving their cars, for insurance, for medical costs and on and on it goes. To say that the government is going to take care of seniors, show them dignity and respect and then it gives them $18 a month, can the member in all good conscience say that provides for the needs of our seniors?

● (1105)

Hon. Robert Thibault: Mr. Speaker, like all members of the House, I would like to see the guaranteed income supplement go up. We would like to see old age pensions go up more than they have. However we must recognize that there are competing priorities. We must realize that there are competing priorities for the seniors also.

Seniors have many desires and needs. If I ask seniors in my riding what their greatest concern and their greatest priority is, the answer is no different from that of any other Canadian. It is timely access to quality health care services within a reasonable distance of their home. That is why we have made a huge investment in that area. I was talking about the Yarmouth hospital, the Kentville hospital and the requirements for more health care professionals. That is but one element but probably it is the most important element.

The other element I have been told that is very important to seniors is security. They would define that in many ways. One would be a good highway system. They want good transportation systems. We have in the budget the implementation of the Canada-Nova Scotia agreement, the stabilization of the funds going out to the provinces and the increase. We are giving the provinces the capability to do that.

Another element of security would be in policing. The potential of working to ensure the security of our provinces and our country is very important to seniors. It is also there.

Many of the seniors in my riding are in great support of the military. They would see that the money we are putting toward the military, toward improving the recruitment, improving the lifestyle conditions of members of the military and their families, and the equipment that they have is very important.

For seniors there are many competing priorities.

[*Translation*]

Mr. Réal Lapierre (Lévis—Bellechasse, BQ): Mr. Speaker, usually when we examine a budget, we try to make a connection between the spin-offs in our regions and their immediate impact on our constituents. However, it is clear from reading this budget that the true impact on the well-being of my constituents will be felt only starting in 2007, which is in itself a slap in the face.

Immediate measures, whether they are intended for older workers laid off when their plant closed, low-income seniors or milk producers in my riding, as affected by the cull cow problem, are non existent or very tenuous. The same is true of the alleged benefits of the gasoline tax; in the short term, the tangible results can be counted on the fingers of one hand in my riding and, obviously, are almost negligible.

It is clear that the this should be an easy decision for the opposition parties to make, since, despite the Liberals' overblown promises, the goods delivered fall far short of the public's expectations.

How would the Liberal member who just bragged about the goodies in this budget interpret the support of the Conservative Party for a budget it finds lacking and is constantly slamming?

Hon. Robert Thibault: Mr. Speaker, I cannot speak for the members of the opposition parties. They are capable of speaking for themselves.

With regard to the other question, the member should be happy to know that we can confidently predict surpluses for another five years. As a result, we can intervene immediately, with programs on, for example, employment insurance reform, health, equalization, infrastructure and ones providing funding to the provinces for early childhood needs. I think this is extremely encouraging and very easy to support.

● (1110)

[*English*]

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, first I want to thank the hon. member for West Nova for his efforts in getting the finances for the Pearson Peacekeeping Centre in Cornwallis. That is a very important centre and I want to congratulate him on his efforts in securing that funding.

I notice that when Liberals do not want to talk about something, we only hear what they want to talk about. One of the big concerns is the tax breaks that the Liberals have given. The corporations in Canada reported an 18.8% profit for 2004. Who gets the big tax break? The corporations do, of 2%. The insurance and banking industries made record profits, and I would say on the backs of Canadian consumers. What do seniors and families in Nova Scotia get? For a long time we have been asking for the removal of the GST from home heating essentials. Could we move toward that and give every family in the country a fair tax break on that? The answer is no.

The member talked about the Liberal leader of Nova Scotia supporting the offshore oil accord. I remind him of Francis MacKenzie's comments when he initially said, "Take the $640 million and run with it". He was not that supportive of the offshore deal. He had a quick conversion when he realized that the deal was coming down the pike, for which we are very happy.

As a former minister of fisheries and oceans, does the member not believe that the money for the Coast Guard for capitalization should be used to build the ships right here in Canada?

Hon. Robert Thibault: Mr. Speaker, there are very many points and I do not have time to answer all of them.

However, the member points to what is not in the budget. I can tell him that what is not in the budget are the NDP's promises of everything for everybody, that all our dogs will smell better, and which would drive us into huge continued deficits. No such empty promises are in the budget. There are some very well forecast, well financed items that we can afford and continue with surpluses, making sure that tomorrow will be better than today. And today is a very good day indeed.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I want to commend the member. Twenty minutes is a very short time to talk about this budget which has so many good things in it.

The member is very familiar with ACOA. He was a minister with ACOA responsibilities. He is familiar with all the great work that has been done by the Atlantic Canada Opportunities Agency.

This is a great budget for the people of Atlantic Canada. One of the reasons is the reinvestment in ACOA. I wonder if the member would talk a bit about what has benefited from ACOA in his riding and what it might do for Atlantic Canada and West Nova in the years to come.

Hon. Robert Thibault: Mr. Speaker, I could use another 20 minutes on this subject. The refinancing of the ACOA Atlantic partnership program is fantastic. That program was put together by the Atlantic caucus some five years ago. It has been very successfully implemented over the last three years.

I mentioned Cornwallis. Acadian Seaplants is there with over 20 Ph.D. level scientists studying how to develop products from seaweed. They are successfully marketing those products all over the world.

There is the Middleton campus of the community college and the geographic information centre in Lawrencetown, with over $5 million in research, working in partnership with the private sector, the provinces, the municipalities and many federal government departments.

There are small community organizations which have economic development potential. They want to work toward developing their communities to compete internationally and give their entrepreneurs a heads up.

Through the strategic community investment fund, we can continue to make very good investments. It is a very good program and is enjoying great success.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, I am pleased to speak about the 2005 budget. This is my first speech as an MP representing my constituents of Bruce—Grey—Owen Sound.

I will be splitting my time with my colleague from Battlefords—Lloydminster.

The most important issues in my riding are no different than those in the rest of Canada: seniors, health care, agriculture and funding for infrastructure. I intend to touch on all these issues and show how the Liberals have continued their tradition of failing Canadians.

Improving infrastructure in Canada's cities and towns through programs like the rural infrastructure fund and the transfer of the gas tax is vital to building strong, dynamic and livable communities. While returning some of the gas tax back to the people who pay it is a step in the right direction, the government has no real plan on how to do it in a fair and equitable manner.

Rural Canadians, simply because of their geography, pay the biggest percentage per capita of the gas tax, but have to battle large urban centres as big as 250,000 people for their share of the funding. The bottom line is that they will not get their rightful share.

The Liberal government has a history of promising a lot and delivering very little. Nowhere in this budget is that more obvious than in the area of its commitment to seniors.

In 2004 seniors made up 13% of our population and that will double by 2030. There are 1.6 million guaranteed income security recipients in this country. My riding has one of the highest populations of seniors in the country. The funding increase to this fund is at most $36 per month and that is not even available until 2007. Additional funding for seniors receiving this fund will barely cover a package of Tylenol.

We in the Conservative Party believe that the commitments to seniors in this budget do not go far enough. It is apparent that the Liberal government does not have the appropriate strategy for improving the lives of Canadian seniors. The Conservative Party would also ensure that seniors have better access to health care and the ability to stay in their homes longer. Seniors should be respected and given the dignity they have earned. We will be watching the government closely to ensure the money is used to benefit seniors and not wasted in more bureaucratic red tape.

Another area of great concern to my constituents is agriculture. My riding is the largest producer of beef and lamb in the province of Ontario. There is also elk, bison and others, just to name a few. All of these producers have suffered tremendously under the weight of the BSE crisis.

This 2005 budget makes no commitment to the agriculture sector and rural Canada to provide aid at a time when Canada's regions need it most. To say the budget failed to meet the expectations of the Canadian agriculture community would be a drastic understatement.

The Canadian agricultural community is in its worst financial position since the Great Depression. Yet, farmers will get no more cash in their pockets this year from the budget's agricultural programs. Our farmers deserve more respect.

Last week's injunction by an American judge that stopped the U.S. border from opening yesterday as planned magnifies why the government's refusal to directly put up front money into a plan to address the severe shortage of packing facilities in this country simply shows a lack of concern. Let it sort itself out, Liberals muse. This problem is not going to sort itself out. It is time to act.

In spite of the minister's acknowledgement that increased slaughter capacity is a necessity, Liberals brag about the September announcement of a $66 million loan loss reserve program that was later downgraded to $37 million. The program is a sham; it does not exist.

The finance minister has once again deceived the food producers of this country by misleading them to believe there was actually $130 million in new money for agriculture. However, when we take away the pre-announced and recycled money, it is closer to $30 million and most of that will not even be available until 2006, if even then.

What the budget should have included but did not was: desperately needed tax deferrals on 2004 income for producers hit by drought, crashing commodity prices and the BSE crisis; tax incentives to increase domestic cattle and other ruminant slaughter capacity; and a provision of direct loan underwriting for the development of increased slaughter capacity, as well as improvements for crop insurance.

● (1115)

The government declared yesterday in the House that it has already sent $38 million to the victims of the tsunami disaster, with which I have no problem. The problem I do have is the government's ever growing disdain for the food producers of this nation.

While spending 30% more on this terrible tragedy than it did on agriculture this year is downright sickening and humiliating to the agriculture sector. This government thinks so little of the future of where its food will come from, but then it does not receive many votes in the countryside does it.

In addition to being a farmer, I am also a father and soon to be a grandfather. When my wife and I were raising our three boys, we made the decision that she would stay home with them. I would like my family to have that same choice, but with the same financial options as those parents who choose to work. However, the government is not going to make that possible.

This 2005 budget contemplates massive spending on a bureaucratic child care program instead of delivering child care dollars directly to parents. This budget contains big, unfocused spending commitments with no plans on how the government intends to deliver funding for a national child care system, opening the way for billions of dollars to be mismanaged and lost in yet another Liberal bureaucracy.

What is worse, the government offered to buy the votes of working parents while snubbing its nose at those who prefer to raise their own children, whether by themselves, a grandparent, a relative, or a friend. It does not matter. Those very parents should be able to make that choice, not the government. They should be able to do that without being penalized financially. The government is simply saying to go get a job and to let it look after the children.

Health care is one of the most important social programs to Canadians. It is an essential contributor to quality of life and standard of living. Canadians deserve to have a family doctor. In towns in my riding and others across this country, there are thousands of people who have to go to the emergency room for care. They do not have a doctor and they cannot get a doctor.

Canadians also deserve shorter wait times. The budget only offers a one time commitment for catastrophic drugs. There is no long term commitment to this necessary measure.

Simply throwing money at health care is not enough. There must be a plan. The one chapter of the Romanow report that has not even been remotely addressed is the chapter on rural health care, which will cost approximately $6 billion. Again, rural Canada takes it on the ear.

The cost of the bureaucracy has grown 77% since 1997 and yet the Liberal tax relief will amount to just $16 next year for low and middle income Canadians. That is sickening in itself. Many of the steps taken by the government do not go far enough or occur fast enough to have a substantial impact on Canadians.

Substantial tax relief for business that would grow the economy, create jobs and enhance government revenues that fund high priority programs has been delayed into the future. This budget is big on promises, big on recycled promises, but very small on substance. Canadians expected more. They deserve better.

● (1120)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, one of the things that has been mentioned in some of the debate concerns the size of the surplus and the fact that there have been seven surpluses already with the expectation of the eighth in this current fiscal year. It has been suggested that this means Canadians are over-taxed.

The surplus is determined six months after the end of a fiscal period and any surplus that is determined as a result of the Auditor General's sign off on the financials is automatically applied against the national debt, which since 1996 has gone from 37% of revenue to about 17%.

Does the member consider repaying a debt and saving interest charges not to be an appropriate expenditure of the Government of Canada?

Mr. Larry Miller: Mr. Speaker, before I answer the question directly, I must remind the member that until a former Liberal government we never had a deficit to even worry about paying off let alone what it has become. Of course, we have to put something toward it.

We all know about the inquiry that is going on right now. There was $250 million that could have been used to pay down the debt, could have been used for health care, or could have been used for agriculture. What did it get spent on? That money was funnelled into a program that ended up putting a bunch of it back into that member's party.

If money is going to be put back into that debt, then by all means, I do not have a problem with doing that. However, we all know where a lot of it has ended up in the past.

[*Translation*]

Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ): Mr. Speaker, I listened carefully to the Conservative member's speech and liked it very much. It shows me how closely aligned our ideas can sometimes be.

I agreed with his statement that this budget was humiliating for producers. That was his word, humiliating, and I wonder if the hon. member does not also consider it just as humiliating for the unemployed. They have been misled and had the contents of the employment insurance fund taken away. Now they are getting only a trifle back, and virtually nothing of what they have been requesting.

Is it not also extremely humiliating for seniors, who have lost most of the guaranteed income supplement over the past 12 years? They have been led to believe that they will be reimbursed immediately, but it will be only in 2007. In addition, only in five years' time will they see the amount they had been promised, $2.7 billion, whereas they were deprived of $3.2 billion.

I would like to know whether the hon. member agrees with me that this budget is humiliating for many people in society and certainly does not keep the promises made by the Liberal Party.

● (1125)

[*English*]

Mr. Larry Miller: Mr. Speaker, as I pointed out in my speech to the budget, what was offered to seniors was definitely very humiliating as well as to a number of other sectors, including the unemployed. Over the years nothing has addressed the EI over-payments, at least not significantly enough. Where did that money go? Maybe that is where the money ended up in the sponsorship scandal. In answer to the member's question, there are certainly all kinds of areas in the budget that were not addressed sufficiently enough.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, it is a pleasure to speak today to the 2005 budget.

It is a little perverse and a little hard for people out there in TV land to understand budgets that come and go. As a matter of fact, we were still debating the 2004 budget the day after budget 2005 was tabled. It is just the crazy way this place works. With the election last spring, everything got backed off, backdated and back-end loaded as this particular budget is too.

I know we are not supposed to use props but this budget is government propaganda. The big headline was "The Budget Plan". The budget is okay, but plan? There is no plan in here, which is part of the problem with this whole budget. We have announcement after announcement and a tremendous amount of money being spent but no plan is in place for how the government will actually put that money into play and get bang for the taxpayer's dollar.

We agree with some of the initiatives and with the direction in which they are going but they do not get there in a proper and precise manner. They are all back-end loaded. To begin with, nothing will happen until 2006 and the big dollars will only be seen by taxpayers in 2010.

What has happened is that the government has changed from its two year forecasting, which it used to do, and under the new finance minister is now using five year forecasts. The Liberals cannot even predict next year's surplus. They have historically underrated that surplus and then spent it down to try to get their numbers to balance and to match.

The minister himself, as late as last fall, was saying that the surplus would only be $1.9 billion. It turns out that he must have been dyslexic because the surplus was actually $9.1 billion. That is a huge differential in budget forecasting and yet now we are working with five year forecasts. If they cannot get five months' forecasting right, how the heck will they do five years? Those guys are traditionally out to lunch on their forecasts.

Budget 2005 contains $42 billion in wish list spending. In some instances it is money heading in the right direction but in a lot of others it is overspending because there is no plan.

Let us go down the list. Kyoto is identified in this budget. It was finally implemented on February 16. They have billions of dollars allocated to a Kyoto type function, addressing the environmental problems in this country, which is not a bad thing, but there are no mechanics, no nuts and bolts to say how they will put that into play.

They are also adding another billion dollar foundation. The Auditor General comes out year after year with scathing indictments on the $7 billion that is hidden away in foundations now. The money in a lot of cases is sitting there. The interest on the money in the millennium scholarship fund is not even being spent on kids for scholarships, which was the purpose of the whole program. It has become another wasteful slush fund. We have no plan on that.

They are going after the auto manufacturers and so on. I received a letter from a car dealer in my riding, Ross Ulmer, who has seven or eight dealerships and is a fairly major player in the auto industry in western Canada. In his letter he states:

> In regards to the automotive industry the implications are enormous [of the Kyoto plan]. I am an owner of several dealerships and it does not take a lot of research to find out that the cars that will be offered for sale in 2010 have already been engineered.

The government is calling for huge reductions in emissions and everything and these cars have already been engineered and are already way under the 1990 carbon emissions. GM's manufacturing plants, which are in Canada, are already below 1990 carbon emissions. The clear hard fact is that vehicles manufactured in 2005 are 99% smog free. The dealerships have already done it and yet the government is going after them to do a whole bunch more. The dealerships are already within the Kyoto guidelines. The government is way off track on where it is going on some of these initiatives, again squirreling money away.

Health care has again been addressed in the budget. The Prime Minister is on the record saying that he will fix it for a generation. The problem is that it will take a generation to implement his fix. Again, there is no plan, just a lot of money being thrown around. He will control the rules and the spending. The provinces will not be allowed to fulfill the needs in their provinces unless the Prime Minister okays them, stamps off on them and says that it is okay to go. They are starting to do their own thing, and rightly so, because they have to.

Let us discuss infrastructure. The Canadian Chamber of Commerce says that we have a $66 billion problem in infrastructure. How do the Liberals address that? They address it with $600 million in the first year.

These were all part of their election promises and throne speech promises. Now they are saying that they are delivering on their commitment but we could deliver what they are delivering in a wheelbarrow. It is not going to take much to get that money out for these programs.

● (1130)

Let us look at agriculture. This is another year that agriculture and primary producers have been insulted. Agriculture was barely mentioned in last year's budget and no dollars were allocated. This year, after another horrendous year on the farm, agriculture shows up and there actually is a bit of a program for it but there is no plan and no money. The $130 million under the agricultural envelope in this budget is 0.3% of the spending. Agriculture, which is the third largest contributor to the GDP of this country and a huge trading component that creates jobs, receives only 3%, and it is in trouble.

Those guys missed it again. We have the border staying closed and we are not seeing any relief or any plan from the Liberal side. They talk about promises made and promises kept, but they have no plan on how they will implement any of these so-called promises.

Of the $130 million that was allocated in the budget for agriculture, $5 million is to be dedicated to PFRA. Those are government bureaucrats. This money will increase their management capacity to start moving out of western Canada across the rest of the country. We have been calling for the agriculture minister to allocate another $5 million to the PFRA but it was not for more management. We wanted more water wells drilled. We wanted a fall program to parallel the spring program that is always overbooked. A fall program would have alleviated a lot of that summertime drought when wells tend to dry up and disappear. The Liberals did not do it. They put it into management for more bureaucrats.

Another part of the allocation will be $21 million for the Canadian Grain Commission as it withdraws services from the prairies. Where the bulk of the testing should be done at terminal, it now only wants to do it at port. The commission's concern was that it did not have the budget to keep on doing it at terminal but if it is done at port we will lose the capacity to blend and gain a grade. The problem we have in the west right now is years of drought, frost damage and so on. We need to blend off that product in order to keep farmers farming. However we give another $21 million to a government agency that is not farmer friendly because it is withdrawing services.

We have $17 million added to the loan lost reserve program that was introduced as part of restructuring of the livestock industry last September. They allocated $38 million to it and now they have put in another $17 million. It is not all bad because it is supposed to stimulate processing. However when we had people from the Canadian Bankers Federation before committee the other day they said that no forms were available on the website or from the banks for anyone to trigger the first $38 million let alone talk about this other $17 million. Everyone says that a loan loss reserve means that people have to go broke before they can ever have the government come in and underwrite on that processing facility and that it will not stimulate any sort of packing expansion in Canada.

Things will have to be done through tax credits and regulations. We need to get CFIA out of people's face and allow them to do what they need to do, such as process some of the excess livestock that we have here. The only thing that deals with the farm gate is the $104 million program over five years of cash advances to livestock producers but it will not start for another full year. Other than taxes staying high for farmers, the budget contains absolutely nothing that will give farmers a bit of a break.

The only thing mentioned in the budget that will give farmers a glimpse of light at the end of the tunnel is that the cash on deposit for the CAIS program will be withdrawn for 2003. However, again there is no plan. We have since asked the minister when this would happen. We know he has the provincial ministers, every farm commodity group and all the opposition parties in his face to get this done. The deadline for having one-third of the first cash deposit is at the end of this month. The guys out there are crying for cash and now they have to find the cash to squirrel away in a bank account at this government's whim because it needs them engaged. Producers are engaged to the tune of $44 billion debt. They are engaged in putting that seed in the ground or breeding that cow. They are already there.

The government also saw fit to withdraw the services of the farm improvement loan, which is a big hit again to Saskatchewan because we use those loans for capital assets on the farm. There is no more access to lending institutions. We are tapped and so are they. The government is sending a signal to the lending institutions that it does not want to backstop farmers so why the heck would a bank?

As was stated by other members, it is a negative impact. The budget contains no tax relief, pennies a day, and the equalization problems that Saskatchewan faces, like Newfoundland and Labrador and Nova Scotia did, are not even addressed. It is a billion dollar hit to Saskatchewan.

● (1135)

Time after time the government forgets where Saskatchewan is and, for that matter, the rest of Canada outside the Ottawa bubble. Even though the finance minister is from Saskatchewan, he does not even get it. Thankfully, other members of Parliament from Saskatchewan are here to get that message through.

[*Translation*]

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, this budget has left me speechless. I have listened to my colleague. This budget has deprived thousands of women of their voice, and this I feel needs pointing out on this International Women's Day.

Older women will not get any increase in the guaranteed income supplement before 2006, and then it will be $18 a month. Single mothers will have no help in finding accommodation; women aged 45 or 50 who lose their jobs will have nothing, because there is nothing in this budget for them either.

I represent these women who are today without a voice. I ask my colleague whether he will give me and all those women a voice, by voting against this budget?

[*English*]

Mr. Gerry Ritz: Mr. Speaker, the member from the Bloc is absolutely right. A lot of people feel they have lost their voice with the government.

One thing the Liberals have always said is that they want to form the government. They are good at doing that and have been doing it for the vast majority of time in this Confederation that we call Canada. However there is a big difference between forming government and governing. It is in the governing context where they stumble, trip and fall. They cannot seem to identify with the fact that government is the people.

What do the people want? They do not want to be led by the hand. They want to be shown some leadership which they are demanding. They do not want a crisis created by the government and then have the government rush in to fill that need. They want truth and reality in government but they are not getting it. They are feeling disenfranchised. We are seeing that in the lower and lower voter turnouts across the country.

The government has basically been telling untruths about the money that will be put into different programs. We have seen that in agriculture, in health care and across the board in every federal government program.

The point was made that the bureaucracy has grown by 77% in the last 10 years and yet services to the people are being withdrawn, and especially in rural Canada. We are seeing less and less impact there but we are seeing more and more government intruding in our lifestyles. It tells us to stand back, that it will take our money because it knows best how to spend it. It tells us to be happy but we are not happy.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the member made a good evaluation of some of the farming issues that our people are facing now. What is also important to note in the budget is the actual $5 billion in corporate tax cuts.

In my constituency we have done a lot of outreach, mailings and received feedback in e-mails. I have not run across anyone in my constituency who has suggested corporate tax cuts. In fact, even the big three corporations that I represent in my riding have called for an auto policy and for fixing our border but they have not called for tax cuts in terms of the Canadian Auto Parts Council resolution.

If the farmers in his community had their choice, does the hon. member know how would they would rank corporate tax cuts versus appropriate aid for the situation they are in?

● (1140)

Mr. Gerry Ritz: Mr. Speaker, there is no doubt that we would need a better definition of what constitutes a corporate tax cut.

The budget mentions a 2% reduction in the corporate tax rate from 21% to 19% but that is over 10 years. It will take 10 years to move 2%. What is the cost of inflation, the cost of production and everything else doing in that same 10 years? They are probably ratcheting up far more rapidly than that.

Certainly farmers need to see some tax relief. We still have guys who are overburdened with the drought, livestock problems and everything else but the government is still demanding that they pay taxes. It does it on many different levels. The offloading by the federal government over the last 10 years has created a tax burden at everyone's doorstep.

We are seeing that ratcheting up. We are receiving less health care but we are paying more taxes. We have less infrastructure but we are paying more taxes. We have less services on any government situation we want but we are paying more taxes. Even the so-called huge tax cut the government implemented a few years ago never showed up on anyone's tax forms. I defy anyone to show me where it was. It did not show up on my form or on any of my family's forms. It was ratcheted up and eaten up by other things.

We have three different layers of tax grabbers in the country and each one has its wish list and all come after the same target. As the federal government backs off in certain areas, the provincial government has to step in or the RM has to step in because they are no longer getting the cash transfers that used to come from the federal government.

We saw $25 billion carved out of the health and social transfer to the provinces. Where did that money get made up? It was made up at my doorstep, just like every other taxpayer.

What is wrong in this country is that we need a unified voice when we talk about tax relief and letting people do what they do best, which is getting on with their lives.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I wish to share my time with the hon. member for Argenteuil—Papineau—Mirabel. First, I would like to thank all women for the contribution they make to our society, since it is International Women's Day. We ought to do so every day of the year. In the future, we will need their services even more, especially to ensure peace in the world.

I rise to speak in the budget debate and to explain why I will vote against the motion. Yesterday we voted on the Bloc Québécois subamendment. It called for the budget to be amended in order to resolve the fiscal imbalance and truly reform the employment insurance program. It was rejected. The Conservatives and the Liberals voted together. This is where we see a basic difference in the House. Some people can live with the fiscal imbalance and the misappropriation of $45 billion from the employment insurance fund.

In every election campaign, the public is told, especially by the Liberals, “You will see, we are going to change the system. It will be made fairer. Your seasonal workers will get a better deal. When older workers lose their jobs, there will be a program to help them”. But when the time comes to bring in a budget, they are forgotten.

That is why, all over Quebec, the current opinion is that the budget should be rejected. That is also why we, the Bloc Québécois MPs, the majority of the members from Quebec here in this House, will vote against this budget.

The fiscal imbalance is not only a matter of principle. The current situation means that in my riding, for example, the Montmagny—L'Islet health network is facing serious financial difficulties, as the director was telling me recently. People are not satisfied at present because Quebec does not have the money to meet the basic needs of this network. It is also felt in the provincial highway system and in Quebec's support for the development of tourism.

A case in point is the student strike that has just recently seen students camp out in front of Quebec's National Assembly building because the Government of Quebec does not have the necessary resources. It is caught in a squeeze between the needs of the people and the federal surpluses. It is not getting its share.

Equity, there must be of course, but we must also understand the phenomenon. That is why we, in the Bloc Québécois, consider it important to settle the issue of fiscal imbalance so that the people get their money's worth and the governments of Quebec and the provinces, which have responsibilities, have money available.

Naturally, the money in the EI fund belongs to the workers and employers. Over the past 10 years, a $45 billion surplus has been accumulated, and this money was used for purposes other than what it was intended for.

Had a reasonable surplus been maintained, money would be available today for the program for older worker adjustment. Our workers are told, "This is globalization, which increases exports and enhances trade". Great, people are being penalized, and our system should allow us to help them. The federal government is not helping them right now.

The same is true of women. They continue to be discriminated against when they re-enter the labour force. Theirs is the most severely penalized segment of the population. The government has made promise after promise during election campaigns, but the EI plan has never been overhauled. That in itself is reason enough to vote against this budget.

There are other major reasons, however. For example, I will read an excerpt from a letter from one of my constituents. He wrote concerning the letter he wrote the Prime Minister about the Manoir des pommiers project, on Hôtel-de-Ville street. This is a project to build 30 non profit housing units for low income seniors 70 years old, who require some assistance. He indicated that the project would be included in the SHQ's April 2005 programming, provided funding were allocated to the province in the next federal budget.

Well, we do not have that money. Despite the Prime Minister's promises, there is no money in the budget for social housing. For these people, the project will be delayed. They need these housing units and are going through difficult times. Considering that there are big surpluses, why does the government not allocate the necessary funds? Why does it not act so that, in the end, these services are provided to the public? This is another reason to vote against this budget.

I am also very concerned about another issue, namely reinvesting in productivity. In December, just after the closure of six textile plants in Huntingdon, the federal government came up in great haste with a work plan, a very incomplete work plan to help the textile and apparel industries.

● (1145)

Just yesterday, the Standing Committee on Industry, Natural Resources, Science and Technology heard people from the textile industry and the apparel industry. There is deep discontent on both sides. Those involved in the apparel industry feel that things are not moving fast enough. Indeed, the announcement was made in December, but nothing is happening yet. The textile sector, which is not an outdated industry but very much a modern one, provided it has access to markets, is not in any way satisfied with this program.

I hope that the issues to be discussed by the Prime Minister, the President of the United States and the President of Mexico at their summit will include restoring access to U.S. markets for the Quebec and Canadian textile industry. I am telling the federal government that what was needed was not money, but a commitment. This is what we expected in the budget. But there was none. We expected another type of investment in productivity.

Recently, I wrote to the Minister of Transport Canada to ask him, now that the government has decided to retain ownership of port facilities, such as the Port of Cacouna, if he was going to have a development plan. He told me unequivocally that there is no development plan. However, there should be money for it in the budget. I hope that funding will be forthcoming from Canada Economic Development to allow for such development plans. Not only does the infrastructure have to be in place, it has to be in good condition. Furthermore, we have to ensure it is available to meet economic needs. Unfortunately, no assistance was provided in this budget, as expected for this sector.

Also, the report by the Standing Committee on Finance contained a unanimous recommendation to establish a funding program for events to replace the funding that social organizations, cultural or tourist events lost as a result of the sponsorship scandal. We are in perfect agreement. It is not about legalizing or renewing the diversion of funds, as the Liberals did. However, it would have been appropriate for this budget to have made funds available to provide the necessary assistance to our organizations. Festivals, such as the Festival de l'oie blanche in Montmagny, the Fête des chants marins in Saint-Jean-Port-Joli or the accordion festival, were used to receiving some funding. This funding was well spent, as was the amount the organization in our region received. However, nothing was done about this proposal, because they got caught with their hands in the cookie jar and they dare not remind anyone of that. They are very ashamed of what happened. Nevertheless, the government should have made the distinction between the system it implemented to help its friends and the needs of organizations, which have yet to be met.

There are many unmet needs as a result. I have another example: Parks Canada. The budget announces a little more money. I have looked into it, and this means $11 million next year, whereas the Auditor General had said that massive investment was required for the parks, because we are so far behind as far as infrastructure quality is concerned. More investment was necessary, and sooner. For example, there ought to be new investment in my area, for Grosse Île and the Irish Memorial, the park commemorating the Irish immigration to Quebec and Canada. This may come only in two, three or five years, unless more funding is forthcoming.

This is, therefore, a very disappointing budget on a number of levels. The election campaign produced a minority government. Quebeckers have said what actions they wanted the government to take, particularly as far as the budget is concerned. These were major points, such as fiscal imbalance, employment insurance, social housing and investments to ensure that the money paid to Ottawa in taxes was returned as productive investments in Quebec. None of these are found in this budget, however. That is why, in my capacity as the representative of my riding and in my capacity as a member of the Bloc Québécois, I cannot stomach the government's proposals. I find the Conservatives' attitude quite a surprise, since they have seemed from the start to be having an identity crisis and not to know which way to turn. They seem more afraid of an election than of making a firm decision, a objective evaluation of the budget.

I hope—I am sure—that the public will be able to judge the whole situation. Yesterday our subamendment was defeated. Today, we will be voting on the Conservatives' amendment. Wednesday evening, on the budget. Rest assured that the vote of the Bloc Québécois will represent the will of the people of Quebec, which is that we say no to this budget. It does not meet the needs of Quebec.

● (1150)

[*English*]

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Speaker, I have a comment for my colleague from the Bloc.

First of all, I would like to make it quite clear: Conservatives are not very happy with this budget. The member keeps saying that we are supportive of everything in the budget. We are not happy with this budget.

However, aside from that comment I would like to ask a question of my colleague from the Bloc. In *The Globe and Mail* this morning, and I do not know whether my colleague has had an opportunity to read it yet, there was a piece done by one Jeffrey Simpson. He raised a question on the spending philosophy over the next five years, the commitments being made with respect to the budget over the next five years. He pointed out that in 2007-08 there will be a $7.9 billion increase, in 2008-09 a $12.6 billion increase, and in 2009-10 a $16.6 billion increase.

My question is, why have budgets? Will there be enough room to have budgets in the next number of years? Have we made the cupboard bare? When this government has made commitments over the next five years and there will be no money left, how can we possibly plan for the future other than to perhaps have a budget to raise taxes?

[*Translation*]

Mr. Paul Crête: Mr. Speaker, I listened with interest to the hon. member's speech. What surprises me a little is that he has come out in opposition to his leader.

After the budget speech, the Conservative Party leader was asked whether he thought it was a good budget. He was asked four times and every time he replied that he did not want an election. He sidestepped the question rather than answering it directly.

That is a problem today, because some people say they are unhappy with the budget. Will the Conservatives vote solidly against the budget to respect the will of the people and tell the government that the budget, as it stands, is unacceptable? That is what we will find out on Wednesday.

The government is spreading its appropriations over the next five years. We wonder why they will bother with next year's budget. Let us look just at the measures planned for the coming year. Does it make sense to vote for the budget? Do we find in it anything Quebeckers have asked us for in terms of the fiscal imbalance, employment insurance and social housing? Is there anything the rest of Canada wanted in terms of reduced federal spending?

When these questions are answered, we have no choice but to expect that here, in this House, when we vote on Wednesday, a great many Conservatives will vote against the budget. If not, we will see that they have put their own electoral priorities ahead of the country's needs.

● (1155)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, one of the issues that the Bloc Québécois has been doggedly bringing to the attention of the House relates to the whole area of employment insurance. I know it is very important not just to those in Quebec but certainly right across the country. It is a very important program. The vast majority of Canadians pay into it and never collect benefits because fortunately they continue to have continuous work.

However, there are people who for a variety of reasons do have interruption of work and do have to get benefits. The member will be aware that regardless of how the program is run there has to be some sort of waiting period. If the program were to pay benefits to everyone who worked just one day, that would be a very inequitable situation. Abuses could creep into a system like that.

Clearly there must be some number of days which people must work before they can qualify for benefits. Would the member give me an idea of how many days or months people should have to work before they are eligible for EI benefits?

[*Translation*]

Mr. Paul Crête: Mr. Speaker, I would like to say at the outset that I agree with the hon. member on one point: the people who are angered over EI are not only the unemployed, but also a fair number of people who work year round. They have been contributing to the employment insurance program and have seen $45 billion diverted from its original purpose.

A consensus has developed in support of a reform of the EI program. Not only the unemployed are in agreement; so are the people who work year round and the employers who contribute to the program, who have seen the money diverted from its original purpose. This is why reform is one of the important things we are advocating.

The eligibility requirement for EI benefits ranges between 420 and 700 hours of work, according to the rate of unemployment. The higher the unemployment rate, the fewer the hours required to qualify.

Today, on this Women's Day, we realize that women and young people continue to be discriminated against, being required to work more hours than others to become eligible for employment insurance. That is totally unacceptable.

That alone warrants real reform of the EI program. The Liberals had promised such a reform. They have betrayed the unemployed and the contributors to the program. That is why this budget should be opposed.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I am pleased to speak to this budget today.

I would like to begin by saying that in order to know what direction to take when preparing a budget, you have to know where you are coming from. For the Liberal government that means knowing where it got the money to eliminate the deficit and to create such huge surpluses. That is the problem with the Liberal Party, not knowing where it got the money, where the current Prime Minister when he was finance minister got the money to eliminate the deficit and create huge surpluses.

First, there were cuts to provincial transfer payments. That was the first move of this Liberal government. In 1991, the federal government paid 25% of health costs. In 1999-2000, it paid no more than 13%. It has begun putting money back in. The Romanow report said that the federal government should go back to funding 25% of the health system, as it did in the 1990s.

But instead we have cuts. What has the impact been? The cuts have been made at the expense of the provinces. It is not for nothing that 80% of Quebeckers are calling on the federal government to resolve the fiscal imbalance.

The federal government regained financial health at the expense of the provinces. It is only natural that Quebeckers are calling on the federal government to correct the fiscal imbalance now that it has achieved its objective and amassed huge surpluses.

The budget does not address this, which is outrageous. What is more, some socio-economists are once again going along with the federal government's policy of deciding where it will invest, however unexpected, now that there are surpluses.

I appeal to my former colleagues, the mayors of towns and cities, who are being taken in by the federal government. The government dealing directly with the cities does not solve the problem in the provinces. It is true that the mayors have gone along with it.

Indeed, since 1991, that is since the federal government began making cuts in transfers to the provinces, the direct impact has been that provincial governments have had to make cuts in their own transfers to municipalities and school boards. This is the domino effect of the cuts made by the federal government to put its fiscal house in order.

Now, the federal government wants to deal directly with those that felt the impact of the cuts made in the 1990s, namely municipalities, without dealing with the problems of the provinces. What is the result of all this? There is federal money on the table, but no agreement with Quebec. The federal government did not want to first reach an agreement with the provinces, with the result that there is money available here, in Ottawa, but the measures and conditions are not acceptable to the Quebec government, which deals with the problems of municipalities.

Make no mistake about it: it is not the team of the department responsible for Infrastructure and Communities that can deal on an ad hoc basis with the municipalities' needs. Let us stop dreaming here. If Liberal members are dreaming in this House, I am anxious to see what will happen.

The Ontario government decided to let the federal government negotiate directly with cities. It does not have the necessary structures to understand the problems of municipalities. It is easy for mayors to come and say they need money. However, it is not as easy to distribute the money. Let us not forget that, in Quebec alone, the needs of municipalities regarding their wastewater treatment systems total $15 billion. In the case of Quebec, the federal government has proposed $1.1 billion over the next five years. This is far less than what is needed to solve the problems of our cities.

It is absolutely critical that municipalities deal with the Quebec government. All levels of government will have to provide money to solve the cities' infrastructure problem, which is a direct result of the cuts made by the federal government in the 1990s.

There is a domino effect: the federal government made cuts in its transfers to the provinces which, in turn, made cuts to their investments in cities. Since 1990, cities have barely been able to maintain their infrastructures and have not been able to bear the costs relating to the deterioration of these infrastructures. The result is that, in Quebec, we now find ourselves faced with a critical situation, whereby cities need $15 billion for their drinking water and wastewater treatment systems alone.

● (1200)

This does not include the highway and building needs, which for Quebec amount to some $30 billion.

There is a program in this budget in fact, but once again, there were no negotiations with the provinces. This is the problem with the Liberal Party. The Liberals ignore the fact that after they made their cuts to try to reduce the deficit to zero, they did not then re-inject any money. Bearing in mind the domino effect, after cutting the transfers to the provinces, they should then have given them some money back to restore the fiscal balance. In this way, all the communities and stakeholders involved could have taken care, for instance, of the municipal infrastructure problems.That should be done with the provinces, the cities and the federal government.

Once again, they are trying to bypass this entire balancing act, even though it is natural. This is how things work. The federal government can try to change that; it can try to create a department of municipal affairs and replace all the equivalent departments in the provinces and Quebec. But I predict that we will have the same results as with the gun registry. It will cost 20, 100 or 1,000 times more for the simple reason that the federal government does not know anything about these areas.

Nevertheless, they just go with whatever is easiest. Insofar as municipalities are concerned, what matters is the political pull of the city mayors. Once again, they have preferred the easy way, that is to say, deal directly with the person who has the money. The federal government has the money now, and it seems to be keeping it in its coffers

This takes me to the second part of the problem. How did the government mop up the deficit and acquire its surpluses? It was on the backs of working people, the unemployed, through the famous employment insurance fund.

In 1996, the federal government withdrew from the entire employment insurance area, called unemployment insurance at the time. It decided that henceforth only employers and employees would contribute and it would no longer pay in. Since 1996, therefore, the federal government has not provided one cent. All it does is collect the contributions of employers and employees and issue cheques to unemployed people who need employment insurance benefits.

Obviously since 1996, the government has collected profits as a result of administering this fund. Those profits are not negligible; it generated a $45 billion profit. I understand that the Liberal members are telling us that, without an independent fund, this becomes part of the consolidated revenues. This is true. This is one of the tricks used by the Prime Minister and former finance minister, who took this money from the workers.

Now, to resolve this problem, the workers and employers should be given the responsibility of administering an independent fund, so that they themselves can spend the money they contribute to it. However, there is opposition; the government wants to keep control of the money, since it is profitable to do so.

Once again, the problem is not being resolved. This budget will not resolve it either. As was mentioned, the plan in this budget is to reinvest $300 million. However, this amount represents six one-thousandths of the $45 billion taken from contributors since 1996. This reinvestment, then, is not resolving the problem. Once again, this money is being used for other purposes. But for what?

What is more, in 1996, the federal government stopped investing in social housing. It was no longer investing a single dime in this area and was instead leaving the provinces to invest in social housing.

Consequently, this money is not going back into the fund from which it was taken. Obviously, the federal government took the money and cut transfer payments to the provinces, but now, this budget is not giving new money to the provinces. It does not contain a more satisfactory resolution to the problems with equalization, education and health. As a result, the provinces need even more money.

This money was taken from the workers, but it is not being put back into the employment insurance fund. An independent fund is not being created so that workers can administer this insurance program the way they want. What all workers want is access to employment insurance when they need it. They do not want to be excluded because they do not meet the conditions, because they work in seasonal jobs or for any other reason. They are not being given this opportunity.

Nothing has been resolved in terms of social housing, a program abolished in 1996, since the necessary funding has not been allocated.

This, obviously, is why the Bloc Québécois will be voting against this budget.

● (1205)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I would like to repeat the question that I asked the member's colleague regarding the EI system. I think the member probably heard the preamble.

There is a qualifying period within the EI program. The Bloc has quoted something like 47% of people who participate in the plan do not qualify for benefits. If there is a qualifying period, obviously there has to be some percentage of people in the plan who do not have enough hours to qualify for benefits.

I have a simple question for the member. What would be an appropriate number of hours, days, weeks, or months, before someone in the EI plan could qualify for benefits?

[*Translation*]

Mr. Mario Laframboise: Mr. Speaker, I think that the unanimous report by the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities is clear. They want a program where workers would be eligible for employment insurance with 360 hours. That was a unanimous report. Even the Liberal members dared to vote in favour of this report, yet this evening or tomorrow they will be voting in favour of a budget that does not include this.

Everyone was in agreement on it. So once again it was a matter of much ado about nothing, when everyone is well aware of what is needed. This is not the first unanimous report, but the second. There was one during the last Parliament as well. That unanimous report recommended 300 hours for eligibility. If people were entitled to EI after a reasonable number of hours, this would go a long way toward solving the problem of the seasonal gap.

The committee studied the situation, and I think it was a committee made up of so-called experts. Not that we MPs can really be experts, since we are not the ones that have these problems with EI. The public will understand, but the members are well aware of the situation their constituents are in and made some quite clear recommendations. How can it be that, once again, the member does not get it, and the Liberal Party has not included these 28 recommendations in the budget just brought down?

● (1210)

Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ): Mr. Speaker, I want to thank the hon. member for Argenteuil—Papineau—Mirabel. I always like to hear him speak because he is someone with ability and experience.

He did not have enough time to address a matter on which I would like to ask him a question. I am increasingly outraged by the immorality of the budgets around here, especially the latest budget.

There is talk of paying down the federal debt. I want to know whether my colleague agrees with me or not. Everyone agrees that debt should be paid off but, whenever possible, we try to get those who ran up the debt in the first place to do the paying.

As far as I know, the unemployed and the most vulnerable seniors are not the ones who ran up the federal debt. Nor was it the people needing social housing. It is not the poor who have run up the government's debt. Yet, these people are seeing funding cut in order to pay off the debt. In my opinion, those responsible for the debt are people who use tax havens, like the current Prime Minister does for his shipping companies.

Does the hon. member agree with me that it is completely immoral to pay off the debt on the backs of the poor?

Mr. Mario Laframboise: Mr. Speaker, I thank my colleague for his question. The hon. member for Saint-Maurice—Champlain and critic for seniors knows very well how much the federal government can dither when it comes to paying seniors what it owes them in terms of guaranteed income supplement payments. It is really something.

This is a fine example. When you owe the federal government money, though, you can bet that it will find you. In this case, it is requiring seniors to fill out a separate form, when all the information could easily be entered into a computer and GIS payments sent out automatically.

What does the government do? It requires seniors to fill out forms, hoping that as few as possible will. In the meantime, it is saving money. As someone said earlier, this was done on the backs of the workers with respect to EI. Since 1996, these people have been contributing to the plan. Surpluses have been generated, and the government is keeping the money.

The government is paying off its debt. If it had to be described by a single word, it would be "scandal", except that it has already been used in relation to the federal government and we need a stronger word. Every day, there are media reports about the Liberal scandal with the sponsorship program.

[*English*]

Mr. John Maloney (Welland, Lib.): Mr. Speaker, I am pleased to speak to the recent federal budget. I will be sharing my time with the member for Algoma—Manitoulin—Kapuskasing.

The Government of Canada has presented an ambitious agenda and a clear commitment to Canadians in maintaining sound financial management, securing our social foundations, achieving a productive and growing economy and meeting our global responsibilities. It is the eighth consecutive balanced budget and is the best fiscal record since Confederation and the best fiscal performance in the G-7. It is common sense, it is balanced and it is sustainable. Promises made during the last federal election are promises kept in this budget.

Rather than speak to the general benefits of individual and corporate tax relief, health care funding, international relief and so on, I would like to talk about the initiatives that are of particular interest to Niagara residents and my constituents in Welland riding.

First and foremost, I welcome the news on border security. Since signing the Canada-U.S. smart border declaration in December 2001, Canada has made considerable progress on improving border security. However, for border regions such as Niagara, this comes with a significant cost to the local law enforcement agencies which, by virtue of strengthened requirements, respond to many calls related to national security.

There is no doubt that the Niagara region's unique situation of bordering the United States on Lake Ontario, Lake Erie and the Niagara River, not to mention the seven international bridges, four vehicular and three train, result in numerous functions that are national security related, ones which most other municipalities are not faced with. In addition, there is the Welland Canal, which is strategic to inland marine transportation, and a very significant hydro generation plant in Niagara Falls. Not only does the Niagara Regional Police not receive additional funds to cope with these pressures, but the federal RCMP presence has continued to decrease in the region.

Expenses related to national security are ones that should not be borne by the taxpayers of the Niagara region alone, but rather by the taxpayers of our country. It is most unfair to my constituents in the riding of Welland and those who live in the Niagara Peninsula.

The government has committed very significant resources to the security of the country following September 11 and is to be commended for this. Unfortunately, much of this funding did not find its way to our first responders on the ground. That is why I am pleased to see that budget 2005 provides an additional $433 million over five years to strengthen the federal government's capacity to deliver secure and efficient border services.

A portion of these new resources will help increase the number of officers at key border crossings and airports across Canada, including in Ontario. This will help our border services officers at the Niagara Falls and Fort Erie crossings. Most definitely I will continue to press the point that national security services performed by local policing authorities should be adequately and fully compensated.

A related issue to border security is that of marine security. As I mentioned, the Niagara region borders two Great Lakes, one international river and the Welland Canal. Due to cutbacks to the Royal Canadian Mounted Police presence in the peninsula, there is little national police presence on the Great Lakes and the Niagara River. The Niagara Regional Police has limited capabilities and resources to undertake marine patrols. However, it must be done. The approximate annual cost to the Niagara Peninsula taxpayer is $77,000 and that figure excludes the cost of boats and fuel.

Building on past investments and the national security policy, budget 2005 provides an additional $222 million over five years to further enhance the security of Canada's marine transportation system. Funding initiatives include new patrol vessels for the Great Lakes and the St. Lawrence Seaway, additional inspections, and the creation of emergency response teams. This is a first step in the right direction.

Due to its proximity to the American border, the Niagara Peninsula land border crossings have the highest number of land border refugee claims. Therefore, immigration and settlement issues are very important. Budget 2005 provides an increase of $298 million over five years for settlement and integration programs for newcomers to Canada. Ontario will receive approximately 60% of this funding.

I want to remind the federal government of its responsibility to cover its fair share of not only future costs but for other recent costs. I refer to the influx of refugee claimants between December 14, 2004 and January 16, 2005 arriving at the Buffalo-Fort Erie crossing in anticipation of the implementation of the safe third country agreement between Canada and the United States. The final total cost for Niagara taxpayers is in the area of $240,000, almost a quarter of a million dollars. It is my position that the Niagara taxpayers should not have to bear the financial costs associated with this influx and that the costs should be borne by the provincial and federal governments.

It was the implementation of a federal policy that caused this crisis. The region did an excellent job in providing food and shelter over the holiday season. Its first priority was the safety and security of all claimants and immigrants.

I have asked the Government of Canada to review the costs and suggest that its officials meet with regional officials and perhaps their counterparts from the provincial government as soon as possible. The residents of Niagara should not bear these costs. We need to find a way to compensate the region for these extraordinary expenses. It is most inequitable that the taxpayers of Niagara alone fund a situation of national responsibility caused by a national policy.

● (1215)

The budget initiatives for settlement and integration provide a window of opportunity, a door that I will lead the government through.

I am pleased also to note the $75 million investment over five years under the health care agreement to accelerate the integration of health care professionals educated abroad. This will assist with physician and nurse shortages in Niagara. At the last count Niagara had over 50 foreign trained doctors who are either unemployed as health care professionals or underemployed. For a region that desperately needs more physicians and nurses, I am hopeful that this investment will help our concerns. We can ill afford to waste such vast, wonderful human resource assets.

The 2005 budget announced that FedNor will have an additional $14.2 million over five years for the Ontario Community Futures Development Corporations. This funding directly assists the South Niagara Community Futures Development Corporation in Port Colborne, Venture Niagara in Welland, and Grand Erie Business Centre in Cayuga which also serves west Lincoln. The Niagara region and its citizens have been well served by the community futures program and will continue to be.

I understand that some of this money will help to enhance services in official language minority communities. In Niagara, both Port Colborne and Welland have significant francophone populations. As their services seem to be under attack recently, I welcome the news that the federal government continues to uphold minority language rights.

A quarter of Canadians rely on the wealth of nature provided by the Great Lakes ecosystem. The government will expand its ongoing efforts to improve the environmental health of the Great Lakes basin. Budget 2005 provides a further $40 million over the next five years to bring forward the next phase of the Great Lakes action plan.

Building on achievements made since 1989, this initiative will continue the environmental restoration of key aquatic areas of concern identified under the Great Lakes water quality agreement between Canada and the United States, thereby restoring the ecological and economic development potential of these areas. I anticipate that the Niagara region will benefit from this program, not to mention the new funding for invasive species.

Invasive alien species are plants or animals, such as the Asian longhorn beetle, the sea lamprey and the gypsy moth, which are introduced by human action outside their natural habitats causing harm to our local ecosystems. Alien species cause billions of dollars in damage to the economy, for example, through their impact on fish stocks, agricultural yields and forestry inputs. It is more effective and less costly to prevent the entry of invasive alien species than to address their impacts once they are established in Canada.

To promote effective management of the issue, budget 2005 will provide $85 million over five years for an invasive alien species strategy that will focus on enhanced preventive measures. The strategy will be carried out in partnership with the provinces and territories. Strategic investments will be made to increase inspections at our borders, enhance supporting scientific activities, strengthen national surveillance efforts and raise awareness about harmful practices. Addressing the threat of invasive alien species will also support other environmental initiatives, such as Canada's ongoing efforts to protect species at risk and to improve the ecological health of our national parks.

New funding for the invasive alien species strategy includes an incremental $2 million per year over the next five years for the sea lamprey control program, which is jointly administered by Canada and the United States to control the presence of sea lampreys in the Great Lakes. This funding will enable Canada to increase its annual contribution to the program to improve its delivery and thus ensure better protection of our Great Lakes. This is terrific news for our commercial fishers and anglers alike.

The green municipal funds, which make investments in innovative green municipal projects, will also be enhanced by $300 million. Half of this amount will be targeted to the cleanup of brownfields.

The cleanup of these lands can restore otherwise sterile property for new industrial, commercial or retail development which provides jobs and generates realty tax revenues. There is also the potential for residential or recreational uses. All the foregoing help to reduce urban sprawl. The benefits are positive. The difficulty is that such rehabilitation is very expensive.

The federal government led by example to clear up federally owned property by committing $3.5 billion to brownfield redevelopment on federal lands in the 2004 budget. The 2005 budget goes even further. It is my hope that some of the many Niagara brownfields particularly along the Welland Canal in Thorold, Welland and Port Colborne will benefit. I recently met with representatives of Welland on a former industrial site which would be a prime area for development, perhaps a seniors residence assisted by our housing policies. In Port Colborne environmental assessments have been concluded and are being peer reviewed at this time. The next stage must be action on the ground.

Budget 2005 provides $200 million over five years and a total of $920 million over 15 years to expand the wind power production incentive, which will create enough energy to power one million Canadian homes with zero emissions. There have been inquiries into wind power in the Niagara area, in particular the Wainfleet area. This program may provide the incentive to move forward on an environmentally friendly development using the natural asset of the lake winds.

● (1220)

This is an excellent budget. It includes measures such as tax reductions for low and middle income Canadians, investments in child care and increases in military spending. It continues the government's excellent fiscal record of achievement.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened with interest to the speech by the hon. member, and I have one comment and one question for him.

In terms of social housing, I would like the hon. member to understand that some money has been directed that way in recent years. Quebec has done its work properly, and there are still many needs to be met. We were hoping that in this budget there would be additional money to meet these needs. We have even read in the newspapers that hundreds of millions of dollars are waiting somewhere, destined for other provinces. We can understand the reasons they are late. Still, that is no reason for Quebec to be penalized in this matter.

Here is my question. I am very surprised, because there was an election promise during the campaign to make clear improvements to the guaranteed income supplement. In this budget, there is an increase, in the end a fairly insignificant one, spread out over two years.

Considering the surplus that was created last year and the increases in the cost of living, especially for older people whose cost of living increase is higher than that of the average person, could the federal government not have taken much clearer and more definite steps forward and given the increase directly in this budget, rather than spreading it over two years? Moreover, could it not have granted retroactivity to the people who were deprived of the GIS for years because of the poor information given them by the department's officials?

● (1225)

[*English*]

Mr. John Maloney: Mr. Speaker, certainly the seniors issue is one that is of real concern to me and to the constituents of my region. In fact last week the Minister of State for Families and Caregivers was in my riding. We had a round table with seniors. They were very pleased with the increase in the GIS. As my friend has outlined, it is over a two year period.

A budget has to have a balance. We would love to increase this perhaps even further. We certainly will advocate that but we have to balance it with spending in the military. We have to balance it with our green funding. Certainly we have made a good first step. We have increased the amount of exemption below which people will not be taxed from $8,000 up to $10,000. This also will help many of our low income seniors.

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, I also share the concerns of my colleague from Welland with regard to the costs at border crossings and what the Niagara Regional Police need to look after. It is good to see that $430 million has been committed.

I have two questions. One is on border security. Does the member think that some of that money will flow to our region? It is somewhere in the neighbourhood of 2,000 calls that have been responded to over the last couple of years at the border, at a cost of almost $400,000. I am glad to see that the hon. member for Welland shares that concern.

The other question is with regard to the wineries. I know that he has also been a supporter of that industry. The last couple of finance committees have unanimously supported dropping the excise tax on wine going out of the country. I see that even though recommendations were made by the finance committee, and all parties unanimously made the recommendations, there was nothing in the budget with regard to the excise tax. Does the member see some relief coming soon for some of the wineries that we share jointly in the Niagara region?

Of that $430 million, does the member see some money coming in the next little while for our region? On the excise tax, does he see any relief coming shortly for that as well?

Mr. John Maloney: Mr. Speaker, I would have been very disappointed if the member for Niagara West—Glanbrook did not rise to ask some questions, because most of my speech was directed to the positive benefits for the constituents in our area, the Niagara region.

On the issue of additional funding for our Niagara Regional Police Service, certainly I have been working with the regional chair and our new chief, the former deputy chief, on this issue. They have prepared a business plan for us. I have submitted it to the Minister of Public Safety and Emergency Preparedness. I was pleased to see this initiative in the budget . It is certainly an area that I will continue to lobby on and advocate for.

Unfortunately I do not control the purse strings, but let me tell the member that the door is there and we are going to walk through it . I think there will be additional funding because it is certainly warranted. They have made a good case. They are the first people on the ground. They are our first responders. I think they deserve to be fully compensated for the services they perform for national security. Again, very few regions are faced with this, so the taxpayers of the Niagara region should not be burdened with that.

On the second point, the excise tax on wine, I was very pleased to see the excise tax on jewellery being phased out. This is certainly an area we have also advocated on, as well as advocating for tax credits for adoption expenses. In the area of excise tax for wines, we are at a competitive disadvantage in the Niagara region with our Canadian wines. I feel that it is on the radar screen for the finance committee and the finance department. They are aware of it.

I did not see it in this budget. I had hoped that I would. I am very confident that we will see it in future budgets. It is certainly something that is needed to make our wine industry more competitive with our global counterparts. The member and I will both push that initiative forward for the benefit of our respective constituents.

● (1230)

Mr. Brent St. Denis (Algoma—Manitoulin—Kapuskasing, Lib.): Mr. Speaker, I am pleased to join my colleagues today as we debate the government's most recent budget, a budget that I am very proud of, quite frankly, a budget that has again underlined the importance of bringing a balanced approach to the management of this country. Indeed, we cannot have eight straight balanced budgets, as this government has done, unless a balanced approach is taken.

A balanced approach means that we make the investments on one side in the social economy, whether it is health care, post-secondary education, the environment, local communities through our regional economic development agencies, or indeed whether it is investments in defence that maintain Canada's position as a world leader in keeping the peace around the world, investments that will secure our borders both in the Arctic and on the east and west coasts.

That same balanced approach has allowed us to eliminate the deficit eight years in a row, as I mentioned, that deficit a legacy which we inherited from the previous Conservative government, a legacy which after a couple of years we were able to tackle and successfully beat to the ground. Now having balanced budgets, we are in fact, along with our social investments and investments in the environment and defence, also able to pay down the debt.

In fact, I believe that our ratio of debt to GDP ranks second best among the industrialized nations. There was a time in 1993 when our debt to GDP ratio was so bad that others around the world were referring to Canada as an economic basket case. That is no longer the case. Our economy in terms of debt to GDP leads the world and our growth rates in terms of employment lead the industrialized world.

Let me go back to the beginning for a moment. As was mentioned, I represent the beautiful and large riding of Algoma—Manitoulin—Kapuskasing in northern Ontario. It is at its southern perimeter a Great Lakes riding, having the northern area of Lake Huron and the eastern shores of Lake Superior included in the riding.

As well, my riding includes the Highway 11 or autoroute onze region between Calstock and Hearst all the way through Kapuskasing to Smooth Rock Falls. It also includes Highway 17. Both national railways, CN and CP, must travel through our riding to go from east to west. In fact, I doubt that one could fly across this country without flying over our riding. It is a large riding of 110,000 square kilometres.

[*Translation*]

I am very proud to represent the riding of Algoma—Manitoulin—Kapuskasing here, in this House.

● (1235)

[*English*]

I would like to commend our Prime Minister not only in his current capacity as leader of our party and the leader of Canada but also in his capacity as our former finance minister. He has laid a foundation, which has been continued by our current finance minister, of good governance and good financial management, which has really allowed Canada to maintain and build upon programs that Canadians value.

When the Prime Minister was able to reach a deal with the premiers and territorial leaders last September on the health accord, he was able to do so from a federal position that allowed for considerable new investments by Canada in concert and cooperation with the provinces. That would not have been possible if the books of this country had been in disarray.

It does not matter which of the side issues is of concern on any given day; I think if we look at the very basics of this country we will find a country that has been very well managed, a country that Canadians are proud of as they travel within our borders and very proud of when they travel beyond our borders. All members of Parliament have been asked to provide Canada pins to our Canadians travelling abroad. They wear those pins proudly. There are not very many nations whose citizens are able to so proudly wear their badge of honour when travelling around the world.

I would like to quote from my very own press release on this excellent budget, which states:

> The Liberal government's 2005 budget delivers on all of its key platform commitments, including building the economy, further securing Canada's social foundations, addressing climate change and meeting our global responsibilities. This builds on the government's budget commitments to keeping its books balanced, for the eighth straight year. I am extremely proud that Canada, alone among industrialized nations, will have balanced the books in 2005.

That is going forward to 2005-06. By every measure we shall continue to do that indefinitely in the years to come.

Let me mention some budget highlights. I mentioned the 10 year plan to strengthen health care. Among the issues that my constituents talk with me about very often is access to doctors or medical professionals. My constituents talk about the waiting times they must endure to receive a knee or hip replacement, a CAT scan or some other procedure.

While it is recognized that it is the provinces which manage the health care system, it was very important that the Prime Minister accomplished a degree of accountability to Canadians going forward. That is a tremendous breakthrough for the citizens of this country. The provinces will not be reporting to the federal government on their performance. They will be reporting to the public.

A 10 year plan which will see over $40 billion of new federal money invested in health care is a plan that we can all be proud of, whether we are on the opposition side of the House or the government side.

When it comes to Canadians of low and modest incomes, we cannot soon enough reduce taxes for Canadians and for those who still remain on the rolls. The tax relief measures in this budget will eliminate hundreds of thousands of Canadians from the tax rolls. This is a measure which will advance the bar when it comes to dealing with poverty in Canada.

There is no country, including our own, that can be proud of any level of poverty. I wish we had been able to accomplish more. However, there is no question about it: this government has been attempting to deal with the low income problems facing many Canadian individuals and families and the disabled. There are measures that have helped through post-secondary assistance. There are measures that have improved the disability tax credit and measures that have improved GST refunds over the years.

These measures, including the latest one announced in this budget, which is to remove hundreds of thousands of Canadians from the tax rolls, are measures which will further enhance Canada's ability to further reduce poverty. Hopefully we can get to that ideal goal of eliminating poverty in this country and indeed around the world. It is a challenge which all of us must bend our shoulders to and bend our efforts toward solving. It is a challenge which will not be solved overnight.

I would like to speak for a moment about economic development. I would like to clarify this for the record, because there were some opposition members who thought that FedNor, Canada's economic development agency in northern Ontario, had for some reason seen its funding reduced.

An accurate reading of the actual budget information will reveal that the base funding for FedNor has been increased. More precisely, it has been increased by two and a half times in recognition of the fact that northern Ontario does suffer from the challenges of the very unfair U.S. tariff on Canadian softwood in particular. Northern Ontario also suffers to some degree from the very unfair U.S. border closure on our live cattle. Also, northern Ontario being a very large region, it suffers the normal problems of a rural area.

FedNor's budget has been increased significantly. I can tell members that there is not one mayor or first nations chief in my riding who would not say that they appreciate what FedNor and Canada have done in Northern Ontario. I want to commend the minister, past ministers and the administration of FedNor in northern Ontario for the tremendous work they do.

● (1240)

The new deal for communities which will see significant billions of dollars transferred to municipalities in cooperation with the provinces for municipal infrastructure will be very welcomed. The program has been very successful in the past and now we have put that on stable footing. No doubt communities can plan long term now for the much needed sewage, water works and road works that they need in their communities—

The Acting Speaker (Mr. Marcel Proulx): Questions and comments. The hon. member for Nepean—Carleton.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, I noticed that my distinguished colleague spent very little time talking about the agricultural commitments in this past budget and in particular, support for our cattle farmers, both dairy and beef, many of whom live in my constituency. It would be impossible to discuss that subject without acknowledging the very obvious linkage between security and trade.

I want to ask the member a question with respect to his government's decision not to support the ballistic missile defence system.

The government stood up time and time again in the House and said repeatedly that its decision would be taken at a time when it was in the Canadian national interest. However, the government chose seven days before the border was meant to be opened to Canadian live cattle as the time to make its very provocative announcement.

How could it possibly have been in the Canadian national interest to announce our opposition, to a major strategic defensive initiative of the United States, seven days before the predicted resolution of one of our biggest trade disputes in history? How could that possibly have been the most timely occasion to make that policy announcement?

We know the real reason, do we not? We know the real reason that his leader put the interests of our cattle farmers behind his own narrow leadership interests by making that announcement only days before his Liberal convention to avoid embarrassing divisions and to avoid the attacks of the loony left in his party, especially among the little Liberals in the youth wing.

Let us acknowledge that this decision had nothing to do with the national interest of the country and nothing to do with the interests of Canadian cattle farmers. However, it had everything to do with the interest of his leader. Why will the member not explain the timing of this very inopportune decision?

Mr. Brent St. Denis: Mr. Speaker, I disagree with the premise of his question that there is a linkage. There is no more linkage than we have with the court in Montana.

The notion that the American President and administration sit around waiting for Canada to do something in order to find ways to respond is a little ridiculous. Our American neighbours have much more important things to be concerned about than the timing of decisions.

However, let me say this about ballistic missile defence. I am very proud of the decision that our Prime Minister has made on behalf of the country. It is very important that we remain a sovereign nation and if it is in Canada's interest, as he said, to make a decision to stay out of ballistic missile defence, then that is the right decision as far as I am concerned.

There is in my view absolutely no linkage between the two. The member and his colleagues have tried to create a linkage where none exists. I do not blame them for trying. I believe their efforts will fail.

When all is said and done, our American neighbours will run their country as they see fit. We will run our country as we see fit. We will cooperate on hundreds and perhaps thousands of large and small issues.

If the member's point were true, then we would not have seen the softwood lumber issue to be such a problem as it has been for decades. It is mystery how the American system seems to work and it has nothing to do with Canada's decision to not participate in BMD.

In fact, the member must not believe President Bush who said himself that he respected Canada's decision and he is pushing himself as is his administration for the opening of the border which we all agree should have been opened a couple of days ago. It did not, but we all hope that it will be very soon.

We, as the member does, all support our beef farmers. I have a number in my own riding on Manitoulin Island and the north shore, central Algoma. We all wish that this will be resolved very soon. As to a linkage, none exists.

● (1245)

Mr. Paul Forseth (New Westminster—Coquitlam, CPC): Mr. Speaker, I will be splitting my time.

I oppose this budget because it is far less than what the country deserves and needs. The priorities are largely misplaced and I will outline just a few of the reasons why. Nevertheless, we will not defeat the government on it because the larger issue beyond this pathetic budget is that the country does not want an election at this time.

My constituents will, I am sure, give me a clear signal when the time is due, when an election is being asked for. I am sure there will be a clear mood soon that they have had enough of these Liberals, but such is not the case right now. They do not like what they are getting from the government, but they like the prospects of an election even less.

I will outline some positive Conservative budget alternatives while letting this budget pass in order to avoid an election for the time being. The Liberals plan to spend $196.4 billion on programs in 2005-06, not counting statutory spending like pensions. That is $6,130 for every person in Canada, the biggest spending plan in history. That is incredible.

The national debt is still at about $500 billion and the service charges for it will be $35.1 billion. The spending rate is up 11% from 2003-04. The Liberals tax more than needed. They spend too much which results in government waste while we still owe too much.

While the government says that the budget is about delivering on commitments, we are seeing nothing but dithering. Most changes are supposed to happen long after the Prime Minister and finance minister are gone. By making plans long after many other budgets will come forward, all the way up to 2009, by definition, the substance of this budget plan will likely never happen.

Most of the money for child care, the gas tax transfer for cities, and climate change, is delayed until the end of the decade with no plan in place of how to spend it. Nevertheless, in this budget there are hints of what a positive world it could be with Conservatives at the helm.

The government is following the Conservative Party's lead on areas that are important to Canadians. Some examples of Conservative initiatives adopted in the budget are: tax relief for low and middle income Canadians; a reduction of corporate taxes to help stimulate the economy, create jobs and raise government revenue; funding for national defence; an increase in RRSP limits; an enhancement of capital cost allowance rates; a non-refundable tax credit adoption expense, our private member's Bill C-246; eventual elimination of the excise tax on jewellery, our private member's Bill C-259; a caregiver tax credit, which was the Conservative election platform; measures for agricultural cooperatives; and the removal of the CAIS program cash deposit requirement, which was a Conservative supply day motion.

Although these topics are at least mentioned, many of the positive steps in the budget do not go far enough or occur fast enough to have any substantial impact on the well-being of Canadians. The tax break provided in this budget amounts to about $16 for this year. The inadequate productivity enhancing measures in the budget illustrate that the government is not heeding warning signs that Canada's high priority programs could be put in jeopardy if comprehensive steps are not taken to grow the economy before the demographic crunch sets in.

The Conservatives devised a standard of living strategy in a prebudget submission published elsewhere that if implemented would ensure that high priority social programs are available to Canadians when they require them.

The key components of the Conservative Party's standard of living strategy are: the encouragement of investment in Canada's productive capacity; the reduction of corporate and capital payroll taxes; a streamlined regulatory environment; a more rapid reduction in the national debt; a reduction of federal spending to sustainable levels; the encouragement of education and training; and the promotion and stimulation of affordable housing development.

The reason for these is clear. A more vibrant economy would ensure that we could actually pay for the social programs we need. Sadly, the budget gives short shrift to individuals. Special interest groups get billions while the rest of us are thrown pocket change.

One of the byproducts of a culture of dependency fostered by the continued extension of the welfare state is that it guarantees a decreasing degree of dissension. It is a simple rule. The more people on the gravy train, the fewer people available to offer objective, critical analysis.

What the consensus analysis of the federal budget makes clear is that the individual is now left out of the equation. In spite of massive surpluses and record revenues, individuals themselves were tossed pocket change in terms of tax cuts while special interest groups were thrown billions of tax dollars.

Besides Conservatives, who else was going to be up in arms because the government promised in last year's budget to uphold the principles of financial responsibility and integrity, and then promptly turn around and proceed to overspend by $10 billion? Would it be the CBC, which once again saw its funding rise and owes its existence to government money?

● (1250)

What about business groups? I think we can safely forget about anyone in the aerospace industry, the auto industry and high-tech going after government, given that billions of dollars are flowing their way. No critiques coming from the film industry or the banking industry, which want favourable government rulings.

It is a little unrealistic to expect business groups like the Canadian Council for Chief Executives to take the government to task when its membership includes such regular recipients of government largesse like Bombardier, Ballard Power Systems, General Motors and SNC-Lavalin.

While the budget outlined billions more in new spending for well-connected groups, we can console ourselves with a $16 tax saving for the individual.

Government subsidies hurt the economy. How much are we willing to pay to secure one job in the auto manufacturing sector? Specifically, how many tax dollars are we willing to divert from other areas, including our own pocket, to help the shareholders and highly paid workers of big American auto companies?

About $435 million, or $870,000 per job. That is about right. That is the amount the federal and Ontario governments have decided to fork over to American mega-corporation General Motors in order to create 500 new jobs in three Ontario communities: Ingersoll, Oshawa and St. Catharines.

How many jobs are we willing to kill in order to create these 500 jobs? Unfortunately, when government spends $435 million on a business subsidy, it takes the money from somewhere. It can tax individuals, businesses or borrow it, but in each case, there are consequences.

Then there is the problem of regional disparity. The west coast port capacity is a national asset for the whole economy, yet Fraser Port, the number two port in Canada, is unreasonably burdened with the cost of dredging the river and federal dumping fees for sand. It is a special case. Forget the subsidies. Just do not tax away its future in the first place and let business get on with business.

Money taxed away from individuals results in less consumption or investment, which hurts business growth in other areas. Money taxed away from businesses robs them of the opportunity to expand their own operations, such as Fraser Port. Government debt charges eat up future revenues and expenditures.

There is a tremendous amount of research available that estimates that the so-called deadweight cost to the overall economy of government subsidies. The estimates vary but the majority put the cost to the economy of every dollar the government spends on subsidies at between $1.30 and $1.50.

Interestingly, the discussion surrounding health care is dominated by those who place far more value on saluting ideology of public health care as opposed to the delivery of timely quality care and the measurement of patient outcomes. That is the underlying reason why record amounts of money are spent on health care with few positive results. For the majority of the population, no specifics are needed as long as more money is spent within the public system.

The delusion of describing ourselves as a nation of peacekeepers becomes more laughable by the month as recent reports make it clear we cannot even equip our small band of front line personnel with standard-issue military boots.

The recent federal budget is another wonderful example of our love affair with talk. Virtually every media report heralded the major commitment to military spending, when nearly 80% of the promised spending does not even kick in until 2009 when this Prime Minister is long gone. According to the *National Post's* Chris Wattie, more than one-third of this year's new defence spending is offset by other cuts to the military budget.

Just like our firm commitment to Kyoto, phrases like “universal health care” and “a nation of peacekeepers” sound so good, but they are really hollow in practice. Today one does not have to be innovative, courageous, ethical or hard working to lead this country, one just has to care more than the average Canadian.

However, without meaningful action, we are mired in a fantasy world that, among other things, dooms thousands of natives to live in abject poverty, forces patients to wait months for life-altering surgery, makes Canada a bit player on the world stage, and has a comedian as the centrepiece of a non-existent Kyoto plan. We can only hope for the sake of this country that next year's budget will be a Conservative budget.

● (1255)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member finished off his speech on the military. I am aware that we are talking about $12.8 billion in additional funding over five years, which is the largest increase in defence spending in the last 20 years. I do not think I have to convince the member or anyone in the House about the importance of investing in our military.

We are going to expand the Canadian Forces by 5,000 and the reserves by 3,000, and we are going to strengthen military operations by improved training and additional equipment, as well as acquiring the additional helicopters, and I believe there are other projects with regard to international obligations. How could anyone imagine that all of this would happen in one fiscal period as opposed to being spread over the period during which these things would have to unfold and be capable of being done? The implication is that the moneys are being spread over five years for financial reasons as opposed to being reflective of the timeframe over which these matters can be done.

I wonder if the member would like to comment.

Mr. Paul Forseth: Mr. Speaker, we appreciate at least the recognition of the military spending capacity. Change begins with the recognition that a problem exists, but I would have certainly liked to see one specific measure in the budget for this fiscal year that would be delivered and that would help.

For example, if we are to increase our recruits, we have to treat them properly. One of the ongoing difficulties within the military is living expenses and the cost of rents on the bases for inadequate housing. The helicopter decision was a tragic one that was made during the election of 1993. The government has had since 1993 to get on with reordering priorities for the military, and it has not produced it.

The address of the problem in the budget has been more for political reasons rather than to deliver any substantive result for the military at this time. We have to see some results this year.

The essential point I made in my speech was that any promise in the budget that is beyond the next fiscal year is basically a fantasy. Many other budgets will come down between now and then. It is fine for policy papers to outline projected spending into the future, where we should be going, et cetera. The House is full of that. The departmental shelves are full of long term studies, but specific budgets are measured year by year. I wanted to see some concrete measures in this fiscal year where the military could see that we were making gains in the proper direction.

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, this morning, I listened closely to the remarks on the budget made by both Conservatives and Liberals. As I indicated to his colleague from the Conservative Party who spoke previously, I find it quite odd that the hon. member would oppose the budget and, at the same time, arrange to have the budget passed while also opposing the Bloc Québécois' subamendment designed to improve this budget, which we feel needs improving.

This less than obvious position of the Conservatives is surprising to us. We are trying to understand the rationale, but we are having a little difficulty.

I would like to ask the following question of my colleague who just spoke on the budget. He talked about military spending. He described this budget as almost a Conservative one, and so on.

He was, however, as quiet about the environmental aspect of the budget as the budget is about Kyoto. I would like to hear him on the environmental aspect of the budget, on the funding that should be allocated to the Kyoto protocol and the plan to be implemented in connection with the billions in spending for the environment.

[*English*]

Mr. Paul Forseth: Mr. Speaker, members of the Bloc have to come from a perspective of a government in waiting, and they have a tough time getting around that issue. They will never be the government and they do not have to address their minds to that perspective.

There is a separate issue between describing an alternative budget and criticizing the current budget and whether we shall have an election or not. Technically in the House, the role of Parliament is to approve the spending plans of government. If it does not approve them, then we have an election. Unfortunately, we are caught in that situation with a minority Parliament.

We can clearly outline our criticisms of the budget and people can hear that. They are not stupid. They can read the material. They also can give us the same message that they do not want an election. That is what they have told us. This is not some game-playing from the Conservative Party. If members go out and do some polling in their communities, they will come back and say that it is not time for an election. The people have given us a minority Parliament and we will make it work.

However, we are dealing with the budget. We are dealing with the material and the work at hand in front of us today, and we are outlining alternatives as to how that budget should be addressed.

Concerning the environment, the problem the Bloc has is it continues to confuse pollution and environmental cleanup with the issue of Kyoto and climate change. They are only related at a distance. The issues of Kyoto deal with water vapour and carbon dioxide, which are vital to life, and the theory that perhaps the predominance of that from human activity will change climate to such a detrimental point of view that it will affect the economy and the health of the world. We have to look at how much we are spending on the climate change issue rather than perhaps not spending enough on environmental cleanup, pollution regulations and enforcement.

That is our criticism as far as environmental spending. Let us deal with the very serious issues of clean water, clean air, eliminating brownfields and living responsibly. Then we can address climate change as a lower priority.

● (1300)

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Speaker, as health critic, I will focus on some of the health aspects of the budget.

I find it very interesting, when we look back on the election, that the Liberal promise was to fix health care for a generation. Yet we see nothing in the budget that deals with a generation or even with the short term crisis we see in the health care system today. The budget only puts some of the money back that the Liberals ripped out of the system in the mid-1990s. Despite some of the funding commitments, the budget is still full of questionable initiatives and glaring omissions.

In 2004 the government will direct $150 million worth of gasoline tax to pay for medical diagnostic equipment. The question is, why will gas taxes be used for medical equipment? Are gas taxes not intended for transportation related areas? What is next? Will the GST be earmarked for the Governor General?

The government again fails in the budget to make any commitments to compensate the hepatitis C victims affected by tainted blood pre-1986 and post-1990. The hepatitis C fund is extended for a year, which offers no long term commitment to help all the victims. The health of hundreds and even thousands of people infected with this virus depends upon a national strategy to help address hepatitis C. Furthermore, those infected by tainted blood before and after the 1986-1990 window have never received adequate compensation. Therefore, the government has failed on two fronts: one, addressing a national health problem; and two, ending a grave injustice which was caused in large part by the government.

The government will take five years to develop a mock vaccine. This is far too long a time to wait. Health officials have warned an epidemic could happen at any time.

The budget only offers a one time commitment for catastrophic drugs, $500 million in 2005-06. There is no long term commitment to this necessary measure. Both the Romanow and Kirby reports recommended that the federal government establish catastrophic prescription drug insurance plan as an important first step in reducing disparities in drug coverage and enhancing access to needed drug therapy.

One in ten Canadians do not have adequate drug coverage for catastrophic drug needs and are at high risk for financial hardship from prescription drug expenses paid out of his or her own pockets. It is inexcusable that this budget does nothing to address the disparities that prevent the most disadvantaged from receiving health care.

I will note that the Conservative Party had a plan in the last election for catastrophic drug coverage. Since the Liberals seem to sometime try to use our platform ideas, that would have been a good one to cherry pick, but again they always forget to pick the good ones.

Furthermore, the budget commits $170 million over five years to help ensure the safety and effectiveness of drugs and other therapeutic products. The government has already committed $1.2 billion to Infoway to improve drug safety by creating electronic patient records. Yet hardly any of the $1.2 billion has been spent. It sits unused in a bank account while patients continue to get sick or die due to prescription errors and other complications. It is unlikely that a further $170 million commitment to improve drug safety will be put to any better use than the unused billions that sit in health related government foundations like Infoway.

● (1305)

In reality it matters little how much the Liberals commit to health care if Canadians have no way of knowing what effect their money is having on the system. As the ultimate authority in health care, the federal government affects the health and well-being of Canadians. It should therefore accept responsibility for decisions made and the actions taken that affect the health care system. Yet the Liberals, the self-declared defenders of health care and guardians of the Canada Health Act, consistently avoid answering for their mismanagement and deceit. Thanks in large part to the lack of transparency and parliamentary oversight, the Liberals do not have to account for the results of their decisions.

As someone who has relied on the health care system in the past, I find the lack of accountability deeply troubling. Some examples are $4.25 billion will be paid to a third party trust from which the wait time reduction transfers will be paid, according to this budget. Reducing wait times is important and necessary, but yet again the Liberals conceal their more selfish intentions and hide behind a cloak of secrecy. Recently released legislation will give the Minister of Finance or Minister of Health the ability to add any amount of money to the wait time reduction trust whenever he wants. This is yet another means by which the Liberals can hide money and distort the budget surpluses.

It is very concerning that these foundations are unable to be audited by the Auditor General. How do we know if the moneys are being spent appropriately? The fact is we do not. If we use what we do know about the Liberal government, moneys are being wasted on these foundations too. I hope this is not the case, but it may be.

We have creeping privatization by stealth. Of the $125 billion spent per year on health, $30 billion is on private care. Yet the annual government health report fails to even mention private care at all. No mention is made in the reports of the 34 private MRI clinics that operate across Canada, despite the health minister's ongoing attack on clinics in the western provinces.

Federally delivered health care services are under-reported. Several federal government departments are responsible for health care delivery to specific groups of Canadians. Despite being the fifth largest provider of health care in the country, the federal government provides limited information about this.

● (1310)

The annual report on the Canada Health Act fails to mention how federally delivered programs adhere to the Canada Health Act. Furthermore, the recent report on health indicators provided limited information on first nations health because of insufficient data.

Health Canada seems to have a culture of secrecy. Vital health information is often kept from the public. For example, reports have shown that the department knew of health risks posed by certain drugs, including Vioxx, but did not act upon this information. The entire drug approval process has since been revealed as biased toward pharmaceutical companies. Vioxx received fast track approval, which can be beneficial, but still, due to the cloak of secrecy and lack of transparency, it is not clear what the process was in these cases.

At a recent health committee meeting, a Health Canada official revealed that in the late 1970s the department did not reveal known dangerous effects of smoking, despite public interest in such information. Has anything changed since then? We do not know, but probably unfortunately not.

Medical errors cause the death of 24,000 Canadians each year. There are methods to help address this, again, things like Infoway, but the government seems to continuously fail to address the issues of transparency and accountability and refuses to allow the Auditor General to audit these foundations so that taxpayers can have assurances that they are getting value for their money.

To sum up, let me say that the budget may commit the government to reinvesting some of the money it stole from the system a decade ago. I am hopeful that it is not too late for the funding to have an effect.

Despite the money, I remain skeptical that the Liberals are truly committed to improving the system so that all Canadians can have access to the best possible health care. The glaring omissions in this budget indicate contempt toward some of those who are most in need.

Besides, the systemic lack of accountability, which the Liberals aid and abet to hide their mismanagement and ineptitude, leaves me with little faith that the money the budget committed to health will actually be well spent. Rest assured the Conservatives will be watching closely.

I would also like to point out that the Conservative platform in the last election was much more realistic and much more transparent. We estimated accurately the revenues coming into the government and we were able to make public policy decisions based on that information.

That is how our platform rolled out. The Liberals criticized it, but history has shown that the Conservatives were right and the Liberals were wrong. Is that not the truth? It happens time and time again that Conservatives are right and Liberals are wrong and it has happened on this budget as well.

Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, I want to thank the hon. member for his comments. He did a lot of research. I would point out a couple of errors wherein he might have had some factual difficulties in his research and allow him to comment.

First, on the question of the catastrophic drugs, that is not an item isolated and identified in the budget. It is part of the $41 billion 10 year agreement under the pharmaceutical strategy and is to be worked out by the federal and the provincial governments.

The second point is that the gas tax is returned to the municipalities and is not in any way part of the medical equipment fund. They are two completely separate issues.

Third, Infoway has announced projects and has rolled out about $170 million. As the projects come in, if vital they are financed by the Infoway board, which is made up of all the provinces. This is not a quick political rollout, but something that is to be effective.

Last, I think I should correct the question of the wait times reduction fund. It is indeed a fund, a trust fund established by the federal government to give money to the provincial governments, with the money rolled out by the trustees under criteria, not the foundation. The trustees have no decision making power; all the power is with the provinces to withdraw money as they see fit to meet the objectives. Again, it is not the foundation, but the trust fund. There is a very important difference. Perhaps the member would like to clarify his points.

● (1315)

Mr. Steven Fletcher: Mr. Speaker, I certainly look forward to discussing these points with the member afterwards, but he has been quite misleading. On Infoway, for example, the health committee passed a motion just the other day to give the Auditor General the ability to go into Infoway to see if taxpayers are getting value for their money. I will point out that the opposition parties, the Conservatives, the Bloc, and the NDP, all voted in favour of this motion. The Liberals voted against it, which suggests that the Liberals are afraid of transparency, afraid of accountability and afraid that they may get caught with their hands in the cookie jar again.

With regard to the specific wording of my presentation, the overall intent is to show that billions of dollars have been set aside without the accountability or the transparency that Canadians expect when they pay their taxes. Again it is the Liberal government putting aside moneys that could be used in ways that Canadians do not want those moneys to be used.

With respect to the member's other comments, the Liberal government often takes money from, for example, gas revenues and puts it into other ventures. Liberals have been quoted in the past as saying that they would use money from the gas tax for diagnostic equipment. That is something that has been stated in the past and it is not where Canadians expect the money to go.

Canadians expect value for their tax dollars. Everyone would be happy to pay taxes and contribute to the nation's government if they knew that the money was going to be used to make the lives of their fellow citizens better. We have seen the Liberals waste billions of dollars time and time again, whether it was on the gun registry or slush funds or whatever. That really undermines Canadians' confidence in the Liberal government and it undermines Canadians' confidence in the Liberal budget.

[*Translation*]

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, to reassure my colleague who just spoke, I can tell him that the interpretation was interrupted for about 40 seconds. Since we were listening attentively to his speech, we were able to point this out right away. So he did not have to begin all over again. We clearly heard him and, above all, we listened attentively.

I want to thank my colleague for one part of his speech that I particularly enjoyed. I am talking about the part on accountability and when he asks the Auditor General to look at how the funds are administered by, for example, the Canada Health Infoway and the other foundations.

I am happy to learn from his speech that the Standing Committee on Health introduced a motion on this, which was carried by a majority vote. I also want to remind him that his party devoted an opposition day to this subject. That motion won by a majority vote in the House. However, since he has shared this with me, I will gladly share with him that, on March 21, we will be discussing Bill C-277 in the House, to allow the Auditor General to audit all the foundations. His party, through the chair of the Standing Committee on Public Accounts, has already shown support.

So, I would like to hear his comments on this part, whether he agrees with giving the Auditor General oversight with regard to the Canada Health Infoway and all the other foundations too? Also, once he has read the bill, does he intend to support all legislation seeking to achieve that objective?

● (1320)

[*English*]

Mr. Steven Fletcher: Mr. Speaker, I have not seen the bill itself, but I think the intent of auditing the foundations is a good one. The Canadian people need to have confidence that the moneys they are contributing through their hard work are going to the initiatives they expect those moneys to go to.

As we have seen with the ad scandal and other Liberal slush funds and boondoggles, Canadians are not receiving value for significant amounts of their tax dollars. I am sure the hon. member would agree.

Anything that enhances transparency and accountability is important. All the opposition parties agree on that point, as demonstrated at the health committee. The only party that seems to disagree with accountability, transparency and value for money is the governing party. It is very disturbing, and I think most Canadians would agree.

One can only conclude that either there is a total disrespect for Canadian tax dollars or something funny is going on in these foundations. I look forward to working with anyone who shares our commitment, the commitment of the Conservative Party to financial accountability, transparency and value for Canadian taxpayers.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, like my colleagues, I will speak to the debate about the budget. First, I would point out that, for anyone concerned about improving the lives of the poorest people in society or interested in bringing about progress not just in social programs but also in saving and protecting the social safety net so that those who are worst off in our society can be better protected, for these people the budget is a disappointment. In addition, the Conservatives did not help to improve the budget. In fact, several days in advance, before they even knew what would be in the budget, they let it be known that they would support the budget, that they would find a way to support it. That is pretty disappointing.

As the opposition, of course, the Conservatives have a responsibility. It was their task to apply pressure, together with us, so that the Liberal government would deliver a better budget. I will stop there concerning the Conservatives' behaviour in regard to the budget itself.

Mr. Speaker, excuse me, but I should say that I am going to share my time with the member for Rosemont—La Petite-Patrie.

Just about all the stakeholders in society are disappointed because this is a “nothing for” and “everything for” budget. There is nothing for people waiting for some action on Kyoto and waiting for better assistance for social housing. There is also nothing for the cull-cattle question. There is nothing as well for the fiscal imbalance, transfer payments, and so on.

Consequently, there is nothing for these needs, for which the public had expectations, but then there is “everything for”. For what? There is everything for budget surpluses, for more of a cushion for the government and for the army. I remember that during the election campaign the Liberals lectured the Conservatives, who had promised to invest $5 billion in the Canadian Armed Forces, saying that for the Liberal Party health was more important than the army. So now we see the Liberals providing no less than twice as much as or more than what the Conservatives had promised for the army if they had been elected.

This is therefore a source of great disappointment, as is the EI issue, which I will develop further. All stakeholders in society who are concerned about the plight of the unemployed came forward to say that the budget failed to meet their expectations and was an insult. All stakeholders without exception said so.

I find it somewhat unfortunate that the Minister of Human Resources and Skills Development misled the House by saying, on the basis of a statement by someone in New Brunswick, that "the unemployed are happy with this budget" and that the Minister of Transport contended that any reasonable unemployed person should consider this to be a fantastic budget. I assume that, among all the unemployed represented by dozens of associations across the country and by their various labour organizations, there must be a few who are reasonable.

● (1325)

How can one be reasonable while being robbed?

A total of $46 billion was diverted from the EI fund. People expected the government to stop using EI funds for other purposes.

The minister, and her colleague the transport minister have misled this House by saying that people are happy with this budget as far as employment insurance is concerned. That is not what the CLC, which represents three million workers across the country, the five labour organizations in Quebec, which represent more than one million workers, the associations representing hundreds of unemployed workers and even some Liberals, including Liberal associations in New Brunswick, are saying.

The minister neglected to tell us that yesterday. During the Liberal convention, over the weekend, the New Brunswick Liberal Association had its delegation vote on a motion, presented jointly with Quebec's delegates, calling for an indepth reform of the EI system. The minister said nothing about that yesterday.

This motion, which was adopted last weekend in Ottawa at the biennial convention of the Liberal Party of Canada, proposes to go further than what is proposed in the last budget. These Liberals want to calculate the number of hours of work, rather than the number of weeks. They also want to eliminate the two-week waiting period. This is what the House of Commons committee recommended. It is also what is proposed in the two bills of the Bloc Québécois that will be debated in April.

If the party in office were respectful of the decisions made at its own convention, it would not have told us some of things that we heard. I cannot say that these people are liars, but they showed little respect for truth. This is what happened.

Their requests are a combination of what is proposed in the report of the House of Commons committee and in the dissenting report of Senator Pierrette Ringuette. This is precisely what we are asking for. Why did the minister not say so yesterday, instead of misleading this House into thinking it was a position adopted by her own party? That is not the case.

According to the president of the Liberal Party for the riding of Acadie—Bathurst, Marc Duguay, his region needs much more significant changes than those proposed in the budget.

Moreover, yesterday, the member for Beauséjour made a speech in this House, extolling the virtues of this budget which, in his opinion, meets the expectations of the unemployed in his part of the country. However, during last weekend's convention, held after the budget was tabled, this same member of Parliament told us, "It is very difficult to get our ideas and the changes that we would like to make to the employment insurance program adopted". He is not satisfied. He also said, "So, I think it is up to us to roll up our sleeves and go to Ottawa".

I am wondering where he is. Does he know that he is in Ottawa? Does he know that yesterday he made a speech in the House of Commons, here in Ottawa, and that he could have said the same thing?

So, one can go to Ottawa and knock on the door, which is not always open. The hon. member is finding that out, just like us. Not only is the door not open, but we encounter arguments against logic, against the logic expressed by the standing committee of this House, which recommended that the employment insurance fund become an independent fund, that the $46 billion that were diverted be put back in the fund, and that this fund be managed by representatives of the employees and employers, so that the government will stop using it for other purposes. Moreover, the program should include measures to give the unemployed access to better benefits, so that they can have a decent income.

● (1330)

I point out that they have already paid for this insurance. There is a surplus this year in that fund, and the government is using the money for other purposes. It is depriving people of the insurance they need, at a time when they have the misfortune of losing their jobs. It is as if your house burned down and your insurer said, "You have been paying for years, but I have used the money on something else". What would you say? Here we cannot use a certain word, but it could be described this way, "He took the money that belonged to me without my permission, with the express intention of not giving it back to me".

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, on the last item the member referred to on EI, he is quite right that the fund has been operating at a surplus for some time. A lot of that has to do with the fact that we have not been in a recession since the late 1980s. That could never have been anticipated.

The member may be aware that back in the Mulroney years, the EI fund was operating at a deficit. It had about a $12 billion deficit. At that time the Auditor General, who I am sure the member respects very well, advised the government that it could no longer have the financing of EI outside of the government accounts. In fact the Auditor General required that the operation of the EI fund, all the premiums in and all the expenses out, be included in the current accounts of the government. The reason was that it was financing a deficit off the government accounts.

One year of a recession could run up a charge against the EI fund of about $15 billion. The legislation provides for a minimum of at least two years. There is more than that now but I suggest to the member that if he looks at the difference between how much debt has been paid down and how much notional surplus there is in the EI fund, the numbers are very close. The government is simply holding that money. It is available. Under the law it has to go back in terms of lower premiums or in terms of additional programs under the EI fund.

Having said that, I think the member will now understand that the government is not doing anything that it should not be doing. The moneys are there as part of the government's current accounts.

I want to ask the member a question to which I did not get a clear answer from another member of his caucus. It is with regard to the qualifying period for EI benefits. Could the member advise the House what he believes would be an appropriate time for people to have work to be able to qualify for any EI benefits?

● (1335)

[*Translation*]

Mr. Yves Lessard: Mr. Speaker, I thank my colleague on the other side of the House for his question.

First, I would like to remind his colleague that perhaps it would be appropriate to implement other recommendations by the Auditor General, which would probably help put some order in the situations that are embarrassing his party, with respect to the inquiries now going on.

Now, as for the employment insurance fund—his question is in two parts, I believe—it must be remembered that, since 1990, only workers and employers have contributed to the employment insurance fund. That means that what the hon. member is saying here about deficits in the past being paid off from general revenues, will not happen again, following acceptance of the standing committee's recommendation for a fund administered by the people who pay into it, that is, employees and employers, with participation by the government and a chief actuary, of course.

This fund must be self-sufficient because the premiums collected must meet the obligations of the fund itself.

What the Auditor General indicated, in 1983, was that it was taking some time to reimburse the government for the deficit in the fund. Still, it was reimbursed, because the forecasts were not made as a function of premium rates. That cannot happen again. So, that may reassure my colleague on the other side.

The third element in his question is the number of hours. In fact, the number of hours needed to qualify was once a standard 300 hours. The House unanimously agrees, and so do social intervenors in this field, that from now on, the number should be 360 hours, so that there will be no more rule of disparity based on the unemployment rate in each region, or the status of individuals.

For example, at present, a new entrant needs 910 hours to qualify. The minister now proposes 860 hours. That will affect almost no one. His own Liberal party members from New Brunswick and Quebec have proposed a uniform rate and even recommend—I read his party's resolution aloud earlier—a uniform rate. Why? So as to end this discrimination between different classes of people, which limits access by women and young people to employment insurance.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, it is with great joy that I speak today in this House to critique, if I may put it that way, the budget tabled by the Minister of Finance on February 23.

During my presentation I will address the aspects that affect the protection of the environment, in particular, and I would say the disinvestment by the federal government over the past few years.

When it comes to the environment I would describe the federal budget as follows: first, it is vague; second, it is soft; and third, it is inadequate. Why? The government and the Minister of Finance did not even bother to mention the Kyoto protocol in the budget. How can a government that wants to get involved in fighting climate change and to honour its commitments in greenhouse gas reductions, omit the term Kyoto protocol from its budget? This shows that the government is far from willing to keeps its promises to reduce greenhouse gas emissions between 2008 and 2012. Instead, it is working on a long-term policy to fight climate change, which, in light of this budget, will not allow us to meet our greenhouse gas emission reduction targets.

A big part of this budget is being used to create a new fund called the Clean Fund. It is $1 billion over five years to buy credits abroad or for projects to fight climate change.

There are two concerns with the creation of this fund. First, there is its management. At the parliamentary committee, the acting director general of Climate Change Canada was unable to assure us that the fund would not be managed by another Canadian trust. Although these trusts have been criticized by the Auditor General because of their blatant lack of transparency, the government is opening the door to the administration of this $1 billion fund and could leave it to the so-called good management of a trust. My colleague from Repentigny tabled Bill C-277, which allows the Auditor General of Canada analyze and audit the use of these public funds. We have no guarantee that this $1 billion fund will not be put in a trust.

We also have cause for concern in connection with the possibility of Quebec's getting a hand on these funds, because it must be demonstrated that the projects submitted to the government will result in significant reduction of greenhouse gas emissions. What about those sectors of industry, in Quebec particularly, that have already reduced their greenhouse gas emissions? I am thinking of the aluminum industry and the manufacturing sector in Quebec, both of which have reduced their emissions by 7% since 1990. The marginal cost of implementing the Kyoto protocol is higher than for other industrial sectors in the rest of Canada. Very likely these Quebec businesses will not be able to access the fund that has been created. It might have been more justified, more efficient, to take that money and allow certain tax deductions in order to arrive at a true environmental tax policy for Canada. But no, they create a fund instead and now there are concerns that Quebec may not have access to it.

Then there is the partnership fund which is earmarked for what they call big ticket projects to achieve big volume cuts in greenhouse gas emissions. There is reference among other things to something that we may come back to in a few weeks or months: east-west power grid connections, that old dream of a national electrical network from coast to coast.

● (1340)

So today there is cause for concern about this initial announcement, this first admission by the federal government that has long desired to create such a national connection and to invest in infrastructure to connect the east and west.

There is one thing I want to say today in this House: regardless of the whims of the federal government, Quebec will never agree to relinquish its jurisdiction over power lines that cross its territory. This national grid the federal government is throwing out as an idea is not acceptable to Quebec.

We must keep in mind that the tax dollars of Quebeckers over the past 30 years are what has made it possible to develop the hydro-electric grid. Today, they want to make use of it. What would the purpose of a national grid be? Would national standards be set to which Hydro-Quebec and the Government of Quebec, might be forced to comply, including those of the National Energy Board. So great care will be required in coming years. This announcement by the federal government today may be seen as a desire, perhaps definite, to encroach on Quebec jurisdiction.

Fourth, there are not enough tax incentives. There are some tax incentives in the federal budget worth some $295 million over five years, for renewable energy. Among other things there was a proposal from the Bloc Québécois that we had hoped to see in the budget. We have always thought that two approaches were needed to reach the objectives of the Kyoto Protocol. A regulatory approach is needed to apply more stringent measures to certain industrial sectors —I am thinking among others of the Canadian automobile industry —but tax measures are also needed. To reduce greenhouse gas emissions, we need to use the tax system.

Years ago, we made a suggestion to the government in the form of bill that would have allowed a tax deduction for the purchase of public transit passes. But there is nothing in the budget about it.

Over the past few weeks and days, we have met with public transit associations in Canada, which told us that this would be a simple, effective step that the government could take. But there is nothing in the budget about it.

The government also could have used the tax system to provide a credit for the purchase of hybrid vehicles. Once again, nothing in the budget would give us reason to hope that in the years to come and in the next budgets, or even now, we might see these credits, this opportunity for consumers who decide to use greener, smarter methods and transportation to have a tax break on the purchase of hybrid vehicles.

One of the major aspects of this budget insofar as the environment is concerned is a line from the government and the minister, and I quote this part of the budget:

> —this budget also launches an examination of all existing climate change programs to reassess and redirect funding to the most effective measures.

This can be found on page 19 of the budget speech delivered on February 23.

This is fine in principle. It is impossible to oppose the objective. However, the question that needs to be asked now is why was this program reassessment not done earlier? The Minister of the Environment is preparing to table a new action plan on climate change in a few weeks, and here we are told that the government is starting to reassess the programs. The deputy minister even told us in committee that he did not have any time frame for doing this reassessment.

The budget that was tabled provides no reason to hope that the government will achieve the objectives of the Kyoto Protocol. It can also be said that the plan to be tabled in a few weeks will provide no reason to hope either that the government has implemented all possible tax measures to ensure that Canada meets its international obligations.

● (1345)

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.): Mr. Speaker, I simply want to ask the Bloc Québécois member who just spoke to clarify something for me. Others before him also made the same remarks.

If I am not mistaken, the amendment proposed by the opposition, namely by the Conservatives, suggests that the government's budget does not reflect Conservative principles. Therefore, if Bloc Québécois members approve this amendment, they will of course support the language used in the motion, which suggests that Conservative principles should be supported. We are very clear on this.

This is a motion that opposes the Kyoto Accord, which the Bloc has always supported; it opposes the national child care program, for which the Bloc has fought a number of battles; it opposes the gun registry, which the Bloc has always supported; and, finally, it opposes federal investments in research.

Considering that all these points are mentioned in the motion of the Conservative Party, I would like to know how Bloc Québécois members can truly support a motion that is contrary to the commitments that they made during the election campaign and in this House.

● (1350)

Mr. Bernard Bigras: Mr. Speaker, what is despicable on the part of the member and in the budget is that this is a conservative budget. Such is the reality.

First, the government is not reinvesting adequately to implement the Kyoto protocol. Second, it is reinvesting in national defence, when needs are much greater elsewhere.

There is nothing for social housing. The government has decided to support national defence instead of the homeless. This is totally unacceptable.

Rather than lecturing us, the hon. member should have supported the Bloc's proposal yesterday. She would then have been in a position to echo the consensus achieved in Quebec on this issue, but she did not do that.

[*English*]

Mr. Lee Richardson (Calgary Centre, CPC): Mr. Speaker, I want to thank the hon. member for Rosemont—La Petite-Patrie for his comments and support of the Conservative motion. I think it is clear from his remarks that the Liberals would rather grow the size of government than the incomes of Canadians. The cost of bureaucracy has grown 77% since 1997, yet the Liberal tax relief amounted to just $16 for low and middle income Canadians.

Would the hon. member reiterate on his point with regard to the big unfocused spending in this Liberal budget with no plans for how they intend to deliver on such things as a national child care system, funding to cities, and as the member mentioned, solutions to climate change? This again opens the way for billions of dollars of mismanagement and wasted money.

The hon. member for Rosemont—La Petite-Patrie mentioned the climate change initiatives, the lack of mention of Kyoto in the budget and another big fund without any detailed explanation. We still are waiting for a plan. It was suggested in committee this morning that the Liberals will enhance the plan that they came out with in 2000. Would the hon. member comment on that? Has he seen a plan for Kyoto, or any mention of it in the budget or any direction as to where all the money will be spent?

[*Translation*]

Mr. Bernard Bigras: Mr. Speaker, indeed, over the past few years, we came to the same conclusion as the hon. member. In fact, we asked a former minister in the Quebec government, Jacques Léonard, to review the issue of increased federal government spending.

We found out that this government pours money in its public service and departments, but gives nothing back to the provinces. It wants to create a Canadian nation building process, so that we will believe Canada is right. Consequently, the government creates a number of departments with national standards.

Meanwhile, there is no reinvesting in the provinces. The budget is silent on the fiscal imbalance, which is a clear and well-known reality regarding which there is a consensus in Quebec.

I think it is time the federal government give back to the provinces the money that they need to provide adequate services to the public. The money is in Ottawa, but the needs are in the provinces, and particularly in Quebec.

● (1355)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, rather than getting into the meat of my speech, perhaps I will spend these last few moments before question period addressing a couple of the issues that have been raised by members in the debate today.

One of the more interesting issues concerns the EI program, a program that the government is very committed to bringing into line with the needs of Canadians, for youth, women, as well other workers. Many people in Canada work part time or are seasonal workers which means they may have difficulty reaching the required number of hours needed to qualify for benefits. We are committed to a continuing review of the current provisions and ensuring that appropriate changes will come forward. I think that is very important.

I think some of the members of the Bloc have continued to say that the EI program should be dealt with by employers and employees only because they are the ones who pay the premiums.

Although that is quite correct, and members may want to think about this, on the income tax return every Canadian who pays EI premiums or Canada pension plan premiums receives a non-refundable income tax credit for the premiums paid and a reduction of their taxes with regard to that. Therefore, not only is the federal government subsidizing workers' and employers' premiums on EI and CPP but so are the provincial governments. There is a subsidy because the tax credit goes to the employee and the employer gets a deduction which reduces the taxes otherwise payable.

We have to look at it in the whole sense. Yes, I know that employees are the ones who pay the direct premium, but there is a tax reduction as a consequence of filing a federal or provincial income tax return.

I also want to make a very brief comment with regard to the issue of fiscal imbalance. The Bloc Québécois has often talked about the issue of fiscal imbalance. I believe we had an excellent debate in the House. My recollection of the details is that both the federal and the provincial governments have effectively the same ability to tax, whether it be income taxes or other forms of taxes. However there are some differences. For instance, the provinces also have the ability to collect taxes on lottery winnings.

Therefore, if there is a situation where a province not only participates fully in all of the programs and transfers of the government, but also receives equalization payments, it must mean that they are actually getting more dollars from the federal government than they are contributing through their taxes. If that is the case, where in fact they are getting more dollars under the federal government, how could they say that there is a fiscal imbalance?

I will leave it at that and I will continue with the main body of my speech after question period.

STATEMENTS BY MEMBERS

[*English*]

INTERNATIONAL WOMEN'S DAY

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, today is International Women's Day, a special day that lets us reflect on the progress we have made in advancing women's equality worldwide.

In 1995 Canada, along with 187 other countries, adopted the Beijing platform for action, a plan for addressing women's poverty, economic security and health.

A commitment to greater equality requires a commitment of resources for programs. Accordingly, several of the 2005 budget measures help advance this agenda. These include an accelerated increase in the GIS, increased support for immigrant settlement and integration, a doubling of the caregiver tax credit, $5 billion for early learning and child care, $850 million for health care, $735 million for aboriginal families and recognition of the needs of women entrepreneurs and women's economic independence.

Equally important is the increase of the basic personal exemption to $10,000, which will remove 860,000 low income taxpayers, most of them women, from the tax rolls.

* * *

● (1400)

STATUS OF WOMEN

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, the investigative news program *W-FIVE* has exposed the Liberals' dirty little secret: they continue to be complicit in the trafficking of young women.

Under fire because of strippergate, the Prime Minister loudly proclaimed that the exotic dancer program was over. It turns out that his government just changed its modus operandi. Strippers are still being brought into Canada, this in the face of repeated warnings about the involvement of organized crime and of evidence that nude dancers are being misled, exploited and trafficked.

The Prime Minister talks a good game about protecting individual rights, all while his government knowingly places young women in harm's way. His promise to end the stripper program hid the truth: the back door is still wide open. I say shame on the Prime Minister.

Today, on International Women's Day, I call on colleagues on the Liberal benches over there to demand a stop to this continuing exploitation of women.

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INTERNATIONAL WOMEN'S DAY

Hon. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, today is International Women's Day, the highlight of International Women's Week which started on Sunday, March 6 and runs to Saturday, March 12.

This year, Canada's theme for International Women's Week is "You are here: Women, Canada and the World".

To commemorate International Women's Day, on Friday, March 4, I hosted my seventh annual breakfast in my riding to acknowledge the accomplishments of the women of Parkdale—High Park. The event celebrated the success of local women, including Kelly Thornton, an award winning theatre director; Stephanie Gibson, an author and history teacher; Heidi Suter, a lawyer; Nathalie Bonjour, an artistic producer; and Anita O'Connor, a founding member of the Parkdale Golden Age Foundation and its current executive director.

International Women's Day is an ideal opportunity to reflect on the progress made to advance women's equality, to assess the challenges facing women in contemporary society, to consider future steps to enhance the status of women and, of course, to celebrate the gains made in these areas, as well as an opportunity to honour all women in our communities.

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[*Translation*]

FILM INDUSTRY

Mr. Roger Clavet (Louis-Hébert, BQ): Mr. Speaker, Quebec filmmakers Hugo Latulippe and François Prévost recently won two awards for the film *What Remains of Us*: the Jutra for best documentary film and the prize for best feature film from the Association québécoise des critiques de cinéma.

This movie shows life in the world's largest prison: Tibet. We see the suffering and oppression there without the filter of traditional media.

During the making of this film, numerous Tibetans had access, for the first time in 50 years, to a message from the Dalai Lama. The film presents the extremely moving accounts of Tibetans after they view this message from their spiritual leader.

We must stand in solidarity with the people of Tibet, who are suffering, and promote a real dialogue between China and the Dalai Lama. Canada must take a leadership role. It should use its ties with China to start discussions to bring about freedom in Tibet.

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[*English*]

INTERNATIONAL WOMEN'S DAY

Mr. Russ Powers (Ancaster—Dundas—Flamborough—Westdale, Lib.): Mr. Speaker, on this International Women's Day I rise to remember and recognize our women parliamentarians. They include the late Agnes Campbell Macphail, the first woman in the House of Commons elected in 1921; the late Cairine Reay Wilson, the first woman appointed to Canada's Senate in 1930; and the late Right Hon. Ellen Louks Fairclough, one of my constituents and the first woman to be appointed to the cabinet initially in 1957.

I ask all members to join me in acknowledging and thanking all the current women parliamentarians in this House and the Senate for their commitment and outstanding contributions that continue to benefit Canada and the world.

* * *

NATIONAL SECURITY

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, the residents and taxpayers of the Niagara region are paying for the security of all Canadians by taking on the lion's share of border policing without federal assistance.

The Niagara Regional Police Service is the first to respond to calls for service at the border. From 2002 until August 2004 there were over 2,000 incidents that required the presence and resources of our community police at the border.

There is clear evidence that international border policing is currently being funded by local taxpayers only. The increased financial hardship on Niagara's property tax base since the heightened security requirements stemming from 9/11 needs to be addressed fairly by the government. Niagara police and residents are proud to contribute to our national security but the financial burden is not only unfair but also unsustainable.

On behalf of Niagara property taxpayers, I urge our federal government to properly fund the vital national security services currently provided by our local police. The downloading of responsibility without the equivalent resources is draining our municipality.

* * *

● (1405)

INTERNATIONAL WOMEN'S DAY

Mrs. Susan Kadis (Thornhill, Lib.): Mr. Speaker, Canada's theme for International Women's Day 2005 is "You Are Here: Women, Canada and the World". On this day an issue that must not be neglected is violence against women. Despite concerted efforts of many dedicated individuals, violence against women in Canada and throughout the world continues to persist.

We must ask ourselves how well we are doing. Not terribly well it seems, but it is not for lack of trying. Governments repeatedly dedicate themselves to ending this horror, but the rates of violence, particularly against aboriginal women, are unacceptable.

Canada has made efforts in rectifying this problem. After all, it was a group of Canadian women who helped to get rape globally recognized as a war crime.

While strides have been made, there is still much more that must be done to prevent women and children from living in fear, to protect all regardless of ethnicity, race, ability, age or gender.

As Canadians, we are here and we will make a difference.

* * *

[*Translation*]

INTERNATIONAL WOMEN'S DAY

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, the United Nations declared March 8 International Women's Day in 1977. It is the perfect opportunity to evaluate our progress in promoting gender equality.

Canada had the opportunity to evaluate its record last week at the Beijing + 10 conference on women's issues. The conference served to remind everyone of the importance of demonstrating the implementation of commitments and action plans to achieve gender equality.

This conference was also an opportunity to identify future challenges with regard to the status of women: employment equity, improving the economic condition of women and the lives of aboriginal women. I hope that Canada's representatives at the Beijing + 10 conference took good notes and that the lives of women will improve even more in years to come.

[*English*]

INTERNATIONAL WOMEN'S DAY

Hon. Eleni Bakopanos (Ahuntsic, Lib.): Mr. Speaker, yesterday I had the pleasure of honouring many women volunteers from my riding of Ahuntsic at my annual breakfast on the occasion of International Women's Day.

[*Translation*]

In addition, I paid tribute to six exceptional women during the presentation organized in conjunction with the Ahuntsic-Cartierville CEDC, Concertation-Femme and the Maison Fleury to further commemorate this day. These six caring and active women successfully returned to school and entered the labour market. They are Perla Marrugo Del Rosar, Liping Tian, Rajaa Abou Assi, Annie Gosselin, Cornelia Turturea and Anna Laskowska. They came from the four corners of the earth and, armed with courage and tenacity, they overcame small and large obstacles to integration. They dared to dream and to make those dreams come true, despite those obstacles.

[*English*]

That proves once again that education is the key to many successes.

Allow me to finish with a Congolese proverb, "When you educate a man you are educating one individual, but when you educate a woman you are educating a society".

I wish everyone a happy International Women's Day.

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DIABETES AWARENESS MONTH

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, March is Diabetes Awareness Month and I was pleased to meet with Carol Ann Smith, regional director of the Canadian Diabetes Association from Newfoundland and Labrador.

Diabetes is a disease affecting more than two million Canadians and one-third of those affected are unaware that they even have the disease. The Canadian Diabetes Association, through the hard work and dedication of 35,000 volunteers, works to prevent diabetes and improve the quality of life of those affected through research and education. Through its fundraising efforts, the association is supporting 114 diabetes research teams nationwide at a cost of $5.8 million this year.

Diabetes is a disease that affects Canadians in every province, community and walk of life. Today I salute the Canadian Diabetes Association in its efforts to improve the daily lives of Canadians suffering from this disease.

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INTERNATIONAL WOMEN'S DAY

Hon. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, International Women's Day gives us an opportunity to reflect on the progress women have made to date, to assess the present challenges and to chart a future course.

This morning I was co-host with my provincial colleague, Laurel Broten, at an International Women's Day breakfast with special guest, Lina Anani of Amnesty International Canada, and guest speaker, the hon. Minister of State for Public Health. It was an honour to have them join us at this event. It was an opportunity for the men and women of Etobicoke—Lakeshore to celebrate the accomplishments and progress of women in Canadian society.

The themes of International Women's Day challenge us as parliamentarians to work toward gender equality.

Happy International Women's Day to all of my colleagues.

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● (1410)

INTERNATIONAL WOMEN'S DAY

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, it is an honour for me to rise in the House to recognize today, March 8, as International Women's Day. This year the United Nations has adopted the theme, "Gender equality beyond 2005: Building a more secure future".

In the 30 years since the UN first celebrated International Women's Day, we have made progress in a number of areas, but there is still work to be done. Women in this country deserve nothing less than complete equality.

The House must act to ensure women's issues that matter most in the lives of Canadian women are dealt with in a meaningful and lasting manner. This means combating domestic violence, finding solutions to end poverty, and ensuring that Canada develops a national not for profit public child care program. We need to make pay equity a reality and change systems that promote inequality for aboriginal, Inuit and Métis women, immigrant and visible minority women, and senior women.

Today I invite all Canadians to join with me in celebrating the accomplishments of the past three decades and to work together to find meaningful solutions so that gender equality beyond 2005 can be more than a theme, it can be our reality.

* * *

DATE RAPE DRUGS

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, today the Conservative Party launched a national campus campaign against date rape drugs.

The increasing presence of date rape drugs such as GHB and Rohypnol at bars, clubs and parties has put a powerful weapon in the hands of sexual predators. Tasteless, odourless and colourless, these drugs are virtually undetectable and easily slipped into drinks, rendering the victim unconscious and defenceless against sexual predators.

Our laws must tell the thugs and cowards who use these drugs, who assault and brutalize women, that their criminal actions will not be tolerated. I call on the government to take concrete steps to combat date rape drugs by first creating a separate section in our laws for date rape drugs with tough new penalties. Second, it should launch a national campaign to educate women on the dangers of date rape drugs. Third, it should streamline the collection of evidence on sexual assaults and rapes to facilitate prosecutions.

It is time for the Liberal government to step up and fight the cowardly use of date rape drugs. If the Liberal government will not, women across Canada can rest assured that the coming Conservative government will step up and protect them from the growing threat of date rape drugs.

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[*Translation*]

INTERNATIONAL WOMEN'S DAY

Ms. Monique Guay (Rivière-du-Nord, BQ): Mr. Speaker, in 2000, the women of Quebec joined with their sisters in order to achieve recognition for the rights of women and the important role their words and deeds play in shaping the world we live in.

Five years later, the women of Quebec and elsewhere are pursuing that commitment in their legitimate ambition to change the world.

Francine MacKenzie, who left us in 1988, far too soon, said; "To gain access to power, any kind of power, is to assume responsibility. In their quest for power, women are not demanding one more right but rather the possibility of doing their duty. Not wanting something for the sake of wanting it, but rather wanting to focus their freedom on a project that will require accountability to others."

The Bloc Québécois salutes the determination, the audacity, the generosity, the tenacity and the courage of the women of Quebec and elsewhere. You share a commitment with the men and children of Quebec to a world based on the values of justice and equality.

* * *

[*English*]

INTERNATIONAL WOMEN'S DAY

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, today marks International Women's Day, a day we reflect on the progress that women have made, celebrate achievements and consider future challenges.

Last week I attended the UN Beijing plus 10 conference in New York where countries from around the world recognized the contributions of women politically, socially and economically.

Canada has much to be proud of. The Famous Five, those courageous women who fought for legal recognition of women as persons, would be proud of the advances women have made. At no other time in our history have the doors of opportunity been so wide open, from the record number of women in universities to the rapid growth of women entrepreneurs. Women-led businesses have created more jobs in the marketplace than the 100 largest companies combined.

This is positive for all Canadians, yet more can be done. Working together we must combat domestic violence and improve the lives of aboriginal women.

I would like to thank all women and men who have contributed to the creative solutions for prosperity. Our daughters and sons will benefit from this work and will make further advancements to levels which may now seem beyond our imagination.

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INTERNATIONAL WOMEN'S DAY

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, International Women's Day is a time for us to celebrate the women of Canada and the world.

It has been 10 years since the Beijing Platform for Action was signed with the goal of identifying 12 priority areas that affirm women's vital role as stakeholders and key players in environmental decision making. The Beijing Platform for Action underscores a number of key areas of environmental concerns.

With 80% of Canada's population living in urban areas, the challenges are more complex and critical than ever. These issues range from urban sprawl to greenhouse gas emissions and air pollution. Women continue to be deeply concerned about these and other issues.

Let us remember that it was a woman, Rachel Carson, who is considered to be the founder of the modern environmental issues.

This International Women's Day can inspire us to renew our commitment to the environment, a commitment that goes hand in hand with the vital role that women can play in sustainable development.

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● (1415)

[*Translation*]

DOMINIQUE MALTAIS AND STÉPHANE AGNARD

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I would like to draw attention to the performance by Dominique Maltais of Petite-Rivière-Saint-François last December in Austria, as she earned her first gold medal in snowboard cross. She faced some very stiff competition from all four corners of the world.

This is the first year on the world cup circuit for the 24-year-old snowboarder, who is also a Montreal fire prevention services employee.

For the first time in the history of this sport, two Quebec athletes both won gold medals, as Mont-Tremblant's Jasey-Jay Anderson came out on top in the men's competition.

I must also draw to your attention the meteoric rise of freestyle skier Stéphane Agnard of Sainte-Anne-de-Beaupré. His series of strong showings have won him a spot on the team for all the end-of-season events.

Once again, congratulations to Dominique Maltais and Stéphane Agnard, both of my riding of Montmorency—Charlevoix—Haute-Côte-Nord, and the best of luck for the Winter Olympics in Turin in 2006.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, yesterday the agriculture minister refused to say when or if he would provide emergency relief to cattle producers. These people are not hobby farmers. They cannot wait until the next day, the next month or the next year. They need help right now.

Will the Prime Minister announce today that he will release funds from the contingency reserve for farm families?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, before responding to the Leader of the Opposition's question, I would like to raise the issue of International Women's Day and say that I know that the Leader of the Opposition and all members of the House would like to salute the courage of women around the world who are fighting for equality.

[*Translation*]

I would like to note that this is International Women's Day. I salute the courage of women who are working for equality, all over the world.

[*English*]

In terms of the hon. member's question, he ought to know that the Government of Canada has been very supportive of Canadian agriculture and in fact of our beef farmers and ranchers right from the very beginning. In fact, a record $4.9 billion has been paid by the governments of Canada and the provinces over the course of this terrible issue.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, our farm families were told that the border would be opened. Now the border is not open. They do not want to have more wait and see. They want the Prime Minister to look and to take some action. Slaughter capacity must be increased.

Yesterday two provincial governments responded to the latest development in the crisis by announcing $40 million more aid. The government is offering nothing more than stale sound bites.

Does the government understand that the extended closure of the U.S. border means it needs to take more action on this crisis and more action on slaughter capacity?

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, unlike the Leader of the Opposition and members of the party opposite who seem to be finally waking up to the issue, last September the government put in place a strategy to reposition the industry so that it would be profitable with or without a border opening.

Our set aside programs have been put in place. Our market development programs have been put in place. We continue to see an increase in slaughter capacity in Canada.

The government understands what needs to be done and it is doing it.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the minister talks about waking up. He was telling the House and Canadians the border would be opened this week. That guy is Rip Van Winkle.

[*Translation*]

Now that the border is remaining closed, a program to encourage domestic slaughter is even more necessary. The herds are getting larger and farmers are losing money.

Will the Prime Minister support a price per head?

● (1420)

[*English*]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member can give all the mythical quotes that he wants to give. The reality is that rather than trying to score cheap political points this minister and this caucus were in Washington dealing with the Americans and dealing with this issue.

As the Minister of Finance has said, we have stood by our industry since May 2003. We have provided substantial investments in that industry. We have put in place some very creative and innovative programs to support that industry. We will continue to do that in the weeks and months yet to come.

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TERRORISM

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, yesterday CSIS director Jim Judd told a Senate committee that many veterans of terrorist training camps currently live in Canada. While not specifying how many terrorist suspects were in the country, Mr. Judd said that the number has three digits. He also said that terrorism is a very real threat to our national security. He went on to say that Canadian terrorists are bolstering the ranks of terrorists currently fighting in Iraq.

Clearly the government has no idea how many terrorists continue to be active, slipping in and out of Canada.

Could the minister simply state the number of terrorists active in Canada? Has it increased or decreased since 9/11?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, as the hon. member knows, I never speak in relation to operational matters surrounding an agency like CSIS. That would be singularly inappropriate.

What I can do is reassure the hon. member that within CSIS, within the RCMP, within the Canada Border Services Agency, within my department and across other departments concerned with the security and safety of Canadians, we are doing absolutely everything we can to ensure we identify high risk people, we identify high risk goods and we ensure the collective—

The Speaker: The hon. member for Central Nova.

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, this is really no laughing matter. I am only asking the minister to tell us whether the number of terrorists in Canada is going up or down. Since 9/11, the government clearly has not learned the horrible lessons necessary for prevention.

It took the government years to pass legislation that would enable terrorist checks on passenger lists. Four years after 9/11, the government still does not have an adequate system in place, cross-referencing, checking, sharing information of known terrorists travelling by air.

According to the director, there is a lack of equipment and criteria. This risks lives. Why has the government failed to put in place these important, basic tools necessary—

The Speaker: The hon. Minister of Transport.

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, the hon. member should know that Canada has one of the best systems in the world. We are controlling the access. We are ensuring that our airports are secure and most of our transportation systems.

We have spent over $8 billion since 9/11. Some people on the member's side say that it costs too much, but we want to ensure that we have the most secure transportation system in the world, and we do.

* * *

[*Translation*]

EMPLOYMENT INSURANCE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the massive cuts made by the Liberals to employment insurance have hit women the hardest. At present, two-thirds of unemployed women do not receive any benefits. Worse, the Liberal mini reform that applies only in certain regions continues to discriminate against new entrants to the labour market, who are mainly women and young people.

On this International Women's Day, is the Prime Minister going to put an end to the discrimination suffered by women in employment insurance?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I would simply like to say to the leader of the Bloc that he need only look at everything the government has done with respect to women since it came to power.

In particular, there is the agreement with Quebec on parental leave, which provides that the maternity and paternity leave period is now one year. In addition, the Business Development Bank has established a $25 million fund to help women entrepreneurs. Moreover, there are five centres of excellence for women's health in the country. We have invested $32 million annually in a system of—

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

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Throughout his response, the Prime Minister avoided answering the question about employment insurance. When they came to power in 1994, 53% of men and 49% of women were receiving employment insurance benefits. Since the cuts, only 44% of unemployed men and only 33% of unemployed women draw benefits. That is the fact.

Will the Prime Minister end this discrimination by establishing an eligibility threshold of 360 hours for everyone? That would end the discrimination between men and women in employment insurance.

● (1425)

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I would ask the leader of the Bloc not to use International Women's Day as a pretext for mixing things up in terms of the 300-hour threshold.

We should all be proud, in fact, that women themselves can choose to enter the labour force. They are now in the work force, and since the country's economy is going well, in fact, more jobs are held by women.

That said, we have already made many improvements in the employment insurance system, especially for women who receive maternity benefits, so that they can return to the work force without penalty.

* * *

STATUS OF WOMEN

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, the Fédération des femmes du Québec has expressed deep disappointment in the Canadian government for once again bringing down a budget that ignores the government's commitments to women.

On this International Women's Day, how can this Liberal government justify to millions of women living in poverty not including anything in its budget to deliver on its promises?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, I want to thank my fellow female member. I would also like to thank all my sister MPs in this place and all women involved in politics.

I reject the premise from an economic standpoint. Under the EI plan, which was just referred to, we have extended parental benefits to one year. We have also entered into an agreement with Quebec. By 2007, we will have increased investments in the Canada child tax to $10 billion; that is an increase of more than 100% over 1996. We are establishing a national system of early learning and child care, by investing—

The Speaker: The hon. member for Trois-Rivières.

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, in 2002, which is the last calendar year for which we have statistics, 51.6% of single mothers lived below the poverty line. It is a disgrace.

In that context, how could the government, which has at hand all that is required to alleviate the plight of a number of these women living below the poverty line, decide against a comprehensive overhaul of the EI system, which would have improved their situation?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, my hon. colleague has answered very well concerning employment insurance. However, the idea is not to focus on one specific area, but to look at the overall areas.

We are assisting families with respect to child care. We are assisting families with the national child benefit. We have established a $25 million fund with the Business Development Bank of Canada to assist women entrepreneurs. Through all these measures, we support women.

Moreover, I would like to add that the rate of participation of Canadian women in the paid labour force is among the highest in the world.

* * *

[*English*]

THE ENVIRONMENT

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, my question is for the Prime Minister. For 12 years he has been promising to reduce climate change pollution gases, yet for 12 years we have seen those emissions going up. We are choking on it. The fact is we have seen no action.

Today, environmentalists criticize the Liberals because they are making taxpayers pay instead of holding the big polluters to account, just like they opposed our plan to reduce emissions from automobiles and make them work.

One speech does not stop the dithering. Where is the Kyoto plan?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, it was a very proud day, certainly for me and I believe for all Liberals and all Canadians, when the Minister of Finance brought down his budget and it was characterized as the greenest budget that had ever been brought down in Canadian history.

I want to congratulate the Minister of the Environment. I want to congratulate the Minister of Finance. I want to congratulate all ministers and all members of this caucus.

● (1430)

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, if the Prime Minister had bothered to inform the House of the full quotations from those individuals, he would have told us that it was the NDP, the Bloc and the minority Parliament that were credited with taking action, and it is on the record.

Most environmentalists are frankly embarrassed by what they see. Where is the plan? We do not see a plan for Kyoto. There is no plan for BSE. There is no plan for credit card medicine to be stopped. There is no plan on foreign aid. The PMO does not know where it is going. On International Women's Day, we have no plan for non-profit child care.

Is the money going to profit-making companies or to kids?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, I think the leader of the NDP is jealous because he would be unable to name one NDP government since Confederation that ever delivered the greenest budget like the one the Minister of Finance gave to Canadians.

[*Translation*]

TRANSPORT

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, experts have described the control measures proposed by the Liberal government for Canadian ports as inadequate. Most controllers, crane operators, lift operators and flatbed truck drivers will not be checked under the proposed changes. However, background checks are done of airport employees.

How does the Minister of Transport justify having one standard for airports and another standard for ports?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, it is clear. We have started to set up regulated areas in airports and we have done background checks on airport employees. We are now considering doing the exact same thing—not a double standard, but the exact same thing—in Canada's ports.

We are going to start in three ports: Halifax, Montreal and Vancouver, but eventually all ports in Canada will be controlled the same way.

[*English*]

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, it has been three and a half years since 9/11 and the government has had the opportunity to get its act together with respect to Canada's ports of entry.

Organized criminals should not be working at our ports, and the Conservative Party believes in strong measures to ensure that does not happen. The government is putting forward certain elements that will cause an undue invasion of privacy for longshoremen at our ports rather than dealing with organized criminals in an effective way.

Why has it taken three and a half years since 9/11 for the government to get its act together to put forward real measures to secure our ports rather than harassing longshoremen with undue security—

The Speaker: The hon. Minister of Transport.

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I cannot believe my ears. The first thing we have to do is background checks. The member wants us to have secure ports and he is against background checks. What does he want after all?

* * *

JUSTICE

Ms. Belinda Stronach (Newmarket—Aurora, CPC): Mr. Speaker, on the weekend the *New York Times* reported that the marijuana grow op industry and criminal drug trafficking across the border were huge security concerns for the United States. In B.C. alone it is a $7 billion business.

However, the Prime Minister and that party continue to play fast and loose with the national interest by talking about decriminalizing and now even legalizing marijuana. Once again the Prime Minister is taking the country in the wrong direction.

Will the Prime Minister get focused, look at the cost to our economy and withdraw the bill to decriminalize marijuana?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, regrettably, it is the hon. member opposite who is playing fast and loose with the facts. If we look at the report from which she is speaking, it says that the big picture in terms of cross-border cooperation is certainly encouraging and that Canadian and U.S. law enforcement officials have dismantled major criminal industry operations.

What we intend to do with our proposed legislation, if they pass it, is to combat those grow ops.

Ms. Belinda Stronach (Newmarket—Aurora, CPC): Mr. Speaker, the Prime Minister and the government are ignoring warnings from the U.S. ambassador that there will be consequences resulting from decriminalization causing costly cross-border delays.

Apparently the Prime Minister does not believe the senior U.S. enforcement official quoted in the *New York Times* who said that the criminal situation was, "getting worse and worse and we need to address it at every level".

Is the Prime Minister willing to risk Canadian economic interest by proceeding with this misguided bill to decriminalize marijuana?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, again what was quoted were the words of an academic on the American report. The report acknowledges that the vast majority of illicit drugs come from South America and Mexico and that there is full cooperation between Canadian and U.S. law enforcement authorities.

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● (1435)

[*Translation*]

EMPLOYMENT INSURANCE

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, pregnant women in Quebec have access to a preventive withdrawal regime when their working conditions put their health and the health of their baby at risk. Unfortunately, women employed in federally regulated companies do not have the same benefits.

How can the federal government contribute to perpetuating such inequality when a simple agreement with the Government of Quebec could resolve this situation?

[*English*]

Hon. Joe Fontana (Minister of Labour and Housing, Lib.): Mr. Speaker, I would like to point out to my hon. colleague that all our programs, including the budget, have gone through a gender based analysis. Everything we do in the government, from parental leave to all programs with regard to women's workers rights, go through a gender based analysis. We will continue to ensure that women are treated more than fairly and in fact do much more in the workplace, and have the employment equity.

[*Translation*]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, is International Women's Day not the right time to challenge all discriminatory practices against women? Through its stubbornness, the federal government contributes to keeping women working under its jurisdiction at a disadvantage.

Why does the federal government refuse to give its female workers the same benefits granted to other women in Quebec in terms of preventive withdrawal?

[*English*]

Hon. Joe Fontana (Minister of Labour and Housing, Lib.): Mr. Speaker, as the members know, the labour code seeks to treat people equally. With regard to employment equity issues, it is this government that believes we must do everything possible to ensure that there is a discrimination free workplace and that women must be treated equally. In fact, we are determined to ensure that they play a more active role in all levels of government than in the workplace.

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[*Translation*]

CANADIAN FORCES

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, two internal investigations of the Canadian army indicate that there is still a great deal of intolerance toward women within their ranks. Despite the employment equity program launched in 1999, the results observed six years later are certainly not up to expectations.

On this, International Women's Day, can the Minister of National Defence tell us how he plans to remedy this situation once and for all?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the proof lies in the fact that the report referred to by my colleague was commissioned by the army itself. The Canadian Forces wanted to know exactly what the problems are and they are the ones rectifying them.

If the hon. member wants to accompany me to where the Canadian Forces are, and the women of the Canadian Forces are, in Kabul, in Bosnia, in Haiti and all the other places where men and women are serving side by side, he would be pleased to see that our servicewomen consider themselves full-fledged members of our forces and are proud to belong to the Canadian armed forces.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I would be delighted to accompany the women members of the infantry to Kabul, if that is what the minister wants to know. I will point out, however, that the report in question is an armed forces report, and the forces themselves are pointing out that there is indeed discrimination. That is what needs to be corrected.

The situation of women members of the armed forces is nothing to write home about. They are still subject to discrimination, and we would see that if we went to Kabul or to Bosnia.

As preparations are being made to recruit 5,000 soldiers and 3,000 reservists, does the Minister of National Defence not think it is high time to take some strong measures to put an end to this discrimination toward women once and for all?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, this is precisely what we did by commissioning that report. We looked into the situation. We spoke with members of the forces, and I can assure the hon. member that our servicewomen are proud and happy to be members of the armed forces. We will continue to improve their position in the forces.

I am certainly proud of the place women occupy in our forces. I am certain that, if the member accompanied me, and even if he accompanied some servicewomen, he would find, as I did, that they are quite happy to belong to our forces.

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● (1440)

[*English*]

AGRICULTURE

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, the border remains closed to live cattle and ruminants for an indeterminate amount of time, making increased slaughter capacity essential. The industry's losses are well over $7 billion. This government thinks that its token relief is sufficient. Farm families are still waiting on CAIS money they hope they qualify for. Millions are being gobbled up by administrative overruns. The loan loss reserve program announced in September does not exist because lenders and the government cannot agree on how it will work.

How can Canadian farmers and ranchers expect to access the fabled loan loss reserve program when it does not exist?

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I think Canadian taxpayers would be surprised to hear the hon. member characterize the $1.9 billion that this government has committed for BSE as a token. He may think it is a token. Canadian taxpayers do not think it is a token and beef producers do not think it is a token.

We have seen a 20% increase in slaughter capacity. There is another 10%, so a total of 30%, online that will see increased slaughter capacity.

I am pleased to announce today that an agreement has been reached with the FCC, so that it is now participating actively in providing loans to assist those who want to increase slaughter capacity.

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, due to his past experience, this minister has been banking on the border reopening.

The agriculture minister has not delivered any of his promises. He talks about billions in farm aid, yet producers are going broke. Much needed CAIS money is not reaching the farm gate and not one penny has helped build even one packing plant. This is just another example of Liberal promises made, Liberal promises broken.

Why will this government not use the contingency fund to offset the losses in the industry and support farm families?

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member is simply wrong. He may want to go to Prince Edward Island and ask those who were involved in the new plant in Prince Edward Island if there was federal money invested in that plant. He would get the answer that yes, it has seen federal money put into the plant.

He may want to ask those beef producers who received $106 million in emergency advances under the CAIS program whether or not they have been assisted. Or, he might want to ask those producers who today have received almost $1 billion in general CAIS payments whether they think there has been assistance provided. I think the answer from them would be yes.

Mr. Rob Moore (Fundy Royal, CPC): Mr. Speaker, farmers continue to suffer as a result of this government's incompetence. This government's bungling of our relationship with the United States contributed to the vote by its senate calling for the border to remain closed. From day one this government's strategy on the crisis has been to simply hope for the best.

It has been almost two years and our farmers have received nothing but empty promises and meaningless announcements, with no help at the farm gate. The time to act is now. Will this government commit to using the contingency fund immediately to help Canadian producers?

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, as in the answer to the previous member, no help at all. There is $1.9 billion in specific payments for BSE, the close to $1 billion that we have now had an opportunity to pay out in CAIS, and the fact that it will pay close to $1.4 billion in respect of the 2003 year.

We have been fully engaged with the Americans and it is not the American government that is opposed to opening the border. In fact, the American administration very much stands with Canada on this issue and the President has indicated that he will exercise his first veto to ensure the political process sees the border open.

Mr. Rob Moore (Fundy Royal, CPC): Mr. Speaker, much of the money that the government is talking about has been soaked up in administrative costs and is not reaching the people who need it. Aid is only effective if it reaches the farm gate. We also know that the CAIS program is not effective in dealing with a disaster of this magnitude. Farmers need this government's help right now if they are to continue farming.

Will the government immediately take steps to take money from the contingency reserve and help our producers?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, members of the House will know that last year we dedicated very close to $1 billion for purposes aimed at assisting agricultural producers in this country. That money was drawn from the contingency reserve. We will do what is necessary to defend the farmers of this country.

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● (1445)

COAST GUARD

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Supporters of the Coast Guard in my riding and across Canada are delighted with the budget, providing a $276 million capital investment. John Adams, head of the Coast Guard, said that 10 new ships and the government's commitment is "a watershed moment for the Coast Guard". I congratulate the minister for his leadership on this issue.

Will the minister indicate that this good news will become even better by having these new ships built in Canada by Canadian workers?

Hon. Geoff Regan (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I commend my colleague for his strong support of the Canadian Coast Guard.

Dartmouth of course is home to a major Coast Guard base. Our shipyard workers in Canada can provide top-notch work, and top quality competitive work. I have confidence that they can provide competitive bids and save taxpayers' dollars. I want these ships built in Canada and I am going to work with my cabinet colleagues to ensure that happens.

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[*Translation*]

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, two weeks ago, in the Gaspé, the Minister of Transport confirmed newspaper reports that employment insurance reform was over. Contrary to what he would have us believe, workers in the Gaspé did not applaud him.

Can the Minister of Human Resources and Skills Development confirm that her colleague, the Minister of Transport, was speaking on behalf of the Department of Human Resources and Skills Development and that the reform announced by the department and long awaited by seasonal workers has now been concluded?

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, first, my colleague, the Minister of Transport, was in Chicoutimi in Saguenay—Lac-Saint-Jean and not in the Gaspé. Second, we said we would make adjustments to the employment insurance program. We made $300 million in adjustments and seasonal workers in New Brunswick are quite pleased.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, while the Minister of Transport was in Chicoutimi saying that the reform was over, at the Liberal convention this past weekend Liberal members from New Brunswick and Quebec, and the president of the Acadie—Bathurst Liberal Association, Marc Duguay, voted in favour of a resolution to relax EI rules.

In light of the adoption of the resolution, does the Minister of Human Resources and Skills Development agree with her Liberal colleagues and Marc Duguay that the latest reform did not go far enough to eliminate the gap and will she accept the 28 recommendations of the parliamentary committee?

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, it is incredible how popular a topic the Liberal Party of Canada convention is with the opposition parties. I can see that it was closely watched.

An hon. member: It was a very good convention.

Hon. Lucienne Robillard: It was a very good convention. All the resolutions we considered had been tabled. Hon. members may not be familiar with our party's constitution, but all these resolutions had been tabled long before. Accordingly, party supporters from New Brunswick and across Canada were very pleased with the improvements to the EI system.

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[*English*]

SOFTWOOD LUMBER

Mr. John Duncan (Vancouver Island North, CPC): Mr. Speaker, last week the government floated a proposal on the softwood lumber dispute to the provinces, leaked it to the U.S. department of commerce, and kept the Canadian industry in the dark. The government's proposal admits guilt when it has won every case at NAFTA and the WTO.

Why is the government waving the white flag before the threat of injury decision is finally announced at NAFTA?

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, we have always said that we will pursue our three track approach to softwood lumber. First, we will continue the litigation before the NAFTA and the WTO; second, we are prepared to sit down and talk about a possible resolution of it; and third, we are going to continue our efforts at retaliation in respect of Byrd and the illegal measures with respect to softwood lumber.

I am very pleased that yesterday I was able, in concert with all of the provinces and the three territories, to reach a pan-Canadian view on what a potential settlement might—

The Speaker: The hon. member for Vancouver Island North.

Mr. John Duncan (Vancouver Island North, CPC): Mr. Speaker, the proposal repudiates NAFTA by creating an alternative arrangement for dispute resolution. The trade minister's proposal is abdicating Canada's rights under chapter 19 of NAFTA. Why has the minister given up on NAFTA and what kind of signal is this sending to other Canadian industries?

● (1450)

Hon. Jim Peterson (Minister of International Trade, Lib.): That is absolute nonsense, Mr. Speaker. We have put in that proposal a way of resolving disputes that is fast and efficacious. Let me go back to the member's earlier remarks. We have not capitulated. We are asking in that proposal, supported by 3 territories and 10 provinces, for return of 100% of the deposits.

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SPONSORSHIP PROGRAM

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, I have heard some strange fishing tales over the years, but this one is a whopper. Jean Lafleur takes Liberal buddies fishing and buys them expensive equipment, but then forgets who he is in the boat with. We might expect a little exaggeration about the size of the catch, but Canadians are on the hook for these trips.

We know that former Liberal cabinet minister Martin Cauchon received gifts from Lafleur. Will the Prime Minister tell us how many other Liberal cabinet ministers benefited from Lafleur's generosity with taxpayers' money?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker—

Some hon. members: Oh, oh!

The Speaker: It is clear that the Minister of Public Works and Government Services is becoming increasingly popular in the House, but we must be able to hear his answer, all the cheers notwithstanding.

The Minister of Public Works and Government Services has the floor and we will have a little order so we can hear his answer. Order, please.

Hon. Scott Brison: Mr. Speaker, what is obvious is that without Gomery testimony the hon. member opposite and many of his colleagues are incapable of asking any real questions that are important to the future of the country.

I would urge them to stop in fact commenting on the daily testimony at the Gomery commission and to hire some really good researchers to write better questions for them so that they can stand in the House of Commons, address the issues that are of real importance to Canadians, and let Justice Gomery do his work.

[*Translation*]

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, Jean Lafleur received contracts worth $30 million. Today we learn that he contributed $47,000 to the Liberal Party fund. Add to that the numerous gifts he gave his Liberal friends courtesy of the taxpayer.

When is the Prime Minister and leader of the Liberal Party going to return the tens of thousands of dollars improperly received by his party from Jean Lafleur?

[*English*]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, once again we have been completely clear that if funds have been received by the party through means that are inappropriate, those funds will be returned to the government.

The fact is that we will not be able to address these issues in a thorough manner and an appropriate way until Justice Gomery has completed his work. I would urge the hon. member to have some patience and ask him to respect the independence of a judicial inquiry, and allow Justice Gomery to do the very important work on behalf of all of us and all Canadians as he continues in that process.

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[*Translation*]

ABORIGINAL AFFAIRS

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, the Native Women's Association of Canada and the Quebec Native Women's Association are calling for the establishment of a $5 million education and research fund in order to document the number and circumstances surrounding the disappearance and violent deaths of native women.

Is the minister going to respond to the request by the Sisters in Spirit campaign and spend $5 million to fight violence against aboriginal women?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, we want to reaffirm our commitment to the Sisters in Spirit campaign. The government is trying to respond to this request as quickly as possible.

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, a promise made is not always a promise kept.

Knowing that aboriginal women are victims of violence more often than other women in our society, what is the government waiting for to keep its promise at last and hand over the money?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, I would just like to remind the hon. member that we have invested $32 million a year in a national crime prevention initiative and $7 million in the family violence initiative.

Status of Women Canada provides $1 million to fight violence against native women. Once again, we are committed to the Sisters in Spirit campaign. We are trying to fulfill this promise as quickly as possible.

* * *

● (1455)

[*English*]

INTERNATIONAL AID

Mr. Ted Menzies (Macleod, CPC): Mr. Speaker, while this government dithers, people suffer.

Honest Canadians and NGOs are ready to get on with the reconstruction projects. More than 12 weeks have passed. Not a single matched donation has been paid to the Red Cross or any other Canadian NGO, aside from the initial $3 million promised for tsunami relief.

Canadians know the difference between a lot of hot air and money in the bank. Do the tsunami victims not deserve more than empty promises?

Hon. Aileen Carroll (Minister of International Cooperation, Lib.): Mr. Speaker, yesterday I outlined in some detail what this government and my agency have done in the tsunami affected regions. I do not think it moves the situation forward at all to repeat it.

I would reply to the hon. member that we have set up an excellent structure which at this point is the envy of other countries because we have set up a matching system with NGOs with a great deal of humanitarian relief and a great deal of experience on the ground. In so doing, we are working very well in an organized fashion to address reconstruction with the projects that those NGOs are bringing forward.

Mr. Ted Menzies (Macleod, CPC): Mr. Speaker, if this is a model program, I have great concerns.

The minister stands in the House and brags that the Liberal government has delivered bags of cash for tsunami relief, but the reality is that her sums do not add up. Individual Canadians gave and NGOs are ready to go to work, but CIDA is hoarding the matching donations in its bank account.

If NGOs qualified for matching funds, why is the money not available to them today?

Hon. Aileen Carroll (Minister of International Cooperation, Lib.): Mr. Speaker, let me begin again. To date $37.3 million has been provided, broken down as follows: $26 million to United Nations agencies such as the United Nations children's agency, the world food program and the World Health Organization; $2.2 million to Canadian NGOs; $700,000 to Oxfam; $600,000 to World Vision; $500,000 to CARE; $400,000 to Save the Children; and $4.5 million to the International Federation of the Red Cross.

Perhaps I could offer a debrief to the gentleman. It might help him.

* * *

[*Translation*]

STATUS OF WOMEN

Ms. Françoise Boivin (Gatineau, Lib.): Mr. Speaker, the Minister of Canadian Heritage and Minister responsible for Status of Women went to New York last week to take part in the international conference on the status of women, 10 years after the signing of the Beijing declaration.

Since today is International's Women's Day, can the minister tell us what the Government of Canada has done to promote gender equality, while the Bloc repeats ad nauseam that the status of women is unimportant?

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, last week, I led the Canadian delegation at the Beijing +10 meeting at the United Nations, which was attended by a number of my colleagues from both sides of the House. Canada strongly reaffirmed its commitment to the Beijing Declaration and Platform for Action on gender equality.

We are considered a leader in this area, and we are also proud of various accomplishments, such as having a legal framework to support gender equality and extending the parental leave benefit period.

More women are enrolling in post-secondary institutions. Their rate of participation in paid work is among the highest in the world, while the salary gap is closing and their incomes are rising.

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[*English*]

REPRODUCTIVE TECHNOLOGIES

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, just a few hours ago the United Nations General Assembly passed a declaration to ban all forms of human cloning. The margin was 84 to 34, but Canada voted against the ban.

In October the health minister said to the House, "We are committed to opposing all forms of human cloning, and we will take the positions internationally that are consistent with our domestic policies".

Why has the government gone back on its word?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, I think it is very important that we read the resolution as it stands. While important elements of the UN declaration are consistent with Canada's domestic legislation on the prohibition of cloning, the government is unable to support it due to its imprecise drafting, unfortunately. I am glad that the Deputy Prime Minister agrees with this as well. This is the situation. We are loyal to our principles reflected in our own legislation.

● (1500)

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, there are 84 other countries that had a different view which reflected their policy nationally.

Many ministers have repeatedly assured the House that the government would support a full cloning ban. Its own legislation prohibits human cloning, but at the UN it does something different. The only thing that really is consistent with this government is that if a promise is made a promise is broken. Why is this government not keeping its word?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, this is absolutely not the case. We could not support the declaration because of the new provisions that were added to the text and expanded its scope beyond cloning. These new provisions were so vague they were raising concerns that they could affect other areas of reproductive health that are quite important for many Canadian families in this country.

[*Translation*]

CANADIAN COMMERCIAL CORPORATION

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, Amélia Salehabadi, formerly on the board of directors of the Canadian Commercial Corporation, claims she was the victim of intimidation by board chair Alan Curleigh. She says that her term was not renewed because she had asked too many questions and had opposed a partisan appointment to the corporation.

Since she maintains that she wrote to the Minister of International Trade, could that minister tell us what follow-up he gave her letter and if he intends to verify whether those allegations of intimidation are founded?

Hon. Jim Peterson (Minister of International Trade, Lib.): Mr. Speaker, I have asked my staff and I never received this letter. However, I must tell the House that we followed the process established by Treasury Board for the selection of new directors. A committee of directors made recommendations to me. This committee requested someone with experience in the CCC's new focus, meaning they needed engineers.

* * *

[*English*]

AGRICULTURE

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food. Last week's decision by a judge in Montana has delayed the opening of the U.S. border to Canadian cattle. While the White House has committed to reopening the border, we do not know when that will happen.

Could the Minister of Agriculture and Agri-Food tell the House what action the government is taking to support our Canadian farmers because of this injunction?

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I think it is important that we make progress in a number of areas: first, to continue increasing our slaughter capacity; second, to help develop new international markets; third, to manage our older animals and at the same time keep our transition programs such as our set-aside programs in place.

Of course as the hon. member points out, we need to do this while at the same time supporting the other agricultural sectors.

* * *

CITIZENSHIP AND IMMIGRATION

Mrs. Carolyn Parrish (Mississauga—Erindale, Ind.): Mr. Speaker, Quebec receives four times the immigrant settlement dollars that Ontario does. The difference of $3,000 per immigrant puts an unfair burden on areas like Peel and shortchanges the immigrants themselves.

The government has had 11 years to address this inequality. Will the Minister of Finance commit to undertake an immediate review of the true settlement requirements of immigrants for every province in Canada?

Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, as the member will no doubt know, the Quebec-Canada accord was signed by the Mulroney government in the wake of the Meech Lake accord and there are a couple of escalator clauses that have led to the current situation.

I think what is most important, as the member will recognize, is the amount of money that we spend strategically in those areas, especially in Ontario, where we have the critical mass of good quality immigrants who are contributing to the growth of the GDP in the country and have become the envy of other places in the country as well.

* * *

● (1505)

POINTS OF ORDER

NATIONAL DEFENCE—SPEAKER'S RULING

The Speaker: I am now prepared to rule on the point of order raised on February 24, 2005, by the hon. member for Halifax, who alleged that the House was deliberately misled by certain remarks made by the Prime Minister in responding to a question during question period the previous day.

I would like to thank the hon. member for Halifax for having raised this question, as well as the hon. government House leader for his contribution on the issue.

The hon. member for Halifax alleged that in answering a question during oral question period on Wednesday, February 23, 2005, the right hon. Prime Minister deliberately misled the House by declaring that the government had not yet made a decision on Canada's participation in ballistic missile defence.

In addition, she contended that the Minister of Foreign Affairs, in announcing the government's decision to the House during debate on February 24, had confirmed that the government had made its decision prior to the Prime Minister's response during the February 23 question period, noting, in fact, that the decision had already been communicated to the United States Secretary of State, Dr. Condoleezza Rice.

[*Translation*]

The hon. member for Halifax went on to request that the Prime Minister be asked to rise in the House to correct the record as to when the government took the decision not to participate in ballistic missile defence and when this decision was communicated to the United States Secretary of State.

[*English*]

The hon. government House leader rose on February 25 to speak to the point of order. He argued that in our parliamentary system no decision can be said to have been made until cabinet has agreed to it. According to him, the decision that Canada would not participate in ballistic missile defence was made at the cabinet meeting held on the morning of February 24 and the decision was announced to the House by the hon. Minister of Foreign Affairs when he spoke during the budget debate shortly before 12 noon on that day.

As for notifying Dr. Rice, the hon. House leader explained that the Minister of Foreign Affairs had spoken to his counterpart as a courtesy, knowing, as he did, the conclusion that the Prime Minister and he had reached and were to recommend to cabinet.

I have consulted the *Debates* for the days in question and find no evidence, either in the remarks of the Minister of Foreign Affairs or in the questions and comments period that followed, that a decision was reached prior to the cabinet meeting of February 24. Indeed, I find nothing that would contradict the description of the course of events set out by the hon. government House leader.

No doubt, members speaking on behalf of the opposition parties would have preferred that the minister's announcement be made during the time provided for ministers' statements so they might have been permitted an opportunity to respond. However, in the circumstances, I am unable to find that there has been an attempt to mislead the House.

I hope that the statement by the hon. House leader has provided the clarification that the hon. member from Halifax sought when she raised her point of order.

I have noticed that the hon. Parliamentary Secretary to the Leader of the Government in the House of Commons has some submissions to make on a question of privilege raised previously in the House. I will be pleased to hear him on that point now.

* * *

● (1510)

PRIVILEGE

INTERNATIONAL TRADE AND FOREIGN AFFAIRS

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise with respect to Bills C-31 and C-32, the foreign affairs and international trade bills, and the suggestion by the opposition that the government is somehow in contempt of Parliament.

With your indulgence, Mr. Speaker, I would like to add a few comments to those made by the Leader of the Government in the House of Commons on February 17. I would like to provide this additional information for you, Mr. Speaker, and for the benefit of other members of the House.

There has been, in our view, no contempt of Parliament. Far from being in contempt of our democratic institutions, the Prime Minister's authority to organize the government is central to the Westminster system of parliamentary democracy.

Parliament is at the heart of this system. When organizing the ministry and shaping the structures and machineries of government, the government works within a framework that has been established by Parliament through duly enacted statutes. The government does not create new authorities or powers. Structures are reorganized using existing authorities already legislated by Parliament.

The flexibility of our system has many benefits. It enables the government to respond to new organizational requirements and urgent issues in a timely and effective manner, for example, with the creation of the Department of Public Safety and Emergency Preparedness to respond to emerging concerns in a changed security environment. It enables the government to quickly adapt the mechanisms by which it delivers services to Canadians.

The system I have just described does not in any way operate in contempt of Parliament. On the contrary, its merits have been recognized by successive governments on both sides of the House and by successive Parliaments since Confederation.

Parliament has given successive governments the legislative tools to manage this responsibility quickly, efficiently and with a minimum of disruption. It was for this reason that Parliament passed the Public Service Rearrangement and Transfer of Duties Act. That act facilitates the transfer of organizations within the government as well as the transfer of responsibilities for acts or parts of acts from one minister to another.

I want to return briefly to a point which I mentioned earlier. In reorganizing or organizing a cabinet and making use of the Public Service Rearrangement and Transfer of Duties Act, the government does not create new statutory authorities or powers. Rather, the government rearranges pre-existing authorities that have already been created by Parliament and does so in accordance with a legislative mechanism that has also been created by Parliament. Far from contempt, this is a clear case of the government and Parliament recognizing and respecting one another's proper roles.

I would also note that Canadian practice, unlike that of other Westminster democracies, including the United Kingdom and Australia, has generally been to confirm major changes in government organization through legislation. Use of this prerogative power alone is constitutionally and legally valid, but it is much more common in the United Kingdom and Australia than here in Canada.

It is inaccurate to suggest that there has been a contempt of Parliament. Indeed, in our opinion, such a claim shows a lack of understanding of the system and machinery of government.

● (1515)

The Prime Minister's responsibility to organize the machinery of government is essential to establishing the ministry and to determining its mandate. That in turn is fundamental to the role and accountability of the Prime Minister and the government in Canada's Parliament.

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, it seems to me there is a tremendous contradiction by the member who just tried to defend that what the Liberals are doing is contrary to the vote of this Parliament. If in fact what he said is true, then it would have been totally redundant to have brought Bill C-31 and Bill C-32 to the House. If the government could do it without parliamentary approval, then it should not have brought in the bills.

The government did bring in the bills. Parliament debated. We contemplated the issues. It was clearly a decision of Parliament that the process the government was embarking on was ill advised. Parliament, in its collective wisdom among all the members, decided that this was not to be passed because it was not the right decision to make. So Parliament, being asked by the government to make the decision, did make it and now the Liberals are basically thumbing their noses at Parliament. They are saying that notwithstanding what Parliament decided, they are going to do it anyway.

I think what you heard, Mr. Speaker, was a really weak presentation by the government, like a little child caught with his or her hand in the cookie jar, trying to explain why it is that he or she is doing what he or she wants to do anyway.

I would urge you, Mr. Speaker, to uphold the dignity and the authority of Parliament by making sure that the vote of this Parliament is upheld by the government of the day.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, on the very same point, I would have to say it is a rare occasion in which I agree so wholeheartedly with the position expressed by the Conservative caucus. There is a certain sense of relief that I am able to do that on one or two occasions.

I have to say that the response given by the government member simply adds confusion to an already confusing situation. It may well be, Mr. Speaker, and I am not trying to anticipate your ruling, that there may not in the strictest sense be a contempt of Parliament here in the ham-fisted way that the government has handled Bill C-31 and Bill C-32, but it certainly is a case of colossal arrogance and colossal incompetence at the same time.

One has a very difficult time, particularly in a minority government when I think we all share a sense of responsibility to try to make this place work, make Parliament and its committees work, to have a situation where the government has introduced two bills after the fact. Yes, there is legislative authority that allows for the rearranging of transfer of duties prior to there being legislation brought in. Having described the necessity of doing that as an urgent matter, the government then bypassed a spring session of Parliament where the appropriate legislation could have been brought in, and bypassed a fall session of Parliament when the legislation could have been brought in. Then when the government finally brought in the legislation, after it was voted down by Parliament the government decided that it did not really need to do it anyway. I guess the bottom line, although this was not said quite so explicitly, would be that the government's intention is to go ahead and ignore the fact that there is no such legislation.

At the very least this shows no respect for the time of Parliament. Why would we spend time being charged with legislation that the government says it does not need and that if we vote against it the government will do it anyway? Also, in a minority Parliament, surely there is an onus on all of us to try to come to some sensible agreement about what is a priority for us to deal with and at the very least, Liberals should not be wasting our time with this.

Mr. Speaker, I do hope that we will get some direction from you in regard to this practice of bringing in legislation, actually two sittings of the House after it could have been brought in if it was any kind of an urgent matter in the first place, and then when it is voted down by a majority of members of the House to have the government say that it is going to do it anyway. If it is not contempt, it certainly is arrogance of the worst kind and extreme incompetence to have wasted the time of Parliament in the manner that the government has.

● (1520)

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, I will be very brief. I want to pick up on the points made by my colleague from Edmonton—Sherwood Park and by the hon. member for Halifax.

In listening to the belated response from the government, it seems that the Liberal members' being so dismissive of the very comments their own ministers have made shows the absolute arrogance the government is adopting in this particular issue.

I want to remind you, Mr. Speaker, before you make your decision, which of course we are all waiting for, that the trade minister himself basically shrugged off the defeat in the House of the bills that would create a new international trade department separate from the Department of Foreign Affairs by saying that two branches of government will continue to operate independently without Parliament's blessing.

If indeed, as the parliamentary secretary tries to say, this is simply a case of the opposition misunderstanding how the machinery of government works, and I would certainly debate him on that, then why was the minister himself suggesting that he needed the blessing of Parliament? As the member for Halifax and the member for Edmonton—Sherwood Park just said, why did the House go through the charade of having to debate two pieces of legislation if the government did not need them in the first place?

The Speaker: I thank the hon. Parliamentary Secretary to the Leader of the Government in the House of Commons for his contribution to the presentations on this matter, as well as those of the hon. member for Edmonton—Sherwood Park, the hon. member for Halifax and the hon. member for Prince George—Peace River. I will review all their comments and come back to the House with a ruling.

I want to say perhaps by way of assurance to the hon. member for Halifax that if she found the arguments confusing at this stage, all will become clear when the ruling comes from the Chair. I am sure all hon. members will have their doubts assuaged when that happens in due course. We have that to look forward to.

The hon. member for Prince George—Peace River has given notice of a question of privilege. I will hear him on his question of privilege now.

NATIONAL DEFENCE

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, while my question of privilege does hinge on a couple of the other points that have been raised, I think it throws new light on this particular issue that I am about to address. My question of privilege will charge the Prime Minister with contempt for discounting a commitment that he made to the House regarding the issue of Canada's participation in ballistic missile defence.

Page 67 of Marleau and Montpetit states that the House can claim the right to punish for certain affronts against the dignity and authority of Parliament. I will argue that this is one of those cases.

When the Prime Minister reneged on his obligation from the amendment to the throne speech to allow members an opportunity to consider all public information pertaining to the missile defence agreement and to vote prior to a government decision, he acted in contempt of the House. The promise he made to Parliament was the first weave of the tangled missile defence web. More weaving was evident with respect to statements made outside and inside the House regarding when the decision was made to keep Canada out of the missile defence agreement.

On October 18, 2004, the House unanimously adopted the amendment to the Speech from the Throne. One of the sections of that amendment read:

> With respect to an agreement on ballistic missile defence, the assurance that Parliament will have an opportunity to consider all public information pertaining to the agreement and to vote prior to a government decision;

Subsequently, the House adopted the Speech from the Throne as amended.

On February 24, during his speech on the budget, the Minister of Foreign Affairs said in the House:

> 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.

A decision had been announced in the House and there was no opportunity for Parliament to consider all public information pertaining to the agreement and no vote prior to this decision. I believe that this is a clear contempt of Parliament.

As late as February 22, the Minister of National Defence indicated to the House:

> We will take a decision on deploying a missile defence shield odnce we have all ha a chance to discuss it with our colleagues in this House. That way all Canadians will understand the nature of our solution.

That statement is from *Hansard* of February 22.

What happened between February 22 and February 24?

The motion regarding the address in reply to the Speech from the Throne is no ordinary motion, and given the condition upon which it was adopted, I would argue that it adds more weight to this charge of contempt.

The throne speech is like a promissory note to Parliament. This House secured the survival of the government based on the commitments articulated in the amendment to the Speech from the Throne. However it has now become obvious that as soon as the government passed the critical point of its survival, its pledges were forgotten.

On November 21, 2001, the Speaker at that time delivered a ruling in regards to a complaint by the member for Surrey Central where he cited 16 examples where the government failed to comply with requirements concerning the tabling of certain information in Parliament. In all of the 16 cases raised on November 21, a reporting deadline was absent and as a result the Speaker could not find a prima facie question of privilege.

However the Speaker said in his ruling in *Hansard*:

> Were there to be a deadline for tabling included in the legislation, I would not hesitate to find that a prima facie case of contempt does exist and I would invite the hon. member to move the usual motion.

The amendment to the throne speech clearly stated that Parliament would have the opportunity to consider all public information pertaining to the agreement and to vote prior, and I stress prior, to a decision. The amendment contained a conditional deadline that was tied into a decision of the government. The government ignored this time commitment and went ahead and made its decision without providing Parliament with information pertaining to the proposed missile defence agreement as required in the amendment adopted on October 18, 2004.

The Prime Minister forgets that all of the power he exercises outside of this House, including making the decision regarding Canada's participation in missile defence, are small matters compared to the commitments he made to this House because it is only with the confidence of the House that he can exercise power outside of the House. No one can be Prime Minister without confidence and no one can have confidence without integrity. It is not a lot to ask for this House to expect both from its Prime Minister.

● (1525)

A few weeks ago I was on my feet making the same charge against two of the Prime Minister's ministers with respect to the defeat of Bill C-31 and Bill C-32. One of those ministers, the Minister of Foreign Affairs, is again at the centre of today's question of privilege.

We have noted that you have yet to rule on the Bill C-31 and Bill C-32 question of privilege but, as you will recall, I summarized a list of contemptuous acts the Liberal government had committed that related to the government's dismissive view of the role of Parliament.

In the Bill C-31 and Bill C-32 case, the trade minister shrugged off a defeat of the two bills that would have created a new international trade department separate from the Department of Foreign Affairs saying that the two branches of government would continue to operate independently without Parliament's blessing.

Instead of re-arguing the points I made during the Bill C-31 and Bill C-32 question of privilege, Mr. Speaker, I would ask that you apply them to the argument that I am making today in considering your rulings on both these matters.

If you rule this is indeed a prima facie case of privilege, I am prepared to move the appropriate motion.

The Speaker: I thank the hon. member for Prince George—Peace River.

I believe the government House leader has something to say on this point now.

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I believe that you in fact just ruled on a point of order brought forward by the member of Parliament for Halifax with respect to ballistic missile defence.

I know that my hon. colleague did make reference to the amended paragraph in the address in reply to the Speech from the Throne. For the benefit of everyone I would like too reread that. It states:

> With respect to an agreement on ballistic missile defence, the assurance that Parliament will have an opportunity to consider all public information pertaining to the agreement and to vote prior to a government decision;

Mr. Speaker, the words I would like to draw to your attention are "with respect to an agreement". In fact there was no agreement. The amendment to the reply to the Speech from the Throne specifically refers to an agreement on ballistic missile defence. Since there was no agreement, there was in fact nothing to debate and therefore nothing to vote on.

I should also say there is nothing that precludes Parliament from having a debate on this subject. We do not typically vote on things that we are not doing. We typically vote on things that we intend to do or propose to do and ask Parliament to pronounce in terms of whether they support the position that the government is taking or that a member is taking.

I would suggest that Parliament is here to do things, not to, to use a double negative, not do things.

I would also, Mr. Speaker, for the benefit of your thinking on this particular issue, quote the Leader of the Opposition in question period on February 22 who said:

> All parties in the House agreed that there would be a vote before we became part of missile defence.

We are not part of missile defence and there is no agreement with respect to this particular issue.

Although I understand the hon. member across the way thinks I am splitting hairs, what I am doing is being quite factual in the information that I am providing to you, Mr. Speaker. I am hoping that you will separate the rhetoric from the facts and ultimately look at this issue from that perspective and then rule according to your best judgment.

● (1530)

Mr. Jay Hill: Mr. Speaker, with all due respect to the government House leader, I do believe that he is indeed, as his government has been trying to do ever since it made the decision not to participate in the ballistic missile defence agreement with the United States, trying to split hairs and is trying to make the agreement that we arrived at last October as vague as possible. At that time it was very clear that what we were talking about was any agreement.

Now I am assuming that there was some agreement among the cabinet and government members to not participate. However before they had made the agreement to do that the Prime Minister himself had made the commitment to put that before Parliament and to have a vote on it.

It is absolutely ridiculous that on an issue this important the government is trying to pretend that it can make an arbitrary decision not to participate and somehow that should not be debated but if it had come to the decision to participate, that would warrant a debate and a vote.

Hon. Tony Valeri: Mr. Speaker, I would submit that was exactly the intention of the amendment to the address in reply to the Speech from the Throne, that if there was an agreement to enter a ballistic missile defence then there would be a vote and a debate in the House. Now the hon. member is attempting to interpret that particular amended address in reply to the Speech from the Throne from a very convenient perspective.

Mr. Speaker, while I know it is sometimes very difficult to separate rhetoric from fact, I would hope that you focus on the facts.

The Speaker: I am not sure how much more I need to hear on this point. I will very briefly hear the member for Calgary—Nose Hill and then the hon. member for Sackville—Eastern Shore.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, I would suggest that this is not even about missile defence. This is about whether a vote in the House means something.

The House voted on an amendment to the throne speech that clearly said there would be a debate and a vote before a position would be taken on a particular issue, which happened to be missile defence. The position was taken without that happening. Therefore the clearly expressed will of the House was completely ignored and completely violated. If we allow that to happen, we might as well all go home because what is the point of voting?

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): My comments exactly, Mr. Speaker.

The Speaker: I want to thank the hon. member for Prince George—Peace River for raising the issue, the hon. government House leader for the response he has given, the hon. member for Calgary—Nose Hill and the hon. member for Sackville—Eastern Shore for their contribution to the debate. I will take the matter under advisement and return to the House with a decision on this matter in due course.

* * *

● (1535)

BUSINESS OF THE HOUSE

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am hoping that you will find a very broad consensus, perhaps unlike the previous issue, around the following point.

There have been discussions among the parties and I think you would find unanimous consent for the following motion. I move:

> That when the House begins proceedings pursuant to Standing Order 52 later this day, no quorum calls, dilatory motions or requests for unanimous consent shall be entertained by the Speaker.

The Speaker: Does the hon. parliamentary have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

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, and of the amendment.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, with the various matters going on, I failed to advise the Chair that I will be splitting my time with the Minister of Public Works and Government Services.

I would like to conclude my speech by saying that I am very much in favour of the budget.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, if I may, since the hon. member is splitting his time with my colleague from Nova Scotia, maybe he would be honoured to answer the question.

The Speaker: There will be five minutes for questions and comments at the end of the speech by the minister. If the hon. member for Sackville—Eastern Shore can contain himself for the next 10 minutes, I am sure he will have an opportunity to ask the minister the question, which I am sure the minister would be glad to answer.

[*Translation*]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, it is a privilege for me to be here today to discuss budget 2005 in my capacity as the Minister of Public Works and Government Services.

[*English*]

I am also very proud to stand here as the member of Parliament for the riding of Kings—Hants. I want to take this opportunity to thank my constituents for their vote of confidence in the last election to be their member of Parliament. I feel very fortunate to represent such a beautiful and vibrant riding, one that has given birth to no less than three members of the current cabinet. The Deputy Prime Minister, the Minister of Fisheries and myself all come from Hants county, the great riding of Kings—Hants.

Today I want to talk about the underlying theme of the budget delivered by the Minister of Finance. The budget demonstrates clearly that the government and the Prime Minister deliver, that we have kept our promises to Canadians, which were established in the last election, and that promises made are promises kept.

The budget was an important milestone for the Department of Public Works and Government Services. It gives me an opportunity today to discuss some of the progress being made within the department and to report to the House some of the progress made within the department since a speech I gave in September in Toronto on the future vision of change for the Department of Public Works and Government Services.

In my speech I spoke of changing the way the Government of Canada did business, taking a more government-wide approach to procurement, better managing our office building portfolio and getting better value for taxpayers in doing so. I also spoke of further improvements to information technology systems of government. What really drives my work within the department and the work of our 14,000 member team nationally is to get better value for tax dollars and at the same time to deliver better services for Canadians.

On weekends, like many members here, I try to spend as much time as I can with constituents in constituency meetings in my office in Wolfville, Nova Scotia, and at various functions throughout my rural and small town Nova Scotia riding. I often meet families, with a couple of children, making $20,000 or $30,000. They make car and mortgage payments or pay rent for their housing. They are having difficulty just getting by.

When one considers how tough it is for those Canadian families, we have a responsibility as a government to make good decisions, such that we can try to make their decisions a little easier. My goal as Minister of Public Works and Government Services and the goal of the department is to deliver services more effectively at better value for taxpayers, including those low and middle income Canadian families.

The budget, in terms of its impact with the department, helps strengthen the mandate of the department within the Government of Canada to transform the culture of government and to remodel the way the whole of government does business and in the process spend less taxpayer money in providing the services we are responsible to provide.

I was very heartened to hear the Minister of Finance speak specifically of the progress within the Department of Public Works and Government Services. He said during his budget speech:

> —allow me to single out the people in the Department of Public Works and Government Services for their expenditure review committee work. They rose to the challenge and made an exceptional contribution to the success of this exercise. I applaud their innovation and their professionalism

His statement meant a lot to our 14,000 member team across the country. I want to commend the team for its hard work, innovation and dedication to serving the Canadian people.

Public recognition is a sign that public works has in fact turned a corner. We are playing a leadership role within the Government of Canada, in fact changing the culture of government. The ambitious transformation that we are making will ripple across the government in a measured, structured and important way over the next five to eight years.

Public works intends to deliver about $3.4 billion in savings over the next five years, about one-third of the $11 billion identified by the expenditure review committee.

First, we will take a more government wide approach to procurement. This only makes sense.

● (1540)

[*Translation*]

We cannot have some 100 government agencies and departments operating independently.

[*English*]

Making Public Works and Government Services the procurement arm of government will mean better services at reduced cost. For example, instead of one-offs, we intend to harness the massive buying power of the government. As a government, we buy about $13 billion worth of goods and services every year and get the best possible prices. We will be more capable of enforcing standing offers and using electronic tools to streamline the procurement process, while working with suppliers on a commodity by commodity basis to ensure value for money. By doing this, we intend to save on the procurement side $2.4 billion over the next five years. At the same time, we will reduce the time it takes for departments and agencies to procure the goods and services they need by about half. It all adds up to better services at reduced cost to taxpayers.

I will give a couple of examples. In buying furniture, volume discounts have resulted in recent months in a 16% savings over previous prices. We have also saved $80 million in negotiating new software contracts for defence and human resources departments alone. We also want to make it less cumbersome and expensive to do business with the Government of Canada. We intend to streamline and remove a lot of the complexity and the hassles of our system, particularly for small and medium enterprises across Canada.

As has been noted in the House, I started my first small business when I was 19 years old renting compact refrigerators to students, so I have some empathy for small business. My family and my parents lived in the house attached to the grocery store they owned for 23 years. Generationally, our family is a family of small business, so I have great empathy and understanding for the issues of small business.

We as a government will make it easier for small and medium enterprises across Canada to do business with the Government of Canada. That is why we are setting up the office for small business within our department which will help streamline, simplify and improve access to government procurement for smaller companies.

Furthermore, as of April 1, we will eliminate all fees for any business or individual who wants to use the government's electronic tendering system, MERX. We are also moving ahead with Government of Canada marketplace, an innovative e-procurement portal that we are developing currently with IBM.

I would like to take a moment to pay a special tribute to our parliamentary secretary, the hon. member for St. Catharines, for his exceptional work on procurement reform. He has developed a number of extremely innovative proposals for reforming procurement and he has held consultations across Canada with small and medium enterprises, with the IT sector, with the supplier communities and with our own people within public works. He deserves tremendous credit for his dedication, commitment and hard work on behalf of Canadians in this responsibility.

What we are doing effectively with government procurement is what many companies in the private sector did within the last 20 years. I think this makes a great deal of sense to Canadians and to the vendors we have worked with, not just as suppliers to the Government of Canada but in their role as taxpayers.

We will also achieve significant savings over the next five years in our real estate portfolio. We now spend about $3 billion annually to house public servants across Canada. Our goal is to trim this by about $1 billion over the next five years. We manage as a department about 6.7 million square metres of office space across Canada. We are making changes currently in our operations to achieve that. We recently renegotiated a building maintenance contract with a vendor for all our buildings in Canada. In that capacity we are able to save about $50 million every year for the taxpayer. That $50 million a year on a building maintenance contract is real savings for the Canadian taxpayer and real value for Canadians.

We also are moving ahead to innovate in terms of our information technology system and we are modernizing that. We are playing a leadership role with the government secure channel program. This is a world-class secure network to ensure that whether in rural Nova Scotia or in downtown Toronto, all Canadians can use their home computers to conveniently do business with the government online 24/7.

Furthermore, and I hope during the comment and question period after this, we have an opportunity to talk about some of the work we are doing on the green procurement and the greening of government work our department is doing both in the design of our buildings on a go forward basis and on a green procurement basis. We as a government have a responsibility to play a leadership role by not only working with Canadians but also demonstrating to Canadians, both individuals and private sector corporations, that we get it, that we understand the importance of global warming and sustainable economic and environmental behaviour and that we are playing a leadership role in that. I am proud to say we are.

● (1545)

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, I appreciate the speech from the Minister of Public Works and Government Services.

I noted in the budget that there is an estimated $12 billion for our armed forces over the coming few years, which does not replace the money that the Liberals cut from the budget. I know the Minister of Public Works and Government Services was probably the most adamant supporter of the war in Iraq in the entire House of Commons. I am sure he will be a little heartened by that.

I have two specific questions, one with regard to the national missile defence program and one with regard to the Kyoto protocol. I would like to know what the minister's response is on these two issues.

When the minister was in the House but not on that side of the House collecting an extra $48,000 a year as a cabinet minister, he voted against the Kyoto protocol because he said "it was cost jobs in every region of Canada". Now that we know there is no plan for the Kyoto protocol, is he still opposed to the Kyoto protocol? He voted against it before. The case against it is mounting day by day. That is question one.

My second question two is this. Given the fumbling and bumbling of the government's approach on national missile defence and given that the minister voted in favour of national missile defence, could he comment on what the consequences of us being outside of that and the poor diplomacy that will have on Canadian jobs?

Hon. Scott Brison: Mr. Speaker, the questions the hon. member, whom I believe is critic for public works, have absolutely nothing to do with public works. I guess we must be doing our job in public works and making a real difference, otherwise the opposition would be deriving some fodder from this. I guess we are doing just too good a job in identifying $3.4 billion of savings over the next five years and making a real difference.

First, I addressed the Kyoto issue in front of the environment committee recently. One of the differences between the former Progressive Conservative Party and the former Alliance Party was that Progressive Conservatives, under the leadership of people like Joe Clark, believed and understood the importance of climate change. They supported and recognized the validity of the science behind climate change. In fact that hon. member and his colleagues used to refer to Joe Clark as Kyoto Joe.

There was a decision made by the Progressive Conservative caucus to vote against ratification at that time only because there was a desire to see more consultation with the provinces.

Let me be very clear. I am glad that the government ratified Kyoto. I think Canadians want their government to be playing a leadership role multilaterally and internationally on greenhouse gas emissions.

I was wrong then, and I am proud to be part of a government that was right then in making the right decision to ratify Kyoto and play a leadership internationally. We can do more and we are doing more.

● (1550)

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, my hon. colleague and I come from the same province. He talked about the families he has met who earn $20,000 to $30,000 and the day to day difficulties in which they find themselves. However, I noticed the minister did not talk much about the budget about which this debate is.

Therefore, I want to ask him two questions.

First, the corporate sector of the country reported an 18.8% profit under the current tax system this year. The insurance companies and the banks are reporting record profits, profits on the backs of the people about whom he so eloquently talked. Where did the tax breaks go? Generally to those big corporations at 2% over the years, a $4.2 billion tax break.

We have asked on this side of the House for many years to remove the GST on home heating essentials to give an equitable tax break to those hard-working families.

My second question for him is as the minister in charge of procurement. I could not believe the lob ball question by the member for Dartmouth—Cole Harbour for the Minister of Fisheries and Oceans about whether the new Coast Guard vessels would be built in Canada. The Minister of Fisheries and Oceans could not even answer a simple lobbed question from his own backbencher.

Let me ask this of the minister who will eventually end up signing the cheque on these new ships whenever they come. We in Halifax and in shipyards across the country have asked this very clearly. In the new procurement process for Coast Guard and military vessels, will these vessels be built in Canada using taxpayer dollars.

Hon. Scott Brison: Mr. Speaker, the hon. member is wrong when he says that I have not spoke about the budget. I have been speaking about a department that will contribute $2.4 billion of savings to the budget through the ERC process over the next five years. That contribution enables the government to invest in child care, in health care, in the Canadian military and to reduce taxes for low and middle income Canadians. At the same time it keeps the government in a surplus position and to pay down debt.

I am proud of the role that Public Works and Government Services Canada is playing in enabling us to address the priorities of Canadians in a fiscally responsible and sustainable way.

The member speaks about those low income Canadians and what can we do to help them. Eight hundred thousand low income Canadians were taken off the tax rolls completely because of our decision. The decision of the Minister of Finance to raise the basic personal exemption to $10,000 is good public policy and good economic policy. It helps all Canadian taxpayers, but particularly low and middle income ones.

Mr. Loyola Hearn: Mr. Speaker, I rise on a point of order. As you know, the member who shared his time with the hon. minister could not stay for questions and answers, so we saved five minutes. I am wondering if that five minutes could be added to the minister's time, so we would have more time to ask questions?

The Deputy Speaker: There is not a quid pro quo on the five minutes that are unused. It does pass on into history. However, if there is unanimous consent of the House we could—

Hon. Scott Brison: The questions are much better here than in question period.

The Deputy Speaker: Is there unanimous consent of the House to extend the period of questions and answers for the minister for a further five minutes?

Some hon. members: Agreed.

An hon. member: No.

The Deputy Speaker: Resuming debate, the hon. member for Port Moody—Westwood—Port Coquitlam.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, I want to comment on the final note of the minister's speech. He did say that the personal deductions on income tax were going to be raised to $10,000, but that would be phased in over a number of years and would barely keep up with inflation. That is hardly the substantive tax relief that this minister demanded from the government when he was in the opposition, but I guess intensity and passions change when one goes to the other side of the House.

I also want to comment as a comeback to his comment that the questions I asked him, when I had the opportunity to ask questions, did not pertain to his portfolio in public works. That is in part because if he was doing more in public works, frankly there would be more to ask questions about. I am going to instead curtail my speech here to my additional responsibilities as the transport critic for the official opposition. I am speaking of another portfolio that was left out in the cold in this budget.

Before I do that, Mr. Speaker, I wish to inform you that I will be sharing my time with my colleague from Calgary—Nose Hill.

As transport critic for the official opposition, I must say that the budget, unless it is amended, has been an unmitigated disaster for Canada's transportation industry and in particular our aviation sector. In fact, one member of the House was so incensed by the finance minister's failure to freeze or reduce the rents at our airports that the Liberals charge, he wanted to put the Minister of Finance and his officials on a no-fly list, "so they could reflect upon what was happening in the air sector".

That speaker was the hon. member for Outremont and he is gravely concerned. After all, Aéroports de Montréal, the operator of the airport closest to his riding, lost $10.3 million in 2004 after Transport Canada increased the rent by 306% to $19.5 million from $4.8 million the year before. If we do the math quickly, we will see that the amount of the increase, $14.7 million, is even bigger than the amount of the loss, so it shows that even by working harder, Montreal's airports cannot easily escape the financial jeopardy of Liberal greed.

It is easy for all of us to understand the concerns of an MP who lashed out at the finance minister for irresponsible Liberal policies that negatively affect major institutions in his or her own riding. However, the hon. member for Outremont is also the federal transport minister. As we all know, it is virtually unheard of for a sitting cabinet minister to attack a cabinet colleague. It is even more taboo for a cabinet minister to attack the finance minister's budget the day after the budget was tabled in the House.

However, I can understand and even agree with the transport minister's outrage. Imagine being a cabinet minister and hearing in a budget speech that the department for which he is responsible is going to threaten the financial viability of a large institution in his own backyard, and that he is powerless or incapable of defending it. I cannot imagine a greater public humiliation or a more profound sense of impotence.

In his latest speech, his latest budget, the Minister of Finance has effectively publicly confirmed the irrelevance of the Minister of Transport. In his 7,000 word one hour and 15 minute speech, the word transport is not mentioned once, and the only mention of the transportation sector is in the context of increased regulation to meet our Kyoto commitments.

In his speech the Minister of Finance praised the "able direction" of his colleague, the Minister of National Revenue, applauded the people in the Department of Public Works and Government Services, and commended the hon. members for Whitby—Oshawa, Huron—Bruce, St. Catharines, Etobicoke Centre and Gatineau for various initiatives.

Furthermore, the night before the budget was tabled, the finance minister reportedly had briefings for the Ministers of the Environment, Industry, International Cooperation, National Defence and Social Development, as well as the Minister of State for Families and Caregivers. Conspicuous by his absence from both the budget speech and the previous night's briefings was the Minister of Transport, a man who doubles as the Prime Minister's Quebec lieutenant. In effect, in this budget the Minister of Finance has effectively sidelined the Minister of Transport.

Airport rent is perhaps the most important issue with regard to the aviation sector, perhaps more important an issue than anything else dealt by the transport minister. In fact, in his very first appearance before the Standing Committee on Transport, the transport minister promised to find a solution to this issue, and then tellingly he said, "I have to go to my colleague, the Minister of Finance, because I'm not for auto-flagellation".

Less than two weeks later he was back at the transport committee telling us:

> Everybody recognizes that we have to correct some inequities in the system...I recognize that I have to move on that. I have to go to cabinet, show them the charts, and show them the reality...I want to move on that. I hope to be able to go to cabinet before Christmas, because we know the new year is a deadline for them, and then be able to move on to a fair and more equitable system.

● (1555)

On December 10 he was quoted in the *Globe and Mail* saying that he was about to seek cabinet committee support for his plan to freeze airport rents for 2005 as an interim step and then have them permanently lowered. When he was quoted again by the press on February 16, 2005, in the *Montreal Gazette*, saying that the federal government would likely unveil long awaited changes to airport rents in the upcoming budget, there was reason for optimism.

Presumably, the transport minister's February 16 statement was his way of confirming that the cabinet committee had agreed to his plan to temporarily freeze airport rents for 2005 and permanently lower them thereafter.

So when the budget failed to mention the word transport or any relief or freezing of airport rents, it is easy to see how it demolishes the transport minister's credibility both on a national level and in his own backyard where the local airport is threatened by the increases being imposed by the transport minister's own department, albeit as a result of the finance minister's budget.

It is difficult to imagine how the finance minister could more artfully have destroyed the transport minister's credibility. We are now left in the bewildering position of wondering what, if any, purpose the transport minister now serves the air industry. In this light, it is perhaps easier to understand why the transport minister would want to put the finance minister on the no-fly list that he joked about.

However, this petty political one-upmanship is damaging to the country. Airports like Vancouver and Toronto cannot play meaningful roles as transit stops on Asia-South America or Europe-U.S. trips if the Liberal's airport rent policies tax them out of existence.

As an MP from the lower mainland of British Columbia, I am very mindful of the importance of transportation and the crucial role that it can play in making British Columbia an essential part of growing China-U.S. trade.

On February 1, just a few short weeks ago, I called the finance minister's attention to the most recent report of the B.C. Progress Board. That blue ribbon panel sees transportation as an economic growth engine for British Columbia and proposes using B.C.'s improved transportation infrastructure to strengthen Canada's global competitive advantage. I am sorry to say that the budget has not significantly embraced any of the B.C. Progress Board's findings.

Moreover, even where the budget supposedly delivers, it comes up short. I was at the Liberal Party convention over the weekend as an observer for the official opposition, and the motto repeated mindlessly and endlessly by the Prime Minister in his speech was "Promises made. Promises kept". As we all know, during the last election the Liberals made hundreds of promises. I want to look at just one.

In the last election the Liberals promised to:

> Decide by this year-end on a plan to provide, for the benefit of municipalities, a share of the federal gas tax (or its financial equivalent).

The Liberals stated that "the amount will be ramped up within the next five years to 5¢ per litre, or at least $2 billion". In his budget speech the finance minister promised to start at $600 million annually, "then rising as promised to 5¢ per litre, or $2 billion, in 2009-10, and continuing thereafter indefinitely".

On the face of it, we might be fooled into thinking that this constitutes a promise kept. However, the budget actually proposed to transfer $5 billion in gas tax revenue over five years. During the same time period, gas tax revenue is expected to exceed $26 billion to Ottawa. So the return to municipalities will not be 50% of the 10¢ per litre that Ottawa will collect, but rather 19%. Rather than sharing 5¢ per litre, the Liberals are really only sharing 1.9¢ per litre. It is only a promise kept if we use the Liberal Party's definitions. By any other standard of honesty, accountability, fairness, and what the Liberal's themselves promised in their election campaign, this is a promise made and a promise broken.

From a transport perspective, this budget is an abject failure. There has been no movement to put gas tax dollars into the hands of municipalities right now in a meaningful way as promised in the campaign. There has been no promise to have a freeze on airport rents as the Liberals and transport minister himself promised. There has been no commitment to get rid of the $24 air tax.

There has only been a commitment by the transport minister to look at opening skies with a seven page discussion paper, half of which constitutes rhetorical questions with no real blueprint to get us there. Nothing whatsoever was mentioned with regard to VIA Rail. Nothing was mentioned with regard to increased port security. Nothing was mentioned with regard to increasing competition on our rail lines. Nothing at all was mentioned with regard to transport.

From a transport perspective for the official opposition, we can only give this budget an F and condemn the transport minister for his failure to stand up for the department for which he was assigned, for an industry for which he is responsible, and hope that within the time that we have to debate this budget going forward, the Liberals will come to their senses and recognize that transportation is part of Canada's national infrastructure. It should not be seen as a source of revenue. That is something that needs to be understood by the Liberal government before any progress can be made.

● (1600)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I was pleased that the hon. member focused on the Department of Transport in his speech. It has often been neglected in terms of infrastructure and it is costing us dearly. In a number of circumstances it certainly shows that we have missed out on opportunities to create jobs and secure our future with a lack of investment in hard infrastructure.

I would like to ask the hon. member to comment on another issue the Minister of Transport seems to be involved in and the ineptness of the government to fund that department. In the budget speech the minister identified the Windsor-Detroit corridor as probably the most important corridor requiring infrastructure investment for this nation, and possibly the world, as 42% of the nation's traffic in trade goes through that corridor along two kilometres of the Detroit River. Yet in the actual budget itself and presented verbatim in the minister's speech, there is not a single penny for this infrastructure. How does it get fixed with no money?

I would like the hon. member to comment on the seriousness of this situation when his party is committed to a resolution that the city and county have come up with a plan for investing in that infrastructure and ensuring that we have prosperity for all of Canada.

● (1605)

Mr. James Moore: Mr. Speaker, I appreciate the question from my colleague from Windsor West. I know that he has put a great deal of time, effort and energy into the concerns with the corridor between Windsor and Detroit.

In the Conservative Party we have allocated responsibility for this issue to one member of Parliament to singularly examine and focus on this issue, the member for Essex. I know the member for Windsor West has worked very hard on this issue with the member for Essex.

I think the dollar question that the member raises is apt. Half of the cost of a litre of gasoline is taxation. Half of those taxes go to the provinces; half of those taxes come to Ottawa. What is interesting is that the federal government does not engineer, build or maintain a single kilometre of highway in this country. Municipalities engineer and build roads. Provinces deal with our highways in cooperation with the municipalities. It is not the federal government. The money that comes to Ottawa goes into a general revenue fund and it goes to financing all kinds of other programs.

If we told the average citizens when they were filling up their tanks with gasoline that one out of every second full tank of gasoline is 100% taxes and half of that money is going to Ottawa and absolutely zero of it is going into the roads that they are driving on, they would get angry. They should get angry. When we look at the corridor, when we look at the concerns we have with our infrastructure, that needs to change.

The Conservative Party from day one has been talking about recalibrating that excess taxation that has been coming to Ottawa and putting more money back into the hands of the people in Windsor and that county. The federal government needs to get going with fixing our infrastructure and putting money back into the hands of the level of government that actually makes the decisions when it comes to our transportation.

Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC): Mr. Speaker, the member is well aware that in the 1990s when the airports were privatized, government until then had been providing a subsidy each year. It was a cost to government to keep the airports going. Since that time it has not cost the government anything and the airports themselves have invested roughly $9 billion in infrastructure.

Our own small airport in St. John's has benefited greatly from the privatization aspect. We have seen some real investment which we had not seen when it was controlled by the government. Now it has been informed that this coming year it will have to pay $600,000 to the Department of Transport. How can small and medium size airports be expected to progress? Of course the worst part is that this is downloaded on to the customer. How can we make it possible for people to move throughout this great country of ours and encourage people to come especially to the smaller rural areas, if we are going to hit them with such tax levels at the top where it goes down into the—

The Deputy Speaker: The hon. member for Port Moody—Westwood—Port Coquitlam.

Mr. James Moore: Mr. Speaker, it is the small and medium size airports in this country that are hit the hardest by the government's airport rents policy.

What is stunning though is that the CEO of the Regina airport authority is getting into the face of the Minister of Finance, who is from Regina, saying, “Are you mad? Your policies are damaging the ability of our airport to increase our services”.

It was in fact just a week and a half ago that Air Canada said that it is going to eliminate jet service into the entire province of Saskatchewan. It is replacing them with Dash 8s. That is Air Canada going on a good business model, but it has smaller planes because there are fewer passengers. There are fewer passengers because the government looks at the air industry as a source of revenue through taxes galore.

The Conservative Party would reform the management of airport authorities to ensure that all voices are heard in the airport authorities. I would prefer a Nav Canada type model imposed on the airport authorities so that all voices are heard, so airport improvement fees are not going through the roof, so there is accountability for the rents that are being paid to Ottawa. Over time, a Conservative government would phase out airport rents, get rid of the $24 air tax, have competition in our skies and put passengers rather than bureaucrats first.

● (1610)

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, I rise to speak to the budget from the perspective of the senior immigration critic for the official opposition. I will be addressing the immigration measures in this budget, such as they are.

To recap, the budget provides $300 million over five years for settlement and integration, $100 million over five years to "take the next step toward an integrated client service delivery strategy", and $75 million over five years to accelerate the integration of health care professionals educated abroad. There is an additional $25 million over five years to enhance the multicultural program, $56 million over five years for an action plan against racism, and $25 million over three years to highlight the contribution that ethnocultural groups have made to Canadian society. In addition, refugees will now be eligible for Canada millennium scholarships.

With these figures we will notice that there is about $475 million over five years on practical measures to assist newcomers and $106 million mostly over five years essentially on public education.

I have five points to make in my brief time. The first point I would like to make is that the spending on these measures is pretty much back-end loaded. That means that most of the spending announced in this budget will take place down the road four or five years from now, if ever, I might add.

Think about it. Could any Canadian say today what he or she will be spending five years from now? We do not know what rents or mortgage rates will be in five years. We do not know what food costs will be. We do not know what electricity and heating costs will be. We know that insurance costs keep going up. We do not know how much they will be. There are so many unknowns five years from now. Yet the government presumes to promise Canadians that certain money will be spent five years from now. I would take that with a grain of salt. It reminds me of the old song *Promises, Promises*. Very little of these millions will be spent this year.

The second point I would like to make is that unfortunately there has been very little realistic assessment or evaluation of previous spending in the areas of settlement and immigration, service delivery and integration of professionals into the Canadian workforce. In fact, the only assessments that I have been able to find are the annual reports and departmental reviews that come from the department itself. Naturally, these are very glowing and positive because they are the people responsible for the money. They are certainly not motivated to be critical, and perhaps are not even very objective about themselves.

Sometimes the Auditor General has the resources to do an independent audit of a particular program or spending, but there are so many. Oftentimes money has been spent and we really have no clear idea of what bang for the buck has been delivered. Because there is no reality check on past spending, it is very hard to know how we should spend the present dollars. In fact there is no clear or communicated plan on how best to spend the new money or even sometimes a clear objective that it is supposed to meet.

For example, let us talk about the $75 million over the next five years, if that in fact ever gets spent, to "accelerate the integration of health care professionals educated abroad". When I asked how many health care professionals were expected to be reintegrated because of this program and exactly what the cost would be for each professional even in rough terms, the answer was very vague. It is very difficult to find out if there is a clear plan to integrate internationally educated health care professionals. Yet this is an important program for Canada.

● (1615)

To me it is very difficult to get excited and to be positive about millions of dollars being thrown out on the table without knowing exactly what we are going to get for it. I submit that no company that budgeted in this manner would possibly survive.

The third point is that all of this, the lack of planning, the lack of specifics, the lack of even clear objectives is very troubling and unfortunate for newcomers themselves. Their future success may well hinge on the quality and the clearly demonstrated effectiveness of settlement programs and integration initiatives. If we do not know what we are trying to achieve with these programs in very specific terms, who loses? It is the newcomers themselves.

For example, I can talk about the $100 million to take the next steps toward an integrated client service delivery strategy. I am not sure what that means. I would submit that there are hundreds of thousands across the global community who are pleading for any kind of reasonable standard of client service. In fact, most would settle for a modest increase in service levels, rather than some grand scheme of an integrated client service delivery strategy being developed over five years.

The funding for it is over five years. We know it is not going to come any time soon. Yet people are languishing in the queue waiting for their file to be processed. That is not happening. The best the government can do is throw out more money over the next half decade for some kind of new strategy.

This is no professional businesslike way to serve people, especially people that we keep saying we need to come into this country.

The fourth point is that in spite of the big numbers that the government throws around, immigrants and settlement providers see little progress in the area of recognition of credentials, in the area of settlement initiatives. In fact, they often see things getting worse.

More and more people come to this country and are unable to use their skills and experience. They take jobs that do not allow them to make their full contribution to the Canadian economy. They see the waiting lines get longer. The processing times for files get longer and longer. Service providers see their funding cut back or it is short term at best. That is a real problem.

The government has been promising for over a decade to fix the problem of recognition of international credentials and experience. If we look at the throne speeches and budgets from years past of this very government, we see promises and promises to fix the credentials problem. It is no closer to being fixed today than it was a decade ago when these promises started.

The committee heard recently from representatives of the engineering, dental and medical professions who said that the ball is in the government's court. In fact, one of them said, "We are waiting for the government to do a labour market study so that we can decide how to allocate our resources". There is not even a study being done in some of these key areas of Canada's needs. I cannot believe it. Money is being thrown out as if it were the way to fix all these problems and the problems are getting worse.

The last point I want to make is that the true priorities of the immigrant community are not being met by the Canadian government and certainly not by this budget. There is still no clear process, as I mentioned before, for the recognition of international credentials and experience. This is the number one issue for newcomers to Canada.

The settlement program funding is short term only and keeps being pulled back and forth. The applications backlog is now up to 679,000 people in the queue and that was as of last October. It has probably grown since then.

● (1620)

People are telling us that parents' and grandparents' sponsorship applications are just going nowhere. They are not being processed.

There are so many down to earth, fair, practical measures that are needed to address these key needs and they are not being delivered by the government, so our party has put together a national consultation on Canada's immigration system.

Our MPs will be travelling across the country to talk to immigrants themselves. For a strong plan to get some real results in these critical areas, we want to work together with the people most affected.

This budget is a failure, but we hope we can move forward with new initiatives and leave this government behind, because it does not seem to be getting with the program.

Mr. Mark Warawa (Langley, CPC): Mr. Speaker, I thank my colleague for her excellent critique of the budget. Her closing comments addressed the immigration consultation process that is going to be presented to the Canadian public. I have similar concerns with immigration, so I am asking if she could elaborate a little more on the consultation process.

Mrs. Diane Ablonczy: Mr. Speaker, this consultation arose out of the fact that all our MPs, and I am sure MPs on all sides of the House, keep hearing from constituents who are frustrated at the abysmal level of service, the length of time that it takes to process files and the fact that they cannot get their credentials recognized even though they came to Canada on the understanding that we needed their skills and abilities.

It is very clear that we need to sit and listen to these people in an organized fashion, so our party will be holding a series of meetings across Canada in the major centres. Our MPs will be there to listen to the immigrant community and the service providers. We will also have a website on which people can give their comments to the official opposition.

I might add that this is not just a partisan exercise. The House of Commons committee will also be travelling across the country, mostly in April, to talk about the sponsorship program, the provision of settlement services and credentials. There are many initiatives to hear from the people most affected about what they themselves want to see, but unless we have a government that is willing to actually deliver on the solutions that people put forward, the immigrant community will continue to fall behind. We simply cannot allow that to happen.

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.): Mr. Speaker, I cannot help but comment on and ask the hon. member about the recognition of foreign credentials, which is something she mentioned that we have worked on. Let me tell the hon. member that I actually worked on this issue 25 years ago in provincial politics. We all know that in fact it is the order for medicine, the order of engineers and all the professional associations that have a very important role to play in terms of the recognition of foreign credentials. It also involves the provincial governments because of their involvement in education, which is their jurisdiction.

As for always putting the burden on the federal government, we have said that we will be working in partnership with our provincial colleagues, of course, and also with the different professional associations, so it is not like we have not been doing anything. We have been doing things.

I ask the hon. member for her suggestions in terms of ensuring that in fact there are more doctors, for example, who will be recognized by the professional associations when those same associations control the accreditation of those doctors.

Mrs. Diane Ablonczy: Mr. Speaker, I am not sure what my colleague is saying. If she is saying that the federal government cannot fix this problem, that it is up to the provinces and to the professions, then why promise to do so? If we look at the throne speeches, we see that this government has promised to do something. If it does not have a plan to deliver, then why make the promise? It is irresponsible and actually cruel to people to say we are going to do something and not do it.

The fact of the matter is that if we cannot fix this problem, then why are we bringing people in under false pretences? People are saying that we need them because they are doctors or health care professionals or teachers, but then once they get here, not before, people say, "Oh, well, I guess the credentials have to be recognized, but we are not really sure how that can be done because maybe the provinces will not help or maybe the professions will not help".

We have to hit this problem head-on and not pass the buck, because if this problem cannot be fixed, then we should not be bringing skilled workers into this country simply to have them fail in their hopes and dreams. That cannot be done. It is the government that has promised to fix this and I suggest that it had better come up with the solutions instead of asking the opposition for them.

● (1625)

Hon. Joe McGuire (Minister of the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I will be sharing my time today with the Parliamentary Secretary to the Minister of Citizenship and Immigration.

I am pleased to participate in the budget debate today, a budget that today was called the greatest budget since Confederation.

Within this budget are the cornerstones of our government's decade-long commitment to the sound fiscal management that has set us apart among the G-7 major industrialized countries, fiscal management that has given us the best job creation record in the G-7, the fastest growth in living standards and the best debt to GDP ratio among these industrialized nations.

The budget also represents our Liberal government's eighth consecutive balanced budget, a feat unmatched since Confederation. What this sound fiscal management allows us to do is to invest back in our communities and assist Canadians in seizing their potential.

Speaking as an Atlantic Canadian and as the Minister of the Atlantic Canada Opportunities Agency, I am delighted that our government has confirmed its commitment to building a strong east coast economy by allocating in the budget $708 million over five years for economic development in Atlantic Canada.

These investments include $300 million for a new Atlantic innovation fund, which will continue to build on our R and D capacity. This new allocation builds on the first ever R and D fund that was set up by ACOA in the 2000 budget.

It also includes $290 million to support initiatives that will diversify and foster development in communities across the region, whether through investments in human capital, trade, tourism or accessing investment opportunities.

It also includes $110 million over five years for the National Research Council to continue to build technology based clusters in the region.

Last, it contains $8.4 million in new funds for the community futures program to continue the important work of the region's 41 Community Business Development Corporations, which partner with ACOA to encourage business growth in mainly small and rural communities.

I want to take a moment here to extend my congratulations to my colleagues in the Atlantic Liberal caucus for their hard work, dedication and commitment to the people of Atlantic Canada. The initiatives I have outlined are the result of seven years of work that encompasses two economic development strategies initiated and developed by the Atlantic Liberal caucus.

Back in 2000 our government invested, through the Atlantic investments program, in new and innovative programming in the region. It was a bold move that was initiated by the Atlantic Liberal caucus's "Catching Tomorrow's Wave" document, which provided a blueprint for the region's development.

Now, in 2005, our government, our Prime Minister and our Minister of Finance are once again investing in the Atlantic Liberal caucus's vision and our second blueprint, "The Rising Tide". Through this funding, our government is providing Atlantic Canada with the tools to build on the successes of "Catching Tomorrow's Wave": more and higher paying jobs, more trade, more access to capital, more skills training and entrepreneurism, and more R and D. We are fostering and bolstering these achievements through "The Rising Tide".

Atlantic Canadians are a proud people, proud of our history, proud of our culture and our work ethic, and proud of who we are and the significant contribution we have made to building Canada into the best country in the world. We also know that we are a region whose economy is transforming, moving from one dominated by primary resource based industries to new and innovative sectors.

Our businessmen and businesswomen are driving a transformative change in our economy. ACOA has been there to assist communities during this transformation. We are doing that by providing access to capital and by providing training, strategic community investments and programming for women and youth.

As a result, promising emerging sectors are developing that are strengthening and diversifying the economic base. Knowledge industries are rising to complement more traditional resource driven industries, like the bioscience centre in Charlottetown and the potato genome project in Fredericton. This budget builds on this success.

● (1630)

We are seeing more men and women and young people finding good, rewarding work than ever before. Entrepreneurship is growing and succeeding as never before in Atlantic Canada. We have more businesses and universities working together, more economic development in rural areas and more export and foreign investment activity in the region.

Through the budget we continue to build on this success. In fact, the budget singles out ACOA's Atlantic innovation fund as having promoted stronger linkages between universities and the private sector, which are essential to the development of new, marketable technology based products, processes and services. These partnerships support research and commercialization in key growth areas such as information technology, aquaculture, offshore oil and gas technologies and life sciences.

In the Acadian peninsula, for example, our investments are strengthening the economic viability of the shellfish industry. Through the Coastal Zones Research Institute, new marketable technologies and services are being developed that will lead to the further commercialization of new shellfish products.

In Nova Scotia we are contributing to building a world renowned life sciences cluster in Halifax. At the Brain Repair Centre, which I visited last week with the member for Dartmouth—Cole Harbour, R and D is being conducted for the repair of neurological diseases such as Parkinson's disease, multiple sclerosis and spinal cord injury.

In Newfoundland and Labrador we have invested in tourism projects, such as Lord Baltimore's Colony of Avalon, the archaeological site. The result has been an increase in tourism visits from 2,000 to over 22,000 a year.

Testori Americas Corporation, based in Milan, Italy, is now using a location in Summerside and one in Bloomfield in Prince Edward Island. It is a major North American supplier of manufactured textiles, especially for the mass transit industry.

The success stories go on and on in communities across the region. Building on the successes of our communities is what the budget is all about.

With budget commitments for a new Atlantic innovation fund, R and D investment and community and economic development, our government's response to "The Rising Tide" will build on what has already been achieved and move the regional economy into new growth areas. The budget will also enable us to shore up the broad underpinnings of our east coast economy as we move forward under "The Rising Tide".

The budget invests in health care and in our seniors. It provides reforms to the equalization framework. It provides funding to cities and communities through the gas tax revenues. It eliminates the corporate surtax, which will assist the small and medium sized businesses that are the backbone of our regional economy.

The budget invests in defence spending, providing opportunities for Atlantic Canada's growing aerospace and defence sector. It invests in wind energy, our fishery, the Coast Guard, broader security and the workplace skills strategy. The list goes on and on.

For all these reasons, budget 2005 is a very good deal for Canada as a whole and Atlantic Canada in particular. This budget is a measured, reasoned, comprehensive response to the challenges we face on that score. It provides the right tools at the right time and for the right reasons, and it does so within a balanced budget.

I urge all hon. members from Atlantic Canada, both on this side of the House and opposite, to look at this year's budget, see how it builds on our successes and vote in favour of budget 2005.

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Speaker, I would like to ask a question of the hon. member. It may be a little off topic from what he was just speaking of, but being an Atlantic Canadian he may be in a unique position to answer the question. Frankly, I would like to ask several members of the party opposite the same question. It deals with equalization.

I have seen no mention of equalization in the budget, but coming from Atlantic Canada the member opposite would have an opinion, I suppose. We from Saskatchewan have been arguing that Saskatchewan should receive the same deal that was offered to Nova Scotia and Newfoundland and Labrador with respect to the elimination of the clawback provisions for non-renewable natural resources.

We see no evidence of any mention of this in the budget, but quite clearly this could be one of the biggest financial benefits to Saskatchewan that we have seen in decades. We have calculated that if Saskatchewan had received the same deal that is now afforded Nova Scotia and Newfoundland and Labrador, Saskatchewan, my province, would have received over $4 billion in additional revenues over the last decade.

I wonder if the member opposite could comment on whether or not he believes that the same formula, the same deal afforded Newfoundland and Labrador and Nova Scotia, should be afforded Saskatchewan.

Let me finish by saying that I know the Minister of Finance has said there is an independent panel being set up to establish and discuss the possibility of a new equalization formula, but my point is that regardless of whether the formula comes into effect, Newfoundland and Labrador and Nova Scotia were given a separate deal prior to any new formula coming into place. Is that the same sort of situation the member would see for Saskatchewan?

● (1635)

Hon. Joe McGuire: Mr. Speaker, the member has posed this question in the House of Commons a number of times and he has posed it to the Minister of Finance, who is from the province of Saskatchewan.

As far as the equalization deal, which was struck by the Prime Minister and the provinces of Newfoundland and Labrador and Nova Scotia, that was fulfilling a promise which was made during the election campaign. Not only was the Prime Minister going to bring in a new deal for equalization across Canada, which he did, he had a further commitment on the offshore royalties that was set up in 1984 by the previous Conservative government but was never fulfilled to the letter. All the Prime Minister did, when he signed the offshore accords with Newfoundland and Labrador and Nova Scotia, was fulfill a promise, which had been there since 1984, on resources revenue that was theirs. They now will remain in the provinces to develop those have not provinces.

It is nothing extra special. Saskatchewan is a have province, and all Canada delights in that fact. The four Atlantic provinces also would like to be have provinces, and deals like this will set the stage for them becoming have provinces.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, first, I wish to remind my hon. colleague from P.E.I. that Prince Edward Island is not a have not province. Nova Scotia is not a have not province. We are have provinces. We have fabulous people and great resources. We may not be as economically strong as other provinces. For a minister from P.E.I. to even indicate that we are have not provinces, gets to me. I am not from Atlantic Canada originally, but I am very proud to call it my home. I have never once considered myself to be a have not citizen in a have not province.

However, here is my question. As the minister for Atlantic Canada opportunities, the recent budget has allocated $275 million to replace and acquire new vessels for the Coast Guard. I would like him to stand in the House and actually commit to, if at all possible, whether he believes the $275 million worth of Canadian tax dollars should go to give opportunities to shipbuilders in Atlantic Canada and for that matter across the country. Should those ships not be—

The Deputy Speaker: The hon. Minister of the Atlantic Canada Opportunities Agency.

Hon. Joe McGuire: Mr. Speaker, I know the hon. member is a very proud Bluenoser. What we mean when we say we are have not provinces, is we compare our economies to the economies of other provinces. It is not that we are lacking a great deal. A lot of Atlantic Canadians have gone across the country and have built up a lot of provinces, like Alberta's Fort McMurray. Half the population of Fort McMurray is from Newfoundland and Labrador. They are building a tremendous economy in that very oil-rich province.

For the first time in a long time, the Coast Guard is getting money which it deserves and requires in order to do the jobs that it is commissioned to do. For the first time in a long time, the budget puts substantial amounts of dollars in the budget so the Coast Guard can have the vessels it needs to patrol our offshore resources. It is a complaint that member has worked on for many years. I know in special debates in the House he has advocated just what we did in the budget, which was to provide resources for the Coast Guard to build up the vessels so it can do its jobs.

Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I rise to speak on a budget that I am extremely proud of as a Liberal, mainly because it does exactly what Liberals do: we achieve a balance.

The hon. Leader of the Opposition said immediately following the budget speech that this was a miracle, that we had achieved a balanced budget. A miracle is something that happens rarely and perhaps only once in a lifetime. When something happens repeatedly every year for eight years, it becomes a trend. It is not a miracle anymore. Those trends can only occur when there is extremely good fiscal management. It is based on prudent management and long term financial planning. We have achieved eight years of miracles, year after year.

The combination of sound fiscal policy and funding for enhanced social programs create opportunities for all Canadians, no matter where they live, to achieve their fullest potential is at the core of good Liberal public policy. The budget recognizes the essential links in a good economic and social policy. It recognizes that investing in skills, in health, in education and in early learning provide the tools that are necessary for productivity, for economic growth and quality of life here at home and for competitiveness globally. We know that by investing in those thing, we are investing in people who will be the engines of growth for any government over the 21st century.

Again, I am proud of this strong and visionary Liberal budget.

We have heard many members speak of these elements in the budget. Many Liberal members have spoken proudly of it. I will not go over all the elements of the budget about which many people have spoken. I want to highlight some aspects of the budget that are especially exciting for me mainly because they are issues that are of personal interest to me and are of interest to my constituents, and they are issues on which I have worked for a long time.

I want to speak as a physician. I am very proud of the $41.3 billion. At the first ministers conference, it was agreed to stabilize the health care system and to put in place the changes needed in the structure of health care to make it sustainable over the long term.

A lot of that also has to do with new planning in health. We always have heard people say that it is not only good enough to deal with people when they are sick, but we want to prevent them from getting sick. The budget has money in it for public health, for health promotion and for disease prevention.

Also $5.5 billion of that money will go toward dealing with a decrease in waiting times, working closely with the provinces and territories to do so. Some of that money will be used for research. Good research informs us as to what we need to do in the future and it tells us when we are achieving our outcomes. Therefore, we are developing indicators with that as well. Of that money, $110 million will go to the Canadian Institutes for Health Information to develop databases and information on performance of some of the issues of wait times.

Part of decreasing wait times has to do with health and human resources planning. If we do not have the people to deliver health care, then we know wait times will increase.

Of that money, $250 million over five years will go toward working with the provinces to support actions in the areas of health human resources and to develop those human resources. This means doctors, nurses, physiotherapists, lab technicians, all the people who work in health care, the team who makes health care occur. The money will go toward developing those new human resources. It will deal with wait times initiatives. It is obviously will deal with performance reporting. As the great Yogi Berra once said, “if you don't know where you are going...you might not get there”. We need to develop good indicators and good benchmarks. This money will do that.

The budget also provides $75 million over five years to accelerate and expand the assessment and integration of internationally educated health care professionals to address not only wait times, but to address many things such as the critical shortages that we face in health care and to deal with the fact that we have Canadians and immigrants who trained somewhere else who are unable to work and are either unemployed or under-employed in their professions.

● (1640)

I heard the hon. member across the way from Calgary—Nose Hill speak to this issue. It really saddens me that the hon. member has not taken the time to look at the complexity of the issue and to understand it well. This is not a quick fix. We are dealing with many stakeholders.

We are dealing with provinces that have jurisdiction over human resource development and over the hiring of human resource personnel. We are dealing with regulatory bodies that define standards of practice and assessment and getting people into practice models. We are dealing with labour. We are dealing with private sector businesses. We have to deal with language training. We know that recognizing the credential and getting the piece of paper alone is not enough. We have to have bridge to work initiatives. We need expanded language training.

In the 2004 budget we put in $68 million for bridge to work initiatives for foreign trained workers. We put in $20 million a year for enhanced language training.

The budget now builds on that. It has put in an extra $78 million specifically to deal with bridging to work, which means internships and all those things such as working with the provinces to put foreign trained persons, once they have been assessed and done their exam, into spots of internships and residencies where they can develop competence and skills pertinent to Canada's expectations and quality of care and need. That is an important step.

Also, $100 million of the $280 million that has gone into citizenship and immigration for integration will go specifically to developing a portal so that future immigrants who wish to come to Canada can assess themselves before they get here. They can look at the things they need to do to upgrade their skills, working with universities here and in their country of origin, so when they get here, they can go straight into a job.

This is forward thinking. This is dealing with immediate issues, with mid-term issues and with long-term planning. That is what makes the budget so extremely exciting.

When everyone expects people to waive a magic wand and suddenly do things, they do not understand that we need to respect our stakeholders and our partners and work with them so we can develop the right kinds of answers.

There are other things that excite me about the budget.

We have been giving a fair amount of money to help nurses move into developing their practice competencies, to deal with developing a whole lot of benchmarks on how to plan for human resources, how to deal with the global pandemic, with home and community care and with current nursing placement capacity.

That is money which goes to practical solutions. It will make things happen. It is not airy-fairy. These kinds of things can only be developed, good practical solutions, when we work respectfully with our stakeholder partners to develop good public policy, and not decide it can be done alone just because we happen to be government and can waive a magic wand.

I also wanted to touch on something else that is exciting about the budget. My riding is home to a large number of seniors and disabled persons. The budget has taken this issue and looked at it in a very thoughtful and careful manner. As I said earlier, the Liberal government not only thinks about putting programs into place. Those programs are aimed at assisting Canadians to have the tools they need to realize their potential.

Therefore, we have put into and given $6 million in capital to the Canadian National Institute for the Blind to help it digitalize its collection and extend its library services. Therefore, the visually impaired will have access to information and learning which is key to assisting them play their role in Canadian society and to realize their potential.

I could go on as I am so excited about this budget. It deals with caregivers. It talks about how to assist the sandwich generation, like myself, who deal with seniors, with parents, with children who are disabled, with the chronically ill. It helps them with the tax structures in which there are tax credits for some of that work.

One thing we know is the money for the GIS and for the seniors horizons program will help seniors live a good quality of life. It will help them to have access, to be mobile and move forward.

I want to quickly touch on the arts. The arts community will be given $860 million, which will build infrastructure in the arts.

● (1645)

Not only is the arts the soul of this country, it is the fourth largest industry, hiring over 900,000 Canadians each year. This means that we are balanced in our planning. We are looking forward to the future and helping more Canadians play their role in that future.

● (1650)

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I would like to direct a question to the hon. member with regard to citizenship and immigration. It is a file she should know something about, particularly as it relates to the people in my community in Edmonton.

We have not had a citizenship judge since the beginning of July 2004 when the contract of the then citizenship judge, Judge Bhatia, was not extended. He is a remarkable individual. He welcomed new Canadians to this country with a graciousness for which I have nothing but a profound respect. His contract was not extended by the government. That is the government's decision and the government's right to not do that, but the government has not made the decision to appoint anyone. It has been flying in judges from all over the country at great cost. Apparently the government cannot make a simple decision like this. There is a backlog of over 2,000 people in Edmonton waiting to be sworn in as new citizens.

I wrote to the last minister in September 2004 and never even received an acknowledgement on that issue. I wrote to the present minister over a month ago and again received no acknowledgement on this issue.

The people of Edmonton who are waiting to become citizens deserve some respect from the government which they are not getting. When will the people of Edmonton finally have a citizenship judge, or will the government simply extend the contract of the current one, who frankly does a fantastic job?

Hon. Hedy Fry: Mr. Speaker, I am glad that the member spoke so highly of the citizenship judge to whom he was referring.

I have been to citizenship ceremonies across the country and all the citizenship judges are compassionate and generous. They are very welcoming to new citizens. They understand what they are doing and they are a credit to Canada.

Hon. members across the way are always telling us that we pick people randomly and it is all about getting our friends into positions. We have set new structures for appointing people to these very important positions. Those new criteria and new structures mean we do a search for the kind of people who will fulfill the criteria.

Members cannot have it both ways. They cannot ask for criteria and for an objective process and then say to do it tomorrow.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, the parliamentary secretary has made a point of indicating that there is a trend with this government. I want to mention another trend. As she is with citizenship and immigration and being that the original citizens of this country are aboriginal people, I want to indicate a trend in the area of aboriginal peoples as well.

"The government will forge a new partnership with aboriginal peoples". That is from the 1994 throne speech.

"One of the tests of Canadian values is our ability to incorporate the aspirations of Canada's aboriginal people". That is from the 1996 throne speech.

The government will "develop relationships with aboriginal people based on the principles of partnership, transparency, predictability and accountability". That is from the 1997 throne speech.

"The government is committed to strengthening its relationship with aboriginal people.... And it will work to ensure that basic needs are met for jobs, health, education, housing and infrastructure". That is from the 2001 throne speech.

"The continuing gap in life conditions between aboriginal and other Canadians is intolerable. It offends our values and we cannot remain on our current path". That is from the February 2004 throne speech.

"We must do more to ensure that Canada's prosperity is shared by Canada's aboriginal people". That is from the October 2004 throne speech.

In the government's last budget, only 1.3% of spending went to aboriginal communities. Those who are most hard done by in this country, those who have the greatest needs with respect to health, housing and infrastructure got nothing.

There is a trend from the government and it is not a good one for aboriginal people in Canada.

Hon. Hedy Fry: Mr. Speaker, I could make all sorts of quotations, but I will say that if we look to the leaders of all the aboriginal communities in this country, they all had nothing but good things to say about the budget and what is being done by the government.

What is typical of the NDP members is if we do not throw a chunk of money at something we are never going to fix it. That is their policy.

It is not just about money. It is about developing strong respectful relationships. The Prime Minister has worked very closely with aboriginal communities to develop those strong relationships. It was a Liberal minister of aboriginal affairs over three years ago who first brought forward the idea of aboriginal people having the ability for self-determination and self-government.

We do not change these things on a dime. We are working with the communities so that they can define the ways in which to govern themselves and determine their own future, not to have the arrogance as a government to say that we know what is best for them. That is the old way of doing things. That is not done around here any more. We develop strong partnerships. Money in this—

● (1655)

The Deputy Speaker: Resuming debate. The member for Québec.

[*Translation*]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, I will be sharing my time with my colleague, the hon. member for Louis-Saint-Laurent, who will question the government about the aboriginal peoples and the content of this budget said to be very generous towards aboriginal peoples and towards the provinces as well.

This is a budget that the Liberals are bragging about. Clearly, their speeches are full of praise for the budget. It is only fair, however, that opposition parties be on their toes and in a position to criticize it.

To listen to the Liberals, there is something for everyone in this budget, and they have listened to the public in general, and social groups in particular We also listened to the unemployed and that is not what we heard.

In fact, many people in several segments of the population as well as the provinces have been ignored. For these reasons, one might say that this budget fails to meet the expectations created by the Liberals during the last election campaign.

We know that the Liberals had promised to address the fiscal imbalance. There was in fact a commitment to that effect in the Speech from the Throne. It was not referred to as fiscal imbalance, but as pressures on the provinces. One can certainly say that, with this budget, these pressures will not be addressed. For 2004-05 alone, the provinces' shortfall amounts to $2.3 billion. This represents the imbalance in relation to the needs of the provinces, so that they could provide programs that meet the needs of the public

The Liberal Party has no reason to brag or say that it has met expectations and that we in the opposition, which includes the Bloc Québécois, are doomsayers. We are not. We are informed persons who have been very close to their fellow citizens and their needs.

We need only think of the fiscal imbalance. At this rate, by 2015, there will be $166 billion in the federal coffers, while the provinces' shortfall will be $70 billion, putting them at risk of falling back into a deficit. That is what the real fiscal imbalance is all about. The Bloc Québécois went much further, of course. A parliamentary committee presided by my hon. colleague from my hon. Saint-Hyacinthe—Bagot will be touring Canada to bring back real solutions to the government. Let us hope that the government will listen.

We also know that for employment insurance there are two reports in this House for which there was unanimous support. However, the government was unable to respond and make real reforms.

The Minister of Transport and member for Outremont told us that expectations had been met and it was done. But this $300 million is just tinkering with reform. The government knows very well that this amount is completely unacceptable in view of the measures that were requested in the reports, which were unanimously adopted. It should not be forgotten that members from all parties sat on the committee.

What was requested was 360 hours. Rather than that, we are given a reduction of 60 hours out of the 900 hours that one has to work before qualifying for employment insurance.

There is talk of being able to go back to the 14 best weeks. We had agreed that it would be the 12 best weeks and that there would be 50 weeks of benefits at a rate of 60% and not 50%. Instead of a meagre $300 million, these measures amounted to $1.9 billion. This sum could have been covered by the $46 billion that has been taken from the employment insurance fund. The government thinks that it can wash its hands of this and no longer owe anything to the employment insurance fund, that is to say, to unemployed Canadians.

The government could have started to return the money, $1.5 billion a year, and it could also have set the contribution rate at $1.98, meaning 3¢ more than it is now, which would have amounted to $270 billion.

● (1700)

So this is how the government could have responded to expectations and to a unanimous report of the House concerning which the Liberals voted for all the reforms that were requested. We did not hear much in the way of criticism from the Liberals of the measures that were taken in regard to employment insurance.

There is many a slip 'twixt the cup and the lip. In any case, we are still very far from declaring victory for this budget, even concerning tax deductions, while we wait for another budget. We will see the vote-minded budget that will come probably just before the elections. It is odd. That is when they will loosen the purse strings. We will see whether there will be money for flirting with certain client groups.

Consequently, there is a fiscal imbalance. I cannot say that this government gets five stars. It is the same for employment insurance. For social housing, it is terrible. The Liberals had actually committed themselves to $1.5 billion over five years. But there is zero, not a cent more. It is the same for day care.

The government is proposing $5 billion over a five-year period. Out of that amount, $700 million will be deposited. The government said Quebec would not be accountable and that there would be no strings attached. In the second year, an accountability exercise will take place to see what the provinces did with that $700 million.

However, we expected, and justifiably so, that $1 billion would be deposited. Why is the government holding back $300 million if it wants to create a true national child care program?

In my opinion, there is no incentive for the other provinces to get on board. Indeed, we all know that, in Quebec, $1.4 billion is invested in a quality child care program that meets the public's needs. I want to point out that the cost is very minimal to the Liberal government. Indeed, since Quebec set up its $5 a day child care service, which had to be increased to $7 a day, or $35 per week, the federal government saved money in tax deductions for families, which represented $35 per week. Over the past five years, the federal government was able to keep $1 billion in its pockets. This means that, with $1 billion per year over five years, it saved a bundle. The Liberal government is also getting money since it no longer has to pay tax credits to Quebec taxpayers.

Therefore, we say yes, the budget is generous as regards child care, but when we look at the real figures and at what Quebec is no longer receiving as regards the tax deduction, we realize that the Liberal government is not nearly as generous at it seems to be.

As for seniors and the guaranteed income supplement, there, too, nothing is coming tomorrow. In fact, it will be 2007 when seniors receiving the GIS finally get the meagre amount of $36 more each month. It has been said that this will be a good thing and a fine present for seniors. On the contrary, I would say it is an old, recycled present, since the Liberal government kept $3.2 billion from another generous gesture made in another budget, in terms of the guaranteed income supplement, because we know that many people who were entitled to it did not apply for it, since they did not know about it. Quite often, measures are put in place that the taxpayers are not aware of. They do not know this generosity exists, because it is hard to understand the information and, quite often, the public is not told any more than necessary.

And so $3.2 billion stayed in the coffers. We in the Bloc Québécois have been demanding this money on behalf of those who were entitled to it. We have carried out a huge information campaign. I can assure the House that the government did not want to act retroactively. It kept this money in its coffers and now it says to them, “This is the second time we are being generous with the same money we already promised you”.

The Liberals are praising their budget to the skies. In my opinion, that is verbal inflation. As for the provinces and the fiscal imbalance, we can say that if there has been any good faith involved, that would have been the first problem tackled.

● (1705)

The provinces are responsible for meeting the public's primary needs. That is where the institutions are located and that is where the people can go before their legislatures to demand their fair share with respect to the provincial responsibility for people's quality of life.

You are saying that my time is up. That is too bad because I would have liked to continue in the same vein and criticize a few more of the Liberal government's activities.

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.): Mr. Speaker, I would just like to inform the public who are watching us that we are discussing the amendment by the member for Calgary Southwest, seconded by the member for Medicine Hat. I am going to repeat myself a bit maybe, and the member who just spoke can give this some thought and answer me. Is she telling me that they are going to support a motion that is totally contrary to what they have already said in this House? Is that in her speech? For example, the motion states:

—the budget does not reflect conservative principles—

They are telling me that they are going to support this motion, which talks about conservative principles. The motion is against the Kyoto accord, which the Bloc Québécois has always supported. It is also against the national child care program, which the Bloc Québécois has always supported. The member even mentioned it in her speech. In addition, the motion is against the gun registry, which the Bloc Québécois agrees is a good program, despite everything.

The Conservatives are against something else, namely federal government investment in research in Quebec.

All that is mentioned in the motion. I would like to know, after what the hon. member said, whether she is in favour of the motion, because it is really contrary to everything she said in her own speech.

Ms. Christiane Gagnon: Mr. Speaker, there will be a vote shortly and the member will be able to see where the Bloc Québécois stands on this issue.

However, I want to allow my colleague to speak because I know that it is important he get his 10 minutes. Aboriginal issues are important to him. So, I will save this time for my colleague.

Hon. Eleni Bakopanos: Mr. Speaker, the hon. member did not answer my question. She has all the time needed to answer. Will she support the amendment before us? That is the subject of today's debate. This is not a debate on the budget. This is a debate on the motion by the Leader of the Opposition. I want to know, after everything she and other members of her party have said, how they can support a motion that goes against everything she said in her speech?

Ms. Christiane Gagnon: Mr. Speaker, the Liberal member need only wait for the vote, which will be held in a few minutes. She will be there to see. I am giving the floor to my colleague, who is going to talk about aboriginals. This is an extremely important matter.

Hon. Eleni Bakopanos: Mr. Speaker, I am still waiting for the answer. I would like to know—and the hon. member will have enough time to present his position on the aboriginals—if she has really read the amendment moved by the Conservatives, and if she agrees with it. That is the question.

Ms. Christiane Gagnon: Mr. Speaker, I am going to do as the Liberals do. I will give the same answer. She should wait for the vote, which will take place in a few moments. I can also tell her that my colleague has seven minutes remaining to speak on the aboriginal issue.

Mr. Bernard Cleary (Louis-Saint-Laurent, BQ): Mr. Speaker, a number of first nations political leaders have denounced the recent budget, the first under the current Prime Minister. He has been promising the sun and moon ever since he became Prime Minister, promising to eliminate what he called the shameful conditions they face.

Unanimously, loud and clear, the political leaders of first nations and Inuit groups have said that the budget, even after all those round table meetings, amounts to very little.

In the budget speech, the finance minister went so far as to say that for too long and in too many ways, Canada's aboriginal people have been last in terms of opportunity in this country.

Phil Fontaine, National Chief of the Assembly of First Nations, has pointed out that the Prime Minister's commitment to transformative change must be backed up by real investments by the government.

I will add that the first nations will never experience transformative change if they continue to manage their poverty and social stigma, and the government continues to impose its disrespect.

The royal commission on aboriginal peoples in Canada documented this state of affairs in its report, which was released in 1996. Jean Chrétien shot down the work of that commission. He sabotaged it on the cynical pretext that there was no money available, whereas, as we were to learn later, his Liberal cronies were engaged in the dishonourable act of pocketing public sponsorship funds. We will be finding out how this government was accumulating indecent surpluses, which were camouflaged in foundations well sheltered from Auditor General Sheila Fraser.

Where were the aboriginal Liberal MPs and senators? Were they also more interested in greasing the palms of certain members of the Liberal family than in supporting the royal commission in its recommendations for remedying the historical wrongs against the first peoples. Could it be that the party line imposed by Jean Chrétien was more seductive than their patriotic attachment to their aboriginal roots?

A year later, Jane Stewart, the Minister of Indian and Northern Affairs of the day, in an unexpected gesture of reconciliation, spoke out against a large part of what had been done to the Indians. She made it clear that Canada was anything but proud of this and regretted its past behaviour. Jean Chrétien again attacked this statement by demoting the minister to another portfolio.

After that, the commitments made in "Gathering Strength", which was meant as a response to the recommendations of the royal commission, ended up in the wastebasket.

The budget has proven that there are resources that could be allocated to measures to remedy what the Prime Minister has described as the shameful conditions our aboriginal people have to deal with.

The Minister of Finance is boasting of a situation that is the envy of all the other members of the G-7. He ought not to be so boastful, because he is concealing from them the fact that Canada has not lived up to the commitments it inherited from the historical treaties of colonial times. What is more, the Dominion has not kept its own promises in its various numbered treaties. Canada has deceived the first nations by helping itself to their ancestral lands and resources without properly compensating them. Then it put them in minuscule reserves. The minister has also not told the G-7 about Canada's refusal to fulfill its fiduciary role, by depriving these people of the funding they require to develop properly.

The national chief of the AFN has postponed any concrete measures to improve the deplorable conditions of the first nations. According to Phil Fontaine, they had "brought our best ideas and our best experts to these roundtable sessions and participated in good faith with the goal of making progress." That progress was not forthcoming.

I must point out that I had a whole lot more to say. We will get back to this later on, since some people are having fun dragging out the debate by asking questions that are not always pertinent.

● (1710)

The Deputy Speaker: It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment now before the House.

[*English*]

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

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

● (1750)

[*Translation*]

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 42)

YEAS

Members

Abbott
Allison
Anderson (Cypress Hills—Grasslands)
Benoit
Breitkreuz
Casey
Chong
Devolin
Duncan
Finley
Fletcher
Gallant
Goodyear
Grewal (Newton—North Delta)
Guergis
Harris
Hearn
Hill
Jean
Keddy (South Shore—St. Margaret's)
Kramp (Prince Edward—Hastings)
Lukiwski
Lunney
MacKenzie
Menzies
Mills
Moore (Fundy Royal)
O'Connor
Oda
Poilievre
Preston
Reid
Richardson
Scheer
Schmidt (Kelowna—Lake Country)
Smith (Kildonan—St. Paul)
Sorenson
Thompson (Wild Rose)
Toews
Tweed
Vellacott
Watson
Yelich– — 85

Ablonczy
Anders
Batters
Bezan
Brown (Leeds—Grenville)
Casson
Day
Doyle
Epp
Fitzpatrick
Forseth
Goldring
Gouk
Grewal (Fleetwood—Port Kells)
Harper
Harrison
Hiebert
Hinton
Kamp (Pitt Meadows—Maple Ridge—Mission)
Komarnicki
Lauzon
Lunn
MacKay (Central Nova)
Mark
Miller
Moore (Port Moody—Westwood—Port Coquitlam)
Nicholson
Obhrai
Penson
Prentice
Rajotte
Reynolds
Ritz
Schellenberger
Skelton
Solberg
Stronach
Tilson
Trost
Van Loan
Warawa
White

NAYS

Members

Adams
Anderson (Victoria)
Angus
Augustine
Bagnell
Bakopanos
Beaumier
Bell
Bennett
Bevilacqua
Blaikie
Blondin-Andrew
Boivin
Bonsant
Bouchard
Boulianne
Bradshaw
Broadbent
Brunelle
Byrne
Cardin
Carrier
Catterall
Chan
Clavet
Coderre
Comuzzi
Cotler
Crowder
Cullen (Etobicoke North)
D'Amours
Demers
Desjarlais
DeVillers
Dion
Drouin
Duceppe
Efford
Eyking
Folco
Frulla
Gagnon (Québec)
Gagnon (Jonquière—Alma)
Gaudet
Godbout
Godin
Graham
Guay
Holland
Ianno
Julian
Karetak-Lindell
Khan
Kotto
Lalonde
Lapierre (Lévis—Bellechasse)
Lavallée
LeBlanc
Lemay
Lévesque
Loubier
Macklin
Maloney
Marleau
Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)
Matthews
McDonough
Alcock
André
Asselin
Bachand
Bains
Barnes
Bélanger
Bellavance
Bergeron
Bigras
Blais
Boire
Bonin
Boshcoff
Boudria
Bourgeois
Brison
Brown (Oakville)
Bulte
Cannis
Carr
Carroll
Chamberlain
Christopherson
Cleary
Comartin
Côté
Crête
Cullen (Skeena—Bulkley Valley)
Cuzner
Davies
Deschamps
Desrochers
Dhalla
Dosanjh
Dryden
Easter
Emerson
Faille
Fontana
Fry
Gagnon (Saint-Maurice—Champlain)
Gallaway
Gauthier
Godfrey
Goodale
Guarnieri
Guimond
Hubbard
Jennings
Kadis
Karygiannis
Kilgour
Laframboise
Lapierre (Outremont)
Lastewka
Layton
Lee
Lessard
Longfield
MacAulay
Malhi
Marceau
Martin (Esquimalt—Juan de Fuca)
Martin (LaSalle—Émard)
Masse
McCallum
McGuinty

McGuire	McKay (Scarborough—Guildwood)
McLellan	McTeague
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Minna	Mitchell
Murphy	Myers
Neville	O'Brien
Owen	Pacetti
Paquette	Paradis
Parrish	Patry
Perron	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Chatham-Kent—Essex)
Plamondon	Poirier-Rivard
Powers	Proulx
Ratansi	Redman
Regan	Robillard
Rodriguez	Rota
Roy	Saada
Sauvageau	Savage
Savoy	Scarpaleggia
Scott	Sgro
Siksay	Silva
Simard (Beauport—Limoilou)	Simard (Saint Boniface)
Simms	Smith (Pontiac)
St-Hilaire	St. Amand
St. Denis	Steckle
Stoffer	Szabo
Telegdi	Temelkovski
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Thibault (West Nova)	
Tonks	Torsney
Ur	Valeri
Valley	Vincent
Volpe	Wappel
Wasylycia-Leis	Wilfert
Wrzesnewskyj– — 205	

PAIRED

Nil

The Speaker: I declare the amendment lost.

[*English*]

It being 5:50 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

● (1755)

[*English*]

CRIMINAL CODE

Mr. Richard Harris (Cariboo—Prince George, CPC) moved that Bill C-275, an act to amend the Criminal Code (failure to stop at scene of accident), be read the second time and referred to a committee.

He said: Mr. Speaker,Bill C-275, which is now being called Carley's law, is in memory of 13 year old Carley Regan who, on January 6, 2003, was fatally struck by an automobile driven by Paul Wettlaufer, an individual whose licence was under suspension and who had no less than 11 driving prohibitions and citations in the preceding six years. He also injured her younger sister and her friend. With a reckless disregard for the welfare of the victims, Wettlaufer then proceeded to leave the scene of the accident in a subsequent attempt to conceal what he had done.

That is not an isolated incident. Research indicates that in 70% of hit and run cases, and they are in the thousands every year, the driver was likely impaired. In this case, witnesses testified that Wettlaufer was swerving back and forth in a manner consistent with being impaired while under the control of a vehicle.

I think it is important to go through the chronology to point out the tragedy and the seriousness of this event.

After turning himself in the following day, Paul Wettlaufer pled guilty to three counts of hit and run and one count of driving while under suspension. This perpetrator, who averaged approximately one driving infraction every six months for the prior six years, was never required to stand trial for dangerous driving causing death or impaired driving because of a plea bargain. Under the plea bargain agreement he received an 18 month sentence which was reduced to 14 months for time served. He served a total of 10 months for this terrible crime.

Bill C-275, an act to amend the Criminal Code, failure to stop at the scene of an accident, would ensure that perpetrators of such violent and criminal acts are held responsible and accountable for their actions. The bill is long overdue. It would eliminate plea bargaining for hit and run offences, which is sorely needed. It would provide a minimum sentence of seven years in prison for those convicted of hit and run causing death, which is sorely needed. It would provide a minimum of four years in prison for those convicted of hit and run causing bodily harm, which again is sorely needed.

To date, perpetrators of hit and run offences causing bodily harm or death have almost never received more than two years for this violent crime. The tragedy of our justice system is that it has become so sick that people who commit violent crimes are simply not dealt with in a manner that is acceptable to our society.

Whenever we read something like this in the paper where the convicted person was let off with a slap on the wrist for a violent crime they committed, I, like Canadians all across this country, just roll our eyes and ask where the justice is. What is wrong with our justice system that this could be allowed to happen over and over again?

Bill C-275, Carley's law, would bring sentences for hit and run offences in line with sentencing guidelines for other violent crimes, namely manslaughter and attempted murder, because it is as serious a crime as manslaughter or attempted murder.

Currently too many hit and run perpetrators are afforded the luxury of pleading no contest or guilty to a lesser charge in exchange for a combination of reduced jail time, house arrest, and/or conditional sentences.

● (1800)

One of the most common occurrences in a hit and run incident is where a driver, knowing he has hit a person and knowing he probably was impaired, if that was the case, flees the scene only to show up or call his lawyer the next morning saying that he thinks he hit a deer last night but that he is not sure. The lawyer tells him that an incident did happen in the area he described and tells him that he should go with him to the police station and turn himself in. At the police station the lawyer says that his client believes he hit a deer last night but that he was not sure and therefore called him this morning. That is almost an every day occurrence in the event of a hit and run incident and it has to stop. Bill C-275, Carley's law, can help that.

Under our current system, in almost every case it is often more advantageous for impaired drivers to flee the scene of an accident in which bodily harm or death has occurred than it is to face the consequences. With the precedents the courts have set and the plea bargaining that has gone on for so many years to drive the sentences down where they mean nothing, it is more advantageous to flee the scene of an accident where a person has hit someone and caused death or bodily harm than it is to stay there and wait for the police.

The strict penalties for impaired driving causing death and manslaughter serve as a disincentive for remaining at the scene of a serious accident. That is another story. The laws are on the books but the courts are simply not using them.

Fleeing the scene of an accident should not allow perpetrators to flee their social and legal responsibilities and obligations. During the discussion in the debate on the Criminal Code as it applied to impaired driving, I made a point in the House and I think we have to apply that point to this. I said back then that it was time to stop regarding impaired driving as simply another social ill and begin to regard it as the violent criminal act that it is. We have to apply that type of thinking to hit and run perpetrators who flee the scene of an accident. Let us stop thinking of hit and run accidents as simply another social ill for which the court will apply a slap on the wrist type of penalty and out the perpetrator walks in a very short time.

There are many documented cases in which the lack of action on the part of the perpetrator immediately following an incident has directly affected the victim's survival. How many needless deaths from hit and run incidents could have been prevented if drivers had remained at the scene? This poses a serious safety risk to the Canadian public and the perpetrators of hit and run offences must be considered violent offenders.

For my Liberal friends across the way, and my hon. friend from Thunder Bay knows what is coming next, it is interesting to note that the majority of this country's provincial justice ministers and attorneys general support the elimination of conditional sentencing for violent crimes. It is important that the Liberals across the way know that to be the truth and that it be reflected when it comes time to determining where the bill should go.

I know the Liberals love to govern by polls so I have another point to make. Public opinion further indicates that 70% of Canadians oppose the use of conditional sentences for persons convicted of violent crimes and approximately two-thirds support the elimination of these sentences for violent impaired driving offences.

● (1805)

Those are Canadian people who are sending the government the message that they have had enough. They are waiting for the government to start taking crimes of violence such as this seriously and sending a message to the courts that the penalties are on the books and it is time for the courts to start using them.

It is tragic to say that in 2001 some changes were made to the Criminal Code as it affected impaired driving. Prior to that bill being passed, the latitude for sentencing for impaired driving causing death was from 0 to 14 years. The average sentence for impaired driving causing death was about three to four years. Most often it was on the lower range.

A bill was passed in the House which increased the latitude from zero to life imprisonment, a sentence that could be given to someone found guilty of impaired driving causing death where there were aggravating factors. There have been a lot of aggravating factors since that bill was passed.

Everyone would probably be interested to know that the average sentence given to a person convicted of impaired causing death after the latitude was extended to the possibility of life imprisonment is still in the neighbourhood of two to four years. How does one figure that? The people of Canada are outraged that this is still happening despite the fact that the Criminal Code was changed to allow for higher sentences.

People are still getting into their cars drunk, killing people, fleeing the scene and serving little or no time for the offence. It is time the courts were sent a message and this is where it can happen, in this place, which is the highest court in the land.

I expect my Liberal friends will stand and say that we cannot talk about minimum sentences of seven years for hit and runs causing death or fleeing the scene of an accident or a minimum sentence of four years for fleeing the scene where bodily injury has been caused. The Liberals did it all through debate on the impaired driving bill. They just cringed at the thought of minimum sentences because they said that it would throw the justice system completely askew.

I admit that the justice system is not working but it is not because of minimum sentences. I think about 28 sections of the Criminal Code call for minimum sentences. We are saying that if there are 28, there should be 30, 2 more, as it deals with fleeing a scene of an accident where someone has caused death or bodily injury.

It is absolutely time that we start applying appropriate sentences for these violent crimes in the hopes of reducing the number of hit and run incidents in this country and my colleagues across the way know that.

Too many families have been faced with the tragic loss of loved ones while the perpetrators who killed them spend less than two years in prison for what they have done. It happens too often. This bill is a necessary first step in holding those in our society who have a reckless disregard for human life accountable for their actions.

● (1810)

I plead with my hon. colleagues in the Liberal Party, the Bloc and the NDP to recognize the seriousness of this and do everything they can to ensure that this bill goes to the justice committee. If they want to add some amendments to it and tailor it so as not to affect the effectiveness of it, we would welcome that.

I humbly ask for the support of my colleagues from the Liberal Party, the Bloc and the NDP on Bill C-275. We really need to get this bill to the justice committee and I hope my colleagues will support it.

Hon. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the Minister of Justice is not supporting Bill C-275, nor am I. In opposing the bill, I want to tell the member opposite that I simply do not agree with him that Bill C-275 is in the category of an ultimate solution to the member's concerns.

Parliament has created in section 252 of the Criminal Code the offence of failing to stop at the scene of an accident with the intent to escape civil or criminal liability. Let me be very clear. I fully support the existing provisions in section 252 of the Criminal Code that are aimed against the pernicious behaviour of leaving the scene of an accident in order to escape liability.

In no way does my opposition to Bill C-275 mean that I condone leaving the scene of an accident to escape civil or criminal liability. The present maximum penalty under section 252 for leaving the scene of an accident is five years imprisonment where the prosecution proceeds by indictment. I note that the procedure for the indictable offence is a more serious procedure than the procedure for a summary conviction offence.

Bill C-275 does not propose to change this maximum penalty of five years. At present, in a case where the fleeing offender knows that a person has died or knows that there is bodily harm and is reckless about whether death ensues and death does occur, the maximum penalty is life imprisonment under the Criminal Code.

Bill C-275 does not propose to change this. I note that life imprisonment is equal to the maximum penalty for manslaughter, criminal negligence causing death, dangerous driving during a police chase causing death, and impaired driving causing death.

In a case where a fleeing offender knows that there is bodily harm, the current maximum penalty is 10 years imprisonment. This maximum penalty is equal to the maximum penalty for criminal negligence causing bodily harm, dangerous driving causing bodily harm, and impaired driving causing bodily harm. Inexplicably, Bill C-275 proposes a new maximum penalty of life imprisonment for the bodily harm situation which equals the maximum penalty for leaving the scene where there is a death.

Not only does this defy the principle that there should be proportionality in the criminal penalties with respect to the harm, this proposal in Bill C-275 would make the maximum penalty for the bodily harm in leaving the scene situation completely at odds with the maximum penalty that Parliament has set for each of the other Criminal Code bodily harm offences that I have just named.

Further, the bill proposes to create a minimum penalty of seven years imprisonment for the offence of leaving the scene of an accident where death is involved, and a minimum penalty of four years imprisonment where bodily harm is involved. I note that the similar offences which I have already mentioned do not carry these seven and four year minimum penalties.

As much as I am concerned about the maximum penalty provision for leaving the scene of an accident in a bodily harm situation and the bill's minimum penalty provisions, Bill C-275 contains an even more alarming proposal. This is the provision that would eliminate the mental element of the offence of leaving the scene of an accident in those cases that are the most serious forms of the offence, namely situations where death and bodily harm results.

Each criminal offence must contain in its definition not only an act, but also a mental element, sometimes referred to as a guilty mind in English or *mens rea* in Latin. The mental element can be framed in the terms of intention, knowledge or wilfulness. Outside the criminal law we may find offences for which there is liability based only on an act without any mental element, for example, in some regulatory matters.

However, I emphasize again that in criminal matters, an offence must not only have an act, but also a mental element. The more serious the offence and the resulting penalty, the more important it is that the offence contains a mental element.

● (1815)

Bill C-275 turns this fundamental principle of criminal justice upside down. In Bill C-275, the proposal is not to retain the mental element for leaving the scene where there is no injury or death but to eliminate it completely from the more serious cases of resulting injury or death.

I find it absolutely astonishing that the bill proposes that where there is a more serious act and a more serious penalty, there would be no mental element in the definition of the offence. This is beyond belief. One expects to find a mental element and not the complete elimination of the mental element for any criminal offence, let alone the more serious criminal offence.

It is highly likely that if such legislation were enacted by Parliament in the face of all logic, that courts would find that the combination of the disproportionate minimum penalties and the elimination of the mental element would violate the Canadian Charter of Rights and Freedoms, which is an integral part of the Canadian Constitution.

I remind members that the Constitution is the supreme law against which all other laws must be tested. As parliamentarians we must keep in mind that legislative proposals must respect the charter, including its guarantee that no one be deprived of liberty, except in accordance with the principles of fundamental justice.

In my view, it is extremely important to have the offences and penalties that now exist for drivers who leave the scene of an accident with the intent to escape civil or criminal liability, especially where someone is killed or injured.

To the extent that the particular convicted offender will be deterred from repeating the behaviour and to the extent that there will be a general deterrence for others who in the future might contemplate such behaviour, the existing Criminal Code provisions are necessary and appropriate in the context of the charter.

We often hear the claim that the charter protects the wrongdoer. Such rhetoric misses the point. The criminal law is society's strongest sanction against improper and injurious behaviour. Therefore, fundamental principles such as the need for the mental element for a criminal offence protect each of us who might without a guilty mind do something purely accidentally. Without the requirement of a mental element for a criminal offence, the pure accident would be criminalized.

Think for a moment of a driver who leaves the scene of an accident with the intent to get help for an injured person. If the offence is simply leaving and there is no requirement of the mental element of intending to escape liability, the driver who leaves the scene to get help would be committing a criminal offence under the proposed Bill C-275.

Keep in mind that such a person who left the scene under Bill C-275 would be convicted and given a seven year minimum period of imprisonment if an injured person died. The court would not have the discretion to hand down a lesser sentence, no matter how favourable the reason for leaving was or how favourable the personal circumstances of the offender were.

Bill C-275 has the aim of reducing situations where someone leaves the scene of an accident where there is death or bodily harm. However, it is so contrary to the important principles of fundamental justice that it would be cynical to pass Bill C-275 knowing that it will most likely run afoul of the charter.

If members truly believe that fundamental principles of justice are unimportant, then there should be a constitutional amendment to the charter, the fundamental law against which all other laws are tested and not an end run that attacks these fundamental principles by means of an amendment to the Criminal Code.

I am sure that all of us in this House are highly sympathetic to the victims who have been injured and to the surviving family members of victims who have died in accidents where the driver fled from the scene with intent to avoid criminal or civil liability. Such an offender's behaviour is despicable.

Our reaction is to want to do something so that the behaviour will not be repeated by that offender or any other driver. The proposals in Bill C-275 are not that something. The bill simply does not respect the fundamental criminal law principles nor the protection afforded by the charter. Bill C-275 accordingly must be opposed.

● (1820)

[*Translation*]

Mr. Richard Marceau (Charlesbourg—Haute-Saint-Charles, BQ): Mr. Speaker, it is a great pleasure for me to rise in this debate on Bill C-275.

I too would like to preface my remarks by saying that in no way does my position and that of my party mean that we condone implicitly or explicitly the criminal behaviour of individuals who leave the scene of a car accident. Such behaviour is unacceptable and reprehensible, and it should be severely punished.

On November 15, 2004, the bill entitled an act the amend the Criminal Code (failure to stop at scene of accident) was introduced by the Conservative member for Cariboo—Prince George, who spoke earlier. The bill was put on the priority list on the same day. This was the third time that this bill was introduced, because the same enactment had been introduced in the second and third sessions of the 37th Parliament by the Conservative member for Abbotsford over there, as Bill C-453, which never made it past the first reading stage.

I would like to read at this time the summary of the bill. It reads as follows:

> This enactment amends the Criminal Code to provide that an accused who has control of a vehicle, vessel or aircraft and who fails to stop at the scene of an accident is guilty of an offence for which the minimum punishment is seven years' imprisonment and the maximum is life imprisonment, if another person suffers bodily harm and dies as a result of the accident.
>
> If another person suffers bodily harm but does not die as a result of the accident, the accused who fails to stop at the scene of the accident is guilty of an offence for which the minimum punishment is four years' imprisonment and the maximum is life imprisonment.
>
> These provisions apply whether or not the person knew that another person had suffered bodily harm or had died as a result of the accident, and whether or not the person had the intent to escape civil or criminal liability.

And finally:

> A prosecutor may not make, to an accused charged with leaving the scene of an accident, an offer allowing the accused to plead guilty instead to an offence with a lesser penalty.

Let us analyze this. Bodily harm is defined in the Criminal Code as meaning any hurt or injury to a person that interferes with the health or comfort of the person and that is more than merely transient or trifling in nature.

If the victim dies as a result of bodily harm, what recourse is allowed under the current legislation? Currently, under the code, the maximum sentence is life imprisonment ,and there is no minimum sentence for a person who fails to stop his vehicle that is involved in an accident,with intent to escape civil or criminal liability, and that "person knows that another person involved in the accident is dead" or that "person knows that bodily harm has been caused to another person and is reckless as to whether the death of the other person results from that bodily harm, and the death of that other person so results".

The intent to escape civil or criminal liability is presumed once it has been proven that the person failed to stop their vehicle.

Bill C-275 proposes adding a minimum sentence of seven years' imprisonment and eliminates the requirement regarding the intent of the accused, meaning that, if the bill is adopted, it would no longer be necessary to demonstrate that the accused knew the victim would die from his injuries or was reckless in spite of that knowledge.

What does the legislation say if that victim suffers bodily harm but does not die? Subsection 252(1.2) of the Criminal Code provides for a maximum sentence of 10 years for an accused who failed to stop his vehicle involved in an accident with the intent to escape all civil and criminal liability, knowing that bodily harm has been caused to another person involved in the accident. Here, the code makes no mention of presumption. The crown must, therefore, first prove the intent of the accused to escape his criminal liability and prove that the accused knew the victim had suffered bodily harm.

Bill C-275 proposes the addition of a minimum penalty of four years' imprisonment and a maximum of life imprisonment if another person suffers bodily harm but does not die as a result of the accident. The crown would no longer have to prove the intent of the accused to escape his criminal liability nor that the accused knew the victim had suffered bodily harm.

The Bloc Québécois believes that the provisions currently set out in the Criminal Code are reasonable. We consider it dangerous to eliminate, with regard to this offence, the need to prove the intent to escape criminal liability.

● (1825)

We believe the current system is adequate in that it facilitates the work of the Crown by presuming that the accused had the intent to evade criminal responsibility, because he did not remain. The presumption is, in our opinion, reasonable, since it affords the accused an opportunity to present evidence that he did not intend to evade responsibility and that he left the scene for other reasons.

In fact, taking the accused's intent into account makes it possible to take special circumstances into account, thus reducing the risk of injustice. We must not forget that in the case at hand, a person risks losing his freedom for a number of years. Removing the criteria of intent to evade responsibility may make the crown prosecutors' task easier, but at the same time, once it is proven that the person left the scene, it removes the judge's discretion to decide, in a particular case before the court, whether the accused person should be found guilty.

Moreover, the Bloc Québécois also thinks that the minimum sentences proposed in Bill C-275 are exaggerated and out of proportion. The Bloc Québécois is not opposed to minimum sentences in principle: we have proposed them in Bill C-303 for persons convicted of sexual crimes against minors. Still, we feel that minimum sentences should be used with caution because, in the end, they tie judges' hands and too often complicate their task.

Sometimes minimum sentences can also have a perverse effect. That is, when a judge thinks a minimum sentence is inappropriate in a particular case, he might prefer to find a person not guilty even though that individual might have deserved a prison term of a few months.

The position of the Bloc Québécois on Bill C-275 can be summed up simply: the Bloc believes that the judge is in the best position to analyze the individual's reasons for leaving the scene and determine the appropriate sentence. Consequently, Bloc Québécois members will be asked to vote against Bill C-275, while maintaining that leaving the scene of an accident should and must be severely punished. Nevertheless, we believe that the current provisions in the code are sufficient to achieve this goal and objective of our society.

[*English*]

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, I rise with a bit of trepidation to speak to Bill C-275. From the address we heard from the member for Cariboo—Prince George, it is quite clear how strongly he feels about the circumstances that have led him to present this private member's bill to the House.

I have a great deal of sympathy for him and for the family of the victim who was killed in this incident, which prompted this legislation to come forward. It is somewhat difficult, recognizing those circumstances, to have to stand here and say that the members of the NDP, like the Liberals and the Bloc members, are unable to support this legislation.

If we take a quick look at the legislation, we will see that it sets out a number of provisions we have difficulty with. In effect it provides for the removal of criminal intent to charges that deal with individuals who have left the scene. It sets mandatory minimum sentences in a variety of ways. Finally, it removes the discretion that prosecutors in this country have to negotiate appropriate sentences in exchange for a guilty plea.

In each one of those cases we have as a party on a number of occasions taken the position that we are not prepared to deviate from those fundamentals that in effect underlie our criminal justice system in this country. Again I recognize that it almost sounds crass to be talking about these fundamental rights when family members still grieve and still mourn the loss of a family member as a result of the conduct that we heard described by the member for Cariboo—Prince George.

When we are here as members of this House, as legislators for this country, we have the added responsibility of taking into account not only those facts and trying to deal with them as best we can, but also the facts in a number of other cases and in fact all of the cases that will eventually come before our courts when one is being faced with these types of charges, specifically, leaving the scene of an accident with the intent to escape criminal or civil liability.

One could pose a number of questions. Why is this being done in this particular section of the Criminal Code? Why not others that are also very severe? There are numerous answers to that question. One is that in fact these principles underlie to a great degree the development of our criminal justice system over a period of hundreds of years.

I want to address specifically the issue of removing the concept of criminal intent. We can come up with any number of scenarios whereby the person either negligently or with criminal intent, or maybe without either, that is, completely innocently, leaves the scene of an accident, perhaps because the person is not aware that there has been an injury. Perhaps the person is going to seek help. We have in these sections the necessity of criminal intent so that individuals in those cases would not be faced with minimum time in jail as they would under this bill. That is a mandatory minimum, which in this case runs from four or five to seven years depending on the section that is being applied.

● (1830)

Let me talk about what we have determined over the passage of time. It is not a perfect system. Again I think the family will probably not accept that, but it is not a perfect system. In this case, from their perspective, and I do not know the facts well enough to be able to say I agree with them, the criminal justice system has failed them. But we know that day in and day out the system we have built generally works. It actually works much better than any other system that I am aware of in the world, but it is not perfect.

The replacement of mandatory minimum sentences, taking away the discretion of judges to make those determinations, and the removal of criminal intent would, I believe, create a worse system than the one we have now, a worse system than that found in a number of other countries. We need to retain these.

More specifically and with regard to the issue of minimum sentences, I have spoken out on this issue on a number of occasions. The member for Cariboo—Prince George mentioned the fact that there are minimum sentences in our Criminal Code. In fact, we are up to 29 now. For a number of them, quite frankly, I would be opposed to having them in there.

However, there are some that have worked. There are times when minimum sentences do work. I believe they are the exception to the general rule, but there are times when they do work. For instance, some of the minimum sentences that we have imposed in impaired driving cases, which are much less severe than what is being proposed here, have worked. However, I think it worked primarily because it was coupled with a very strong public education program that got a positive reaction from the community. I think this is somewhat of an exception.

The automotive club here in Canada came out with a study last week which showed that a further extension of minimum sentences in impaired driving situations would no longer work. They have been effective up to this point, but expanding them would not in fact produce any additional prohibitions or prevent crimes of that nature.

The other point with regard to minimum sentences that I tend to press upon is the fact that such severe minimum sentences as those being proposed in the bill would result in a substantial increase in the number of trials that would have to be conducted. Individuals who might have been willing to plead guilty and avoid the trial and avoid putting the family through the trial would plead innocent in an attempt to have the charges dismissed. They would seek an acquittal. That would happen in a good number of cases. That certainly is not in the interests of grieving families or the victims of the crime, but it is a reality.

A number of states in the U.S. have moved quite extensively to the use of minimum sentences. This has resulted in a substantial increase in not guilty pleas. Inevitably when that happens the more trials there are and the more acquittals there are as opposed to getting guilty pleas in advance.

There is another point I want to make and again I am not sure that this will be of much solace to the families. In the early 1990s in the province of Ontario, and across the country, quite frankly, significant backlogs resulted in the withdrawal or dismissal of over 50,000 criminal charges in Ontario alone.

If we do not to some degree take a practical bent on this, which includes the right of our Crown prosecutors to be able to negotiate guilty pleas for appropriate sentences, if we do not keep that system in place, we are going to be faced with another backlog and the potential of a huge number of charges being dismissed because the Charter of Rights says that people are entitled to a trial in a reasonable period of time.

For all of those reasons, and as much as we sympathize with the member for Cariboo—Prince George, we have to oppose Bill C-275.

● (1835)

Mr. Randy White (Abbotsford, CPC): Mr. Speaker, it is very clear to all the victims of hit and run drivers out there that it will not be easy, but the other three parties are opposing the bill. I will summarize the reason they are doing that, but first I want to say a little something about Carley Regan.

On January 6, 2003 around 5:10 p.m., Carley Regan, a 13-year-old child, lost her life unnecessarily at the hands of a hit and run driver. Carley's sister Jessica, 11, and friend Raelene Campbell, 10, were also struck by the car in Aldergrove, British Columbia. Carley was alive when she got out of the ditch and died because somebody was not there, in particular the person who hit her.

This issue did not start with Carley Regan; it began to end with Carley Regan. One day the offence of hit and run will become law in this place. The politicians just do not know it yet and do not know how diligent I can be on these issues, although they should know by now.

Before I came into the House, I thought I would check to see how many hit and run situations we have found since writing the law. Actually, there were too many to bring into the House today. This is not something that just happens in Langley, Abbotsford or Aldergrove, British Columbia; this is something that happens in all members' ridings all the time.

Members should listen to these: February 22, 2005, “Man walking home killed by hit and run driver”. March 1, “City cop hurt in hit and run”. That was in Ottawa. In Miramichi, New Brunswick on January 6, “30-year-old New Brunswick man accused in a fatal hit and run accident”. December 13, “Grief and anger grip family after driver sought in fatal hit and run”. That was in Calgary. In Kingston, Ontario, “Witness sought after man killed in hit and run”. Here it is March 8 and I look at my own home area of Maple Ridge, British Columbia where an individual got $12 worth of gas, ran away from his responsibility of paying for it, ran over the attendant and murdered him.

This is happening every day. We cannot come into the House of Commons and say that for one technical reason or another we cannot do anything about it.

I want to acknowledge two people. When I wrote my bill in 2003 I worked with a lot of victims across the country, but in particular, Barry Regan, Carley's dad, and Debbie Graw, Carley's aunt. Debbie is a hero of mine actually. She is a brave, intelligent lady whose life has been changed forever by the death of her niece.

What is the bill about? It is about getting the law reviewed in the justice committee. Politicians here will find reasons why it cannot even go before a committee. It is about paying attention to a serious problem in our society that needs addressing: hit and run. It is about all politicians removing their political bias and doing what is right on a problem that is very wrong. It is about showing Canadians that elected people can work together. I know this is an extremely partisan place, but this is not about that. It is about an evil that exists in our country.

What has occurred? As I said, it did not start with Carley Regan. That was the beginning of the end. The good people of Langley and Abbotsford have had to share this kind of misery more than once. I have read case after case. I could read 100 of them, but what good would it do at this point? I have a few minutes to convince my colleagues that the bill has to get to the justice committee for review. If not, then I have to go back to the drawing board and once again convince those parties that political bias takes second place to the need for changes in our society.

● (1840)

Let us look at what the Liberals said about this just a moment ago. They are not supporting it. They are supporting the status quo essentially, section 252 of the Criminal Code which gives a five year maximum. If we could only get a five year maximum for a hit and run in this country, that would even be nice, but we are getting two years to no years, no time at all. That is the problem we have been trying to tell those folks.

The Liberals say it defies the principle of proportionality. What is proportional about hit and run and murdering people through hit and run and getting a year for it in prison? They say they need an act and a mental element. Tell that to the victims. Tell them they want a mental element in this bill.

Of course the big one that always comes here, my favourite, is that it will violate the Charter of Rights and Freedoms. It would not necessarily violate the Charter of Rights and Freedoms. It might and so we should not do it because of that. How many times have I heard this? As I prepare to leave the House of Commons, I wonder if the Charter of Rights will ever be used for something really valid that all people in Canada want as opposed to an excuse for not doing what all people want.

Also, my Liberal colleague has given a ridiculous example, actually. This is another thing in the House of Commons; if one does not like something, bring up some ridiculous example that will set a precedent, maybe. I cannot believe it. He did say that he was highly sympathetic. He was highly sympathetic, but not sympathetic enough to let the bill go to the justice committee. It is incredible.

Of course my colleague from the Bloc said that he is not supporting it, that it has been the third time in the House. However, he did not mention that each time the House had closed and it was not through debate that it was lost. He also said that the status quo is A-okay and the provisions now in the Criminal Code are reasonable. He called the situation of hit and run causing death, or hit and run with injury and somebody getting zero to two years maximum, reasonable.

We are here to challenge that. What I say is if hit and run causes death, then the penalty should be seven years to life. If it causes injury, it should be four years to life. There is nothing wrong with that. That is what people are asking for.

I am going to deliver to each one of the members a case, or two, or three, of hit and runs in each one of their ridings. I want them to go home and justify to the families of the victims of those murders or attempted murders—they are not accidents—why they would do nothing in the House of Commons but accept the status quo, basically zero to two years, which is all that is being given for these crimes.

When we look at the perpetrator of the crime, the person who ran over Carley Regan, we should ask ourselves exactly what his situation was and why he would get such a very small penalty. Here was a guy who was driving under suspension. He maintained he was not drinking, which is kind of standard, yet surveillance tapes show him purchasing beer. He said he did not return to the scene, but a witness placed him there. Then he said that he was there but he panicked. He left the scene twice. At the time of the accident he had 11 B.C. driving prohibitions and citations since 1997. That is disgraceful. All he got was a minor penalty.

This is the first time this has come up for debate, but I can guarantee it will not be the last. I will be here to see this through, or my colleague, the member for Cariboo—Prince George, will be here to see this through.

God bless Canada. God bless Carley Regan.

● (1845)

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, let me begin my remarks by saying a few words of tribute to the hon. member for Abbotsford. He and I have crossed paths, swords and probably a number of other metal objects throughout the years. He was the House leader for his party when I was the House leader for mine some years ago. We inherited along with others the pizza Parliament as it was known in 1997 and we sat down to rewrite a number of the rules to make this place work.

As things would have it today, the media informs us that the hon. member will not be seeking a mandate in the next Parliament. Hopefully he will at least remain with us until the end of this Parliament. I hope that it is at least a reasonably long one in that regard both for him and for me. Of course I intend to run again but in his case, we want to have him around a little longer.

I thought that I would seize this moment that has been given to me to speak to offer these words of tribute to our colleague, a very distinguished member of Parliament for his province and indeed for the entire country. Hats off to the hon. member for Abbotsford. I sincerely hope that over the next year or two or possibly three that could be left in the life of this Parliament we will have an opportunity to work together again. I offer him these regards on behalf of my wife, MaryAnn, and I. We both have gotten to know him very well over the last several years. I ask him to convey our regards to his family as well.

● (1850)

[*Translation*]

Today, we are debating Bill C-275, which was introduced by the hon. member for Cariboo—Prince George. This bill is a reincarnation of former Bill C-453 introduced in the last session of the previous Parliament by the hon. member for Abbotsford, who just spoke.

The purpose of Bill C-275 is to increase penalties for failing to stop at the scene of an accident in which death or serious bodily harm has occurred. It is also designed to make it considerably easier for the crown to get a conviction when death or bodily harm has been caused.

While I certainly do not condone leaving the scene of an accident to escape responsibility, I do have serious concerns about Bill C-275. I can see that the Minister of Justice shares my concerns.

Whether we like it or not, any concept of minimum sentences often has a perverse effect in matters of justice. Whether we admit it or not, this perverse effect is often that, if the judge is convinced that the minimum sentence is greater than the one he had in mind, he has no other choice but to acquit an individual who would otherwise have been declared guilty of the offence. The end result is that guilty people are exonerated, because the judge felt that the sentence was too stiff.

There is a serious problem when we impose minimum sentences. This does, of course, give the impression that a minimum sentence is better than no sentence. Perhaps that is right in principle, but when the sentence is longer than acceptable in the eyes of the judge having to reach a verdict, he has only one choice, to acquit someone who would otherwise have been found guilty.

With this bill, a driver who leaves the scene of an accident causing death is still subject to life imprisonment, as is the case at present. If the accident causes only bodily harm, the present 10-year maximum would also become life imprisonment.

Returning to what I said previously, if the judge finds this sentence excessive, unfortunately the person who would otherwise be found guilty will be acquitted.

I would like to point out that the maximum sentence for criminal negligence leading to death and impaired driving leading to death is life imprisonment, as it is for someone who leaves the scene of a fatal accident. The maximum for criminal negligence causing bodily harm and for impaired driving causing bodily harm, however, is 10 years.

Why would the maximum sentence for leaving the scene of an accident causing bodily harm have to be life imprisonment? Hon. members will see that a less serious offence would have the same penalty as an offence leading to death. Once again, I return to what I said previously: this would likely lead to some judges choosing to acquit someone who would otherwise have been found guilty.

Bill C-275 is intended to provide for tougher penalities by setting a minimum sentence for offenders guilty of not remaining at the scene of an accident causing death or bodily harm.

● (1855)

The gist of all this is that I do not question the merits of this bill, but I do feel that it would do far more harm than good for the reasons I have given, and for many others I would have given if there had been more time.

The Acting Speaker (Mr. Marcel Proulx): The time provided for the consideration of private members' business has now expired, and the order is dropped to the bottom of the order of precedence on the order paper.

[*For continuation of proceedings see Part B*]

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OFFICIAL REPORT
(HANSARD)

Tuesday, March 8, 2005
(Part B)

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, March 8, 2005

[Continuation of proceedings from Part A]

EMERGENCY DEBATE

[*Translation*]

CANADIAN LIVESTOCK INDUSTRY

The Acting Speaker (Mr. Marcel Proulx): The House will now proceed to the consideration of a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely the Canadian livestock industry.

[*English*]

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC) moved:

That this House do now adjourn.

He said: Mr. Speaker, it is a pleasure to rise the second time today to talk about agriculture and to get a few more things on the record. I am more than pleased to see that the minister is joining us today. He has been dedicated on this file. We cannot take that away from him.

I will be splitting my time with the member for Newmarket—Aurora.

For a number of producers who are watching tonight, the urgency started 18 months ago. They have been living on a wing and a prayer ever since that.

Government programs have been announced, and they have come and gone. Not a lot of producers were able to trigger what they needed in a timely and bankable way. The light at the end of the tunnel disappeared the other day with the injunction by R-CALF in the United States.The light blinked out for the time being, and we have to reignite it.

Part of that will have to be done within our own borders. We have to start to develop programs that are domestically driven and that will see our industry survive, in spite of not getting into our major exporting partner in the United States. It may be a while before that comes around.

A lot of anger and frustration is out there as well as a lot of backlash, which people are talking about now. The Americans are not the bad guys. We have a tremendous amount of allies across the line. We need to ramp up our work with them. I am sure the minister will run through that list later.

The retail association, the consumers association and the American Meat Institute are calling this a blow to free trade. Those are their words. They all are looking for that cross-border shopping to recommence.

The packing industry in the States is facing as big a blow as the Canadian packers at this point. The packers are not getting enough product in to keep their lines open. They are down to three-quarter weeks. People are being laid off. A lot of hurt has been created by the R-CALF injunction, some 10,000 members of a 1.5 million member organization. It is economically and politically driven. Science has no bearing at all on that injunction.

We saw the work up from the judge in Montana. A lot of the things he talked about were just pure nonsense, and will be refuted. The unfortunate part is we are relying on the USDA, secretary of agriculture Johanns and the President of the United States to intervene on our behalf.

The government could and should be doing things. We need a stronger presence in the States. Let us buck up and start to realize that we are in this in a common way. Let us get down there and make those points. I know they have been done on an ad hoc basis, much the same as the programs were on an ad hoc basis. We need consistency at the political and diplomatic levels. We have it at the bureaucratic level. We have to ramp that up a little or we will face the same types of things.

There has been a huge ripple effect and a lot of collateral damage over the past two years in the livestock sector. It is not only cattle. We talk about cattle because that is the mainstay of that trade. However, a tremendous number of other sectors have been negatively hurt, and we are not carrying the flag for them in the same way. We think that they got drawn down with the cattle and that they will get built back up again once the cattle moves.

When we talk about processing for livestock, every facet of livestock needs more processing. Our pork producers are facing the same things trying to export live hogs, but as soon as they are processed, there is no problem. We need to ramp up the processing. Our buffalo producers were just starting to get their feet back under them, but they have been hit and sucked down with this as well.

The problem that needs to be directed or solved in the near future is in our processing sector. We have let slaughter capacity and processing go over the last 20 years.

We have had heavy-handed regulations. The Canadian Food Inspection Agency inspectors have not been as user friendly as perhaps they could have been. I guess the minister may have to drive them a bit harder to do that. We have seen a couple of plants squeak into production, only after they have jumped through a lot of hoops and hurdles that were put in their way. They did not need to be there. They dragged it out, and they could have got there a lot quicker.

We have a few other plants that would like to open, but they have seen the trials and tribulations of other plants so they are pulling back a bit. As I said, there is that collateral damage on other livestock sectors.

We have to ramp up our processing and slaughter capacity. The government has talked about that. The only thing we have seen to that end is the loan loss reserve, $37 million or $38 million announced in September, topped up again in the budget by another $17 million, but nobody can trigger it. The forms are not even available yet. We met with the Canadian Bankers Association the other day. It said it was still working out the details with the government.

● (1900)

We have again lost six months in getting some slaughter and processing capacity going because we are playing around with the loan loss reserve, which means somebody will finally get some money. When and if they ever get built and go broke they will finally get some coverage. That is not going to trigger any expansion. Nobody is going to buy that one. That is something that definitely needs to be done.

First and foremost is to get some cash to hard-pressed livestock producers. Agriculture across the country in the year 2003 hit bottom with a minus $13 million income and 2004 is not looking a whole lot better.

We get into a little bit of positive numbers when we put all the government moneys in. A lot of announcements have been made. The minister talks about a cumulative almost $5 billion going into agriculture across the country. Those are the announcements. The reality of cash in the pockets of producers is a third of that at best. We still have pools of money sitting here in Ottawa that have not been triggered and have not got out there to the farm gate. They are still sitting on the cabinet table and not on the kitchen tables out there.

Spring is coming. We have grain and oilseed sector guys who are worrying about how they are going to get their crops in the ground. We have livestock producers who are bringing another crop of calves on the ground and do not know whether they will be able to move them in a timely way to pay their loans and get caught up again. Agriculture in this country, for all commodities, has faced some serious hits. Let us get some cash out there on these ad hoc programs.

Of the three pillars that are required, one is the new and emerging markets that are out there. They are buying from someone, but not from us at this point. China is a huge market coming on stream with a billion people who are hungry. The big thing with China is that we are going to have to process some of it to get it over there and we are not up to that game at this point. There are things the government can be doing almost immediately to get that started. We are seeing more of the farm groups coming to bear on this and struggling for their producers.

David Rolfe is the chair of Keystone Agricultural Producers in Manitoba. He said that he has problems with the CAIS program. He is not optimistic that CAIS can ever be made effective. He says it is a bad deal. He is quoted as saying that "CAIS is essentially CFIP", the former program, "with a deposit". Farmers have to put cash in a bank vault somewhere in order to trigger a payment someday somewhere down the road. That is like me going out to the dealership, buying a new tractor, leaving it there and never using it. It is cash stuck away that I cannot use.

We met with the Agriculture Canada officials today, who said that it is not a negative thing. The farmer puts some cash in the bank, triggers a CAIS payout and gets money back, so it is not a bad deal. The problem is that it costs him a couple of thousand bucks with his accountant to make that happen and in a lot of cases what he triggers out of CAIS does not even pay for his cash on deposit. It is not the cashflow stimulus that everyone is looking for. There is actually a negative hit in a lot of this.

I know the minister has talked about how the government is going to do a review. In the budget, the Liberals talk about getting rid of the deposit, but the officials today told us that the most they can do by the end of March is pay back anyone down to the third value, which is what all of us called for, but some guys are trapped in a catch-22 and had 100% of their deposit in. They will get two-thirds of that back and probably will be taxed on it if it came out of certain NISA accounts, but they still have to keep that third in there until all governments figure out how they are going to keep farmers "engaged" in this business risk.

Producers are engaged. A $44 billion agricultural debt across the country keeps them engaged. Having to put a crop in the ground every year and spend the value of the equity of their farms keeps them engaged. Bringing on another inventory of cattle into their livestock sector keeps them engaged with all the costs that are involved in that. They are engaged up the wazoo.

So a cash deposit is not required; it is trying to make the CAIS program GATT green. That is what the government is trying to do. It is taking an amber program, running disaster relief through it and requiring a cash deposit to make it GATT green. That is what this is all about.

The government is penalizing our producers to stand up to the global agreements that we have signed on to, and our guys are going down. They are. They are taking this hard. They cannot stand up to it.

The Canadian Federation of Agriculture, in its meeting just last week, called for the government to implement a cull cow program. We talked about that a year ago. We talked about putting $500 an animal cash in the pockets of producers out there to get rid of some of these cull animals that are a drag on the market and pulling us down.

The numbers show that the programs are not working. The ad hoc announcements after ad hoc announcements are not doing what they are supposed to do.

The government is looking for direction. It is talking about doing the right things, but implementation is awfully slow. I am hopeful that some of our producers will survive long enough to see a difference.

● (1905)

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the member brought up the issue of slaughter capacity. As viewers out there may realize, and many of them are very knowledgeable about the industry, we already have seen a 20% increase in capacity in Canada from where we had been.

We were at about 65,000 a week. We are operating at about 83,000 a week and there are plans to bring that up to about 90,000. Of course we have indicated that we should be at about 105,000. The member mentioned some of the tools that have been used. I am quite prepared to refine those tools in a way that is important, but I want to ask him a couple of questions about it.

First, I think it is important not only that we hit the macro number we need to hit, but also that we remember the regional variances in terms of slaughter capacity. It is not just important to have total slaughter capacity; it has to be in the right parts of the country. Also, it is important that the right kinds of animals are being slaughtered to make sure that our slaughter capacity covers the variety. I would appreciate the member's view on this.

Here is what I think is most important. The member for Newmarket—Aurora made this point as well in a speech. That is, in doing this and in providing government assistance, we must make sure that there are a couple of underlying principles. We have to make sure that the proposals in front of us are supported by sound business plans and that they are going to be sustainable into the long term into a situation whether or not we have access to the U.S. border.

I am interested in knowing whether the member and his party share those underlying principles as part of the approach that we need to take.

Mr. Gerry Ritz: Mr. Speaker, certainly there are regional variances in slaughter capacity. There are huge regional variances in where the animals are; that is part of what drove it to begin with. The vast majority of the beef market is in Alberta, followed by Saskatchewan, so certainly the slaughter plants need to be built there.

Manitoba finds itself without any kind of federally regulated slaughter facility. Several groups have been taking a run at trying to get something under way there.

The minister talks glowingly about a 20% increase in capacity, driven by the big two, with Cargill and Lakeside expanding. The problem with it is that they are directed at the animals under 30 months and we do not particularly have a problem at that point. The problem is in slaughter capacity for buffalo, hogs and cull animals. That is the big capacity we need.

The minister cannot seem to differentiate that two streams of processing are required, certainly the one under 30 months, and the big guys are going to do well. They are expanding. They are putting in new technology and so on. They are doing okay and they will continue to.

What we need is a secondary line of processing that will address the domestic shortfall that we always used to import for. We always used to bring in grass-fed animals to feed our fast food lines in our specialty restaurants. We no longer do that, other than our WTO and NAFTA commitments. We do not do the supplementary quotas. That is a good thing, but we need specialty processors that can step up and fill that niche.

We used to export the vast majority of our culls and then buy back two-thirds to fill the niche markets here. We have never addressed that shortfall yet. That is what the minister is missing. Those are sustainable markets and sustainable plants.

Certainly we have to be very stingy with taxpayers' dollars and not put them at risk, but sound business plans directed at markets where there is a huge and glaring void now should be sustainable.

● (1910)

[*Translation*]

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have listened to the comments made by the member opposite. I still am among those who think that the ultimate solution is the re-opening of the U.S. border. The only other solution is supply management with regard to this industry.

Is the member in favour of having a quota system for cattle, including cattle at the end of the cycle he has just identified? Is he in favour of this, yes or no? We know that, in the past, his party has not supported such a system for milk producers.

[*English*]

Mr. Gerry Ritz: Mr. Speaker, that was a nice try by the member, with that little bit of misdirection. He is good at that, like the old magician he always was.

Supply management for the beef sector is up to the beef sector. It was up to the dairy sector, it was up to the chicken sector and it was up to the feather industry to decide whether they wanted it or not. If it is the beef sector that drives it, certainly it will happen and that is what the member should be aware of.

Everybody wants the border open in the short fix, but the problem with the ultimate opening of the border is that it will not move us ahead. We have identified some major problems in our industry in this country. If we do not learn something out of the two years of hell we have been going through, then we have not gained a darn thing. If we just go back and reopen the border, we have not gained as a country. We have not expanded our processing. We have not gone out and looked for those new markets. We have gone right back into the same old rut that we have been in for the last 20 years.

Ms. Belinda Stronach (Newmarket—Aurora, CPC): Mr. Speaker, I would like to thank my colleague from Battlefords—Lloydminster for proposing this emergency debate on this very important issue. I also want to acknowledge the presence of the Minister of Agriculture and the attention that he has given to this very serious matter.

S. O. 52

We are rising in the House this evening to yet again examine the failure of the government to protect the interests of hard-working Canadians. It is truly unfortunate that we need to be in this position. I am sure that each and every hon. member would like nothing better than the prosperity of the cattle and dairy industry, but the border with the United States remains shut tight as a drum. March 7 came and went with not a single truck carrying cattle across the border.

The government will claim that it is not its fault. It will suggest that the problem lies in the decision of a local judge in a Montana court or with ill-informed and protectionist U.S. senators. These explanations sound more like excuses to me.

The Prime Minister and his cabinet are making excuses for their failure to get the basics of the Canada-U.S. relationship right in the first place. The border has been closed so long because of BSE that the Prime Minister actually inherited the problem from his predecessor. The Montana court decision last week does nothing but gloss over the facts.

The Prime Minister has been on this file for more than a year and a half and only got access to the President of the United States to talk about it four months ago in Chile. Every single day that the Prime Minister has been unable to contact the president costs Canadian ranchers and feedlot operators as much as $20 million per day, with $11 million lost in export revenue and the rest in lost value for the cattle they hold. I have seen estimates showing that the running total of losses for the beef industry is now at about $7 billion, and the cattle trucking business in Alberta may never recover.

With those kinds of losses and the amount of money at stake, one would think that the Liberals would have put some fire in their bellies and moved heaven and earth to get the border open, but no. The Minister of International Trade visited Washington for the first time officially less than a month ago, to meet with his new counterpart. The Minister of Agriculture just went to Washington for the first time a month ago.

This is just plain wrong and irresponsible with the livelihoods of so many Canadians at risk in the BSE crisis.

When the U.S. Senate voted to keep the border closed last Friday, it took our government by surprise. That says a lot to me about the government's complete lack of political intelligence on Capitol Hill. In business one always tries to know what one's competitors are doing in order to stay one step ahead, but here the custodians of Canada's relations with the United States were caught flat-footed and asleep. For $20 million a day, this performance by the government is just not good enough.

I have been out to feedlot alley with one of my colleagues to see the situation with my own eyes. I can tell members that the top priority for ranchers and feedlot operators is to get that border open so they can sell their products like before and like they do so well. That is really what they want.

Michael Ignatieff, the Harvard University professor, argued recently that Canada-U.S. relations is the defining issue for Canada in the 21st century, as Quebec-Canada was for the 20th century. The root of the problem is that the Liberal Party simply does not understand this, neither the Liberal Party of Jean Chrétien nor this Prime Minister. They are cut from the same cloth.

Is it the Liberals' anti-Americanism? Is it a belief that their polling tells them to pander to anti-Americanism because it will make them popular? It is a dangerous game. As a matter of fact, as this evening proves, they are playing a game of chicken with the national interests and livelihoods of our fellow Canadians.

The government should never have been so passive as this BSE crisis dragged on. Now there are some concrete things it should be doing. The cabinet committee on Canada-U.S. relations should be in an emergency session now to come up with a plan on how it is going to get this border open. When has it met? Where is the plan? If there is one, let us see it. Let us hear it.

Why is the Minister of International Trade not a member of the cabinet committee when the relationship with the United States is so driven by trade? This is amateur. It is just not serious.

● (1915)

The plan requires real resources dedicated to a strategic and sustained strategy to engage the United States on a political level, to build relationships with individual members of congress. A Canadian minister should be in the United States each and every working day to advocate and educate American lawmakers and interest groups, potential allies, not just a visit once in a blue moon.

The government should be launching a blitzkrieg communications effort to explain that the BSE testing regime is solid and as good as or better than the one used in the United States. The fact that the Canadian program tests on downers and dead-on-farm cattle, the types of animals hardest to obtain, led to the discovery of two additional cases in 2005. The U.S. department of agriculture has yet to identify the types of animals that entered the U.S. surveillance system, so we do not know whether in fact it is any superior to our own testing. Americans need to know this.

The government should be well advanced in a major international marketing effort for Canadian beef to demonstrate that Canadian beef is the best beef in the world. We should be innovating with beef in a box for new markets. The responsibility lies on the other side of the floor and instead, the border remains shut and the beef industry remains devastated.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Speaker, I am rather amazed at some of the remarks the member for Newmarket—Aurora made referring to the border being shut tight as a drum. Does the member not realize that in terms of beef itself, we are exporting more beef to the United States, not live animals, than we were prior to BSE? We have increased those exports to the United States. That is not shut tight as a drum.

In fact, we are the only country in the world which has had BSE and has managed to get into the market. That is as a result of the good work of the former prime minister, the current Prime Minister, the current Minister of Agriculture and Agri-Food, and many others. Let us be careful of the facts. I would want her comment on that.

I also want to make one comment because the attack from the other side seems to be on the government here in Canada. The Canadian government is not the problem. The group R-CALF is the problem. I want to quote the senator from Kansas, Mr. Roberts. This is what he said in a senate hearing the other day and I wonder if the member would agree with this quote. He is talking about the committee that is trying to ban or stop the USDA allowing imports from Canada into the U.S. He said:

> Be careful what you ask for. We will take a giant step backward in our efforts to reopen markets to Japan, or for that matter, anywhere, if we vote today to approve this resolution.

The same international science and guidelines that say that U.S. beef and animals under 30 months of age are safe also say that the beef and animals in Canada under 30 months are safe as well. That is the international standard. That is the sound science standard. That is the kind of science we have in this country. We should be into that market. Do members opposite not think they should be going after the U.S. instead of the Government of Canada, which is working in the interests of Canadian producers?

● (1920)

Ms. Belinda Stronach: Mr. Speaker, the point is well noted that our testing regimes are solid. In fact, as I can see, they are even stronger than the ones in the U.S. Why is it then that our beef remains shut out? It is not based on science.

I come back to the fact that the government has not done enough to build the face to face relationships on a general level to demonstrate why Canada is relevant, that 5.2 million American jobs depend on trade with Canada, and that 40% of the trade done with the United States is intercompany trade. This industry is inter-dependent and interlinked with the U.S. beef industry. The efforts that have been made are just not good enough.

Where is the major marketing campaign worldwide to create new markets for Canadian beef in the world? Why is this not done in Japan? Perhaps we need to increase our testing standards to open up new markets.

When I was in the U.S. last week, many of the congressmen and senators were oblivious to the importance of Canada-U.S. relations and how many jobs relate to a particular state. Not enough face time has been invested to build those relationships. We must make a much greater effort in that regard.

With respect to slaughter capacity, I have been out to Picture Butte, Alberta with my colleagues. I have talked to the feedlot owners and the ranchers. This is something that the government can do something about and increase the slaughter capacity. In my mind, as a former businessperson, it is a no-brainer.

When it costs $7 billion in damages to this industry, and one processing facility costs roughly between $100 million and $150 million, and those ranchers are prepared to invest hard dollars themselves, to me this is a no-brainer. It must be done and it is necessary to open up those new markets.

Further, we should be processing the beef that we have in this country and not just focusing on sending live cattle across the border. We should be creating more jobs and processing this product that we have in this country.

S. O. 52

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, it gives me great pleasure to speak tonight about the government's ongoing and continued support for Canada's livestock industry through the BSE related hardships it has endured over the past 22 months.

Though I am pleased to review the support we have provided to the industry and to pledge that our support will continue as long as it is necessary, it is unfortunate, dare I say devastating, that once again our hardworking livestock producers are being punished for events that are beyond their control.

Like all members of this chamber and Canadians across the country, I am extremely disappointed by the court decision that has delayed the reopening of the U.S. border to live Canadian cattle.

We know that our meat supply is safe, and we strongly disagree with the arguments put forward by the Ranchers-Cattlemen Action Legal Fund, otherwise known as R-CALF, in seeking an injunction to stop implementation of the USDAs final BSE rule that would have reopened the border this past Monday, March 7.

Canada and the United States have had virtually identical feed controls in place since 1997. These controls are fully consistent with international standards and the evidence to date is that they have been effective in limiting the spread of BSE.

I would like to point out that the USDA agrees with us. Two weeks ago the USDA published the results of its study of the efficacy of Canada's ruminant to ruminant feed ban and concluded that our system is effective. The American Secretary of Agriculture, Mike Johanns, said:

> Canada has a robust inspection program, overall compliance with the feed ban is good and the feed ban is reducing the risk of transmission of bovine spongiform encephalopathy (BSE) in the Canadian cattle population.

Mr. Johanns recognizes that Canada's regulatory regime is almost identical to that of the United States and that it protects both animal and human health. Based on that science, the USDA believes that the border should be open.

The USDA has indicated that it will go to court to defend its rule which should have opened the border on Monday. What is more, President Bush has also indicated that he will veto a senate resolution disapproving of the USDA rule should it pass in the house of representatives.

I must respond to some of the comments that I have heard around the activity of the Prime Minister in relation to raising this issue with President Bush. I can assure this honourable House that the Prime Minister raises this issue every time he meets with the President. In fact, the Prime Minister on Saturday, in his latest discussion with the President of the United States, again raised the BSE situation and his deep regret that the border was not going to open as it was originally projected to on Monday.

We must stay focused on what is happening here. The U.S. administration fully supports its department of agriculture and our Department of Agriculture and Agri-Food that the border should be open to live animals under 30 months. In fact, the Prime Minister and the President of the United States agree. There is no light between these two men. They agree entirely in terms of the fact that the border should be open to live animals.

The chair of the United States house committee on agriculture also said last week that science rather than fear should be the guiding principle in making decisions. Bob Goodlatte said:

> I remain convinced that if we abandon science as our guiding principle, we will harm the long term health of our beef and cattle community. Cattle producers, the people who work in our processing plants and retail establishments, and our nation's consumers will benefit the most from a committed course based on sound science.

He was right.

● (1925)

It is clear that those who know and understand the beef and cattle industry are supportive of reopening the border and the resumption of trade. Unfortunately, science and good sense are not the only factors at play in the decisions that affect international trade and, just as unfortunately, there is a group in the United States that is effectively using the court system fully legally to protect its own special interests. In doing so, it is causing heartache and economic distress for our livestock producers.

Because of that, the border is closed when all of us here tonight and livestock producers across the country know that it should have opened yesterday. It is unfortunate and it is wrong but it is the reality with which we have to deal.

We did know such an outcome was a possibility and that is why the government has been moving so aggressively forward in developing a made in Canada solution to restructure the North American industry and to reduce the reliance of Canadian producers on the export of live animals to the United States. I am pleased to report that we have taken significant strides in that direction and that we will be doing more in the future.

The $488 million strategy to reposition the Canadian beef and cattle industry announced last September is already having a significant impact: building domestic capacity. Domestic slaughter capacity, and it is important to focus on these numbers, is projected to reach around 90,000 head per week by June of this year and 98,000 head per week by the end of the year. That compares to the 76,000 head per week being slaughtered at the end of 2003. By the end of this year, we will have increased our slaughter capacity by nearly 30%. This will be of great help in alleviating some of the excess supply of fed cattle and to rebalance the market.

As well, measures in the February 23 budget will even further enhance Canada's domestic slaughter capacity. More than $17 million will be directed to further increase that slaughter capacity through the loan loss reserve program. In addition to that, $80 million over two years has been set aside to deal with the challenge of removing specified risk materials, SRMs, from animal feed.

The government cares about its agricultural producers and is doing everything it can to help them survive this catastrophe that is not of their own making. The Government of Canada has paid out more than $1 billion to cattle and other ruminant producers since BSE was first discovered in our country in May 2003. Millions of dollars more have been committed through the repositioning strategy, the BSE recovery program, the transitional industry support program and the cull animal program.

Since September 2004, federal and provincial governments have committed $2.6 billion for BSE related initiatives. That funding will help our cattle and other ruminant producers get through this difficult transition period while we continue to build our own strong and profitable Canadian livestock industry that is not overly reliant on the export of cattle to the United States.

We are also pursuing other markets. The Minister of Agriculture and Agri-Food has been continually on the road making the case that Canadian beef is not only the best beef in the world but is also the safest beef supply in the world, and his efforts are paying off.

I take umbrage with some of the comments that I have heard here in relation to the activities of the Minister of Agriculture and Agri-Food. No one has been working harder in these past number of months to develop new markets so that our producers are not as reliant on the United States. I resent the fact that anybody would suggest that our Minister of Agriculture and Agri-Food is not doing everything he can to support our producers.

The minister has travelled to different continents and engaged in marathon meetings with government and industry officials in an effort to reopen markets to Canadian livestock and meat products. He has travelled widely in Asia. He has been to countries in Latin America and North America. He has focused his attention not only on the U.S. market, but has travelled to Mexico to try to regain access to our markets there.

● (1930)

Why has the minister travelled so extensively outside of Canada and the United States? It is because he knows the important role that markets outside of North America play in the profitability of the Canadian beef industry. Many of these markets, particularly in Asia, import the cuts of meat that we do not generally consume in North America, and this provides additional value for each animal slaughtered.

Let us not forget that Japan, Korea and Taiwan were Canada's third, fourth and fifth largest markets for Canadian beef and beef products prior to the discovery of BSE in May 2003. This government takes very seriously the need to normalize trade with these countries.

There has been unprecedented cooperation between government departments such as Agriculture and Agri-Food Canada, the CFIA, international trade and our foreign posts abroad. As a result of this collaborative effort, we have made significant progress in opening Asian markets to Canadian beef and beef products.

The efforts of our Minister of Agriculture and Agri-Food have netted some very positive results. Let me articulate some of these. After the minister travelled to Asia, Macau reopened its borders to Canadian beef. Korea, Japan and Vietnam lifted their bans on bovine semen and embryos. Hong Kong has indicated that it is prepared to open its market to boneless beef under the age of 30 months. Canada signed important protocols that allowed the Chinese market to open to Canadian bovine genetics, semen and embryos. Taiwan indicated that its BSE risk assessment consultation committee will recommend opening the Taiwanese market as long as there are no new confirmed cases of BSE.

As well, it should be pointed out that during the Prime Minister's recent visit to Japan, Japanese Prime Minister Koizumi indicated that, based on science, Japan intends to resume beef imports as soon as possible. Again, that was our Prime Minister talking to the Prime Minister of Japan. Our Prime Minister has been relentless in talking to world leaders about how important it is to reopen markets to Canadian beef.

● (1935)

[*Translation*]

These are all positive measures, demonstrating to the Asian market that Canadian beef is safe to eat. The Government of Canada is also working with the Americas.

[*English*]

We continue to assure the Mexicans of the integrity of Canada's science and regulatory system and are seeing success in this regard. The Mexican secretary of agriculture has expressed confidence that there is a low prevalence of BSE in the livestock in North America and that effective measures are in place to protect human and animal health.

[*Translation*]

Canada will continue to work with Mexico and the United States in order to develop a North American approach to countering the problems associated with mad cow disease.

[*English*]

We are very encouraged because Lebanon recently accepted Canadian certification for live cattle. We view this as an important step forward toward normalization of trade and hope that it will encourage other countries to adopt similar science based decisions.

We know there is more to do. The government is committed to continuing our intensive efforts to reopen borders and to normalize trade in ruminants and ruminant products. As well, we will continue to develop the repositioning strategy announced in September to build a stronger domestic industry.

The government will continue to stand behind Canada's beef and livestock industry as we have done since the beginning of the BSE crisis. I should point out that not only is it government that stands solidly with livestock producers, but so do the Canadian people.

After the first Canadian case of BSE was discovered in 2003, beef consumption actually went up in this country. That is a strong endorsement for the industry and a strong indication of the confidence the Canadian people have for the steps the government has taken to ensure that the Canadian food supply is safe.

Our livestock industry has been dealt a series of terrible blows since May 2003 but we have stood with them in their time of distress, and we will continue to do so. In doing so, we will build a stronger domestic industry in which Canadians will continue to enjoy worldclass beef and beef producers will make a profitable living for them and their families.

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, that was a glowing account of what the government has done but what we were hoping for today were new ideas. However we did not get any.

The Deputy Prime Minister said that the government recognized "heartache and economic stress faced by our producers in this country". That is wonderful but to that very end, ranchers and feedlot owners in Alberta launched a chapter 11 challenge some months ago and sued to get back some $350 million that they felt had been wrongfully taken from them by the Americans in the way this was being handled down there.

The government has kind of given that a pass. It was asked to help with the financing of that or to launch a parallel chapter 20 that would be government to government to try to expedite some of these files but the government of the day refused to do either one. Why?

● (1940)

Hon. Anne McLellan: Mr. Speaker, we continue to reassess all our legal options. As I understand it, with respect to the possibility of any financial assistance in relation to the lawsuit that has been launched, I believe interventions have been made with officials of the Department of International Trade and I believe the issue is with them now.

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, I would like to pursue this a little further.

The Deputy Prime Minister is a lawyer and a professor of law. She said in her own presentation here today that the government is prepared to do whatever it takes. The government is taking these great strides. She has listed chapter and verse of these incredible efforts that have been made.

The fact remains that the border is closed to Canadian cattle. That hardship is being felt, as she has pointed out, in a very real way from coast to coast. We are seeing farmers and producers facing the worst crisis, arguably, since the depression. They have had to endure numerous natural disasters in the past but this is continuing to have a fatal human impact on the family farm and producers.

I want to ask again the question that my colleague from Saskatchewan posed. Why is the government not making every effort to have face to face consultations even if it means having cabinet ministers in Washington every week and high ranking Canadian officials there every other day making these submissions and making these points clear? Will the government not join with others in legal actions now if we are talking about doing everything possible; that is pursuing a chapter 20 challenge; invoking sections 7 and 11, health and safety considerations, business fairness considerations; and making the case before the courts simultaneously to the dispute resolution mechanisms that are available under the WTO and NAFTA? Why would the government not go to the wall and pursue this in the courts simultaneously to get the border open?

The minister is famous for talking about a timely fashion. It has been almost two years and the border is still closed.

Hon. Anne McLellan: Mr. Speaker, the border is still closed but it is not because of any action of the U.S. administration, the USDA or the President of the United States, or any inaction on our part. The U.S. border is still closed to live animals because of the actions of one group called R-CALF in the state of Montana. It went to court, as I have indicated. As much as it is distressing to us, the courts are there and it used the courts to obtain an interim injunction.

As I indicated to the other hon. member in response to his question, the Department of International Trade is assessing all our legal options at this point in relation to whether it is possible for us to take legal action to pursue, be it either an interim injunction or be it more general terms, the opening of the border.

However we must keep in mind that the only reason the border is not open is this interim injunction. It is not the U.S. administration, nor is it the President of the United States or Secretary Johanns. It is one group of producers with its own special interests that used the courts to seek the interim injunction.

I can assure the House that it is the worst example of special interest and protectionism, and what we are doing is assessing all our legal options at this time.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, seven days before the border was to open, the government decided to deal with the intercontinental ballistic missile issue. We had had months and months to deal with that issue, but it seems that the government decided at that very sensitive period of time to make that announcement.

It is not just the R-CALF case. The U.S. Senate brought in a motion to close the border to Canada and passed it and some of the rhetoric was related to this. We had a breakdown in communications between the Bush administration and the Prime Minister over that issue. To me that is what poisoned the whole thing. The timing of that announcement could not have been worse. I am not saying it is the cause of all the problems but it certainly did not help.

I wonder if the Bush administration is appealing the R-CALF decision as vigorously as it would have otherwise. I am wondering if the Bush administration is going to be as enthusiastic about a veto to cancel out any motions that come out of the Senate and Congress to close the border. That seems to be what the mood is. We need the Bush administration very strongly on our side on this issue, but it seems to me the government struck a thumb in the eyes of that administration seven days before the border was to open. There should be some accountability on that side of the House.

● (1945)

Hon. Anne McLellan: Mr. Speaker, let me repeat the facts. The U.S. administration supports us. The USDA supports us. In fact, the President has made it plain. I stand to be corrected, but I believe the U.S. President has gone on the record as saying in writing that he will veto the Senate resolution if it passes the U.S. House of Representatives. I think that would be the first time that the President has used his veto power. Gee, what do we make of that, other than the fact that the U.S. President supports his department of agriculture, our Department of Agriculture and our government. It is not the U.S. administration that is the problem.

R-CALF is a small group, relatively speaking, of U.S. producers who have a special interest in maintaining an artificially high price because the border is closed to our live animals. That group chose at the last moment to seek an interim injunction. I assure members that the USDA and its lawyers and our lawyers are assessing every option in terms of getting that injunction overturned and what the best procedure is to get the border open as quickly as possible.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the hon. member said that at the very last moment R-CALF stepped up to the plate. Well, the people in cattle country knew R-CALF was going to do this a year ago. I would like to ask the minister when were you aware, when did it dawn on you that R-CALF was going to do this to—

The Deputy Speaker: Order, please. I would urge the hon. member to address his comments through the Chair, please.

Mr. Charlie Angus: I am sorry, Mr. Speaker. I would like to ask the hon. minister when she became aware that R-CALF was going to do this. Was it a last minute thing that shocked her? Everybody in cattle country saw this coming a year ago.

Hon. Anne McLellan: Mr. Speaker, nobody was shocked by this. We were desperately disappointed but of course we had seen the actions of R-CALF before. Everybody knew it was a possibility that R-CALF would go into court and try to seek another interim injunction. The USDA and its lawyers were there and they believed that on the law and on the science they had a very strong case. Our lawyers went into the district court in Montana. We asked to be acknowledged as amicus curiae in that case. We sought to make an argument or present a brief. An amicus curiae is there as a friend of the court, to present our position in relation to the opening of the border and the arguments being made by R-CALF.

Of course we knew it was a possibility and the USDA was prepared and we were prepared. Unfortunately over the best predictions of the USDA, the district judge in question granted the interim injunction. Now what the USDA's lawyers and our lawyers are doing is figuring out what the best legal process is, if any, to try to get that interim injunction overturned and get the border opened.

[*Translation*]

Ms. Denise Poirier-Rivard (Châteauguay—Saint-Constant, BQ): Today is International Women's Day, and I am happy to spend the rest of it here with you, Mr. Speaker.

Let us say it right off the start: this is a very serious situation. These past few days, there were reports in the papers about the U.S. Department of Commerce maintaining countervailing duties on exports of live cattle from Quebec and Canada.

After the endless lumber saga, still without an end, and the saga of the lone mad cow found in Alberta, now the door is being closed on the pork industry. One after the other, our industries are threatened with closing, without the government taking appropriate action to support its agricultural industry as it goes through these difficult times.

No doubt about it, this is an emergency. Let us get right to the source of the problem.

While most OECD countries have strengthened their support for their agricultural sector, the past few years have seen Canada taking the opposite direction and abandoning its agricultural sector. Keen as it was to be at the top of the class in terms of open borders and free trade, the federal government, under the direction of the then finance minister, overlooked emergency safeguards. As a result, in the middle of the farm crisis caused by the slump in prices combined with the mad cow crisis, agricultural industries are dying, and their very core is threatened.

What country in the world would be so careless as to abandon an export industry among the most important for its economy, as this government has for the past several years? Eighteen months after a single case—not a pandemic, just one case—of mad cow disease was discovered, the U.S. border remains closed from coast to coast. Where is this government leader who promised us harmonious relations with our only North American neighbour?

The fact is that, since the promises made during the election campaign, the leader of this government has shirked his responsibilities and failed, to date, to deliver the goods, while at the same time doing his utmost to interfere in provincial jurisdictions. Must we remind this government that it is neglecting its own international responsibilities?

It would have been easy to prevent the mad cow crisis in Alberta from affecting the rest of Canada and Quebec by regionalizing health practices. But this government, known for its efforts at centralization, would have had to swallow its pride and decentralize in order to do that. How scandalous, having the provinces make their own decisions.

In this respect, Quebec's regulations are in many ways, better and more avant-garde than federal regulations. Its tracking system allows it to follow an animal from the beginning to the end of its life, which means it can isolate potential diseases and epidemics.

Here is another example. Quebec has prohibited animal meal since 1993, while the federal government waited until 1997 to do so. If the federal government had been as proactive, the Quebec and Canadian borders would have opened a long time ago, except in Alberta, or even in just one geographic region in Alberta where the only case of BSE in Canada was diagnosed.

So it is easy to see why an agricultural industry subjected to such strict regulations as those in Quebec would be so frustrated by the department's little progress in this matter. The president of the UPA, Laurent Pellerin, and the president of Maple Leaf Foods, Michael McCain, were saying nothing less last year, when they indicated they were in favour of regional mechanisms for the marketing of agricultural products, but were disappointed by the federal government's lukewarm response to this idea.

We can look even further ahead. If Quebec had decided in 1995 to take control of its own destiny, we would not be here discussing this and people would be enjoying our beef at steak houses in the U.S. Anyway, these additional arguments will doubtless make Quebeckers think.

Now, I want to come back to our cattle. It is essential that Canada improve its cattle tracking system.

● (1950)

If the investigation into the sole mad cow in Canada took so long, it is because it was impossible for the investigators to determine quickly and with certainty the farm on which an eight-year-old cow had been born, and those it had been on subsequently.

For cattle born after 2001, there is now a system in place to determine the farm of origin. However, it is not always mandatory to record movements from farm to farm, so it will continue to be difficult to trace the places an animal has been, when it has been on three or four different farms as the Alberta cow had.

There is still no real ability to track cattle in Canada, as there is in Quebec for example. There, every change in ownership must be recorded, from birth to slaughter.

Canada will, as a result, never be able to earn and retain the trust of its neighbours and cattle buyers unless it puts in place tools that allow it to offer meat from an animal whose birth place and changes of ownership are clearly known, and whose diet presents no real risk. Had such a system been in place, the ban put in place by our neighbours to the south could not have been justified so readily.

Furthermore, while waiting for the border problems and the problems with tracking cattle to be resolved, the government has come up with some agricultural aid packages that do little for Quebec producers. According to the latest figures, Quebec producers have suffered losses of $241 million after compensation. Cattle producers say that the most recent federal strategy does not include any direct assistance to compensate for plummeting cattle prices, nor any kind of interest-free loan program.

What is more, the federal programs do not take the Quebec reality into consideration. Most cattle producers there are in fact dairy producers who sell cows that are no longer good milkers for meat. These are termed cull. With this practice, 25% of a dairy herd is replaced every year.

Unfortunately, the federal program compensates for only 16% of their herd, while cattle producers in western Canada, who raise beef cattle specifically, are getting compensated for every animal slaughtered. This is compounded by the drastic drop in cull prices; prices have dropped by as much as 70%. As a result, producers receive compensation for only two-thirds of the animals they sell.

The five different aid packages developed in an attempt to remedy the crisis have been ineffective in Quebec. Perhaps the time has come to recognize that, once again, in this area as in many others, the federal government's intervention model as it relates to support for the cattle industry is based on a reality totally foreign to Quebec. Looming at this picture, we can easily imagine the distress of the cattle industry in Quebec.

In his February 23 budget, the federal finance minister had a golden opportunity to help the cattle industry in Quebec and Canada. But it would appear that he merely announced that a portion of the funding announced on September 10, 2004 would be reallocated to increase by $17 million the federal contribution to the program to expand our ruminant slaughter capacity.

The current negotiations between the producers and the government show that this funding is not for Quebec's plan to set a floor price for cull. In that respect, federal officials suggest that the projected acquisition of Colbex, for example, would not qualify for the federal program.

This budget is additional evidence of the Liberals' insensitivity toward Quebec. Although they are awash in surpluses and able to find $42 billion new for various programs that encroach on provincial jurisdictions, the Prime Minister and the Minister of Finance have produced a disappointing budget for the agriculture sector.

Even though the Minister of Agriculture and Agri-Food himself stated, on November 29, 2004, that there was a problem with cull cattle, and while the Bloc Québécois, the Quebec Liberal Party and everyone in Quebec's agricultural sector are calling out loudly for strong aid measures, what are these big thinkers who lead the government waiting for?

The UPA and a number of agricultural groups will be on Parliament Hill tomorrow. What will the finance minister and the Prime Minister tell them?

Here are a few recommendations for the cabinet to sleep on tonight. The Prime Minister should ensure that the United States government vigorously defends the reopening of the border in the American courts. The meeting between the Prime Minister and President Bush at the latter's Texas ranch in a few weeks should be the perfect opportunity for this.

We recommend that the government do its part, as the Government of Quebec has done, so that Quebec's dairy producers receive a floor price of 42¢ a pound for their culled animals, until the market price rises to the floor price.

● (1955)

In addition, these groups recommend that the government regionalize its animal health system in order to ensure that one isolated case of mad cow in Alberta does not paralyze the livestock industry all over Canada and Quebec, absolutely indiscriminately.

Also, the federal government must adopt targeted measures in order to compensate beef and dairy producers, for example, by setting up a real program of direct assistance to provide immediate aid to producers in order to compensate for the dizzying drop in prices; by establishing an interest-free loan program; by establishing a real cull cattle and veal calf program, to overcome the fact that the federal government only compensates 16% of dairy herds, while the real rate is 25%; and by making existing programs more flexible so money can reach producers who are seriously affected by this crisis as quickly as possible.

● (2000)

[*English*]

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, there are two points I want to make very quickly and hopefully hear some response from the hon. member.

The first is the issue of the extended closing of the border. We expected this week would bring good news of an opened border. However, one week ago the government decided to make a political announcement in opposition to the missile defence system of the United States. It is arguable whether there is a direct linkage between that decision and the supplementary decision to oppose opening the border that came first from a court, but I would remind the government, second from the U.S. senate.

I have spoken to officials in this country who have large vested interests in the industry. They indicate that they were in contact with the administration two days before the vote in the senate. They were told that not only would the motion not pass the senate but there was not enough signatures for the motion to come to the floor of the senate. However, after the decision made by this government to oppose missile defence, all of a sudden there was massive support in the senate to pass the motion, and it eventually passed. That is the reality. Whether there is a linkage or not, one has to acknowledge that the timing of the decision was not in the nation's interest.

The government stood in the House again and again and said that it would call a decision on missile defence when it was in the national interest. Instead it did it just one week before the borders were scheduled to open and put at peril, or at least at potential peril, the interests of this vital industry, which is prominent in my constituency. There is no explanation as to why the government made that decision.

Would the member across the way be willing to make some explanation as to why the government chose that time to take that decision?

[*Translation*]

Ms. Denise Poirier-Rivard: Mr. Speaker, this is a memorable day. The re-opening of the border was eagerly anticipated, but it is not happening. We Quebec producers are being heavily penalized with regard to breeding and meat processing. It is urgent that the border re-open. This is extremely important to us. Much work needs to be done to help re-open the border.

The Minister of Agriculture and Agri-Food has been telling us since September 10 that he has implemented programs and that he is in negotiations with his provincial counterparts. However, I think that an agreement has yet to be reached. The situation is extremely urgent.

Some Quebec producers have committed suicide because they are no longer able to live off their farms, since there is no longer a breeders market. Milk producers have enormous herds of cull cows on their farms, while the banks no longer want to lend them money.

I want to ask the minister to see whether we might have good news very shortly to help Quebec producers.

● (2005)

[*English*]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I am glad the hon. member, who provided the intervention, is back to talking about BSE as opposed to watching the hon. member from the Conservative Party make a totally inappropriate case. He forgets or ignores the fact that the U.S. administration stands four-square behind Canada. The U.S. President stands behind Canada. They absolutely stand behind us. This is not an issue of there being a dispute between the government of the United States and the Government of Canada. The hon. member fails to understand or to realize that. Rather than making comments about the substance of the issue, he resorts to talking about something that is totally unreal.

First, I appreciate the hon. member's assistance in the work we recently did together in Washington.

I have a very specific question. I know she has long advocated the position in terms of the cull animals. Does she believes the action taken by the Canadian Dairy Commission, which provided a $5 increase to dairy producers, a portion of which was specifically to deal with the lost value of cull animals, has had a positive effect on producers across Canada and in her particular province?

[*Translation*]

Ms. Denise Poirier-Rivard: Mr. Speaker, a program to provide real assistance to milk producers for their cull cows would be adequate and should be implemented immediately.

I believe the minister is aware that milk producers are experiencing a crisis, which is now out of control. Never before have we have experienced such a crisis.

We would like the minister to tell us that there will be an agreement soon to provide real assistance so our milk producers can survive this crisis. However, other problems are affecting not only milk producers but also sheep and goat farmers.

Quebec needs a great deal of assistance to support farming. Producers are waiting for real assistance from the government. Since September, the minister has been telling us that there is a plan in place. I want to know when exactly we will have access to the assistance the minister has been announcing since September?

[*English*]

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, I come from a riding where we not only have a lot of beef cattle, but we also have a lot of dairy cattle. Probably more than 50% of the dairy cattle in Manitoba comes from my riding. My colleague from the Bloc has mentioned significant issues with dairy.

However. when we look at this issue, it is an issue of relationships. It is a relationship that has had an opportunity to be mended. Yet we have not seen that decisive action by the government.

I know the particular crisis that occurred a few days ago in barring live cattle, which could have started flowing March 7, was as a direct result of a court injunction. However, what we also know is the senate in the United States voted against opening the border. It is not simply enough to say that this was in the hands of the courts and it was an independent organization. What the senate vote reflects is a failure by this government to actively and consistently lobby the U. S. senate and Congress to ensure the votes were there and that they understood Canadian beef was safe.

Does the member have anything to say about what else the Canadian government could be doing in getting those relationships working with the United States? We may be a sovereign nation, but we are not an island, and our trade depends on a good relationship with the United States.

[*Translation*]

Ms. Denise Poirier-Rivard: Mr. Speaker, I agree with my colleague, especially his reference to Quebec beef. We have tracking programs in place and can track the animal from breeder right to abattoir, so it is incomprehensible that nothing has been done and no agreement has been put in place.

A base price is being asked for. We are told this needs to be Canada-wide. Yet the problem is in Quebec, and we need a base price for our cull cattle.

We are waiting for that agreement. It is urgent. I say again, as I have said before, farmers have committed suicide in Quebec, unable to make ends meet. Agriculture will not recover, because producers are no longer able to borrow money. Lending institutions no longer want to lend to them because they have such a backlog of inventory on their farms.

There is a crisis now, and we feel it is high time there was an agreement so that we can be certain of the 42¢ base price we have been demanding.

● (2010)

[*English*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, it is an honour to rise here tonight and speak to this issue. I am sharing my time with the member for Burnaby—Douglas.

We are here for yet another emergency debate about agriculture. In fact my very first speech in the House was in an emergency debate on agriculture. At that time I made the point that there have been more emergency debates on agriculture than on any other issue that has come before the House in the last eight years. I am beginning to wonder why we continue to have these debates because nothing seems to change.

In light of this latest R-CALF move, we have crossed a political Rubicon here. This is the move we have been waiting for and fearing. We saw this move coming for a long time and now it has arrived. We are going to be bogged down in a long and nasty protectionist battle, just like we have been bogged down in a battle on softwood.

The question tonight is whether we are positioned, as the government says, to rebuild our domestic economy for beef and to move forward with a long term domestic solution for agriculture. The fact of the matter is the answer is no, zero, nothing, because the government has played its hand. The Liberals presented the budget in the House just a few days before the R-CALF decision came down and we got to see what their five year plan for agriculture was. It was a big zero.

I have to say, as I mentioned in a question previously, anyone remotely interested in the cattle issue in Canada could have seen that R-CALF injunction coming. We knew it was coming, yet the government seems to have been caught completely without a plan. It just crossed its fingers and hoped for the best. Anyone remotely interested in the viability of rural Canada could have said that 2005 is expected to be the year of bankruptcies across Canada, because of two years of this crisis coupled with commodity problems right across our sector. Equities have been burned up and farmers cannot hold out any longer.

We have the R-CALF injunction coming down at the same time as a five year plan in a budget that has made no attempt to address the long term issue of agriculture in Canada. If I were a tycoon or a foreign investor, I would probably be dancing on Bay Street right now, but to the rural farm families of Canada the budget has offered them nothing. Here we are coming through the deepest agricultural crisis since the dust bowl and all we are getting from the government is platitudes.

I had hoped that we were moving forward and that the government were serious, but having seen the government's response to this, I am beginning to think that our poor agriculture minister has become the cartoon character, Mr. Magoo, of the BSE crisis. I do not think he or the government would know rural despair if they fell over it, and that is what we are talking about. People are giving up. They were looking to the government for a solution.

When we talk about extras on the loan loss guarantees, that is not good enough. In the face of this crumbling rural economy, the government continues to stall for time. It is crossing its fingers and hoping for the best.

I will give for the record the response of our august finance minister. In today's *National Post* he summed up his government's response:

> We've begun to analyze the exact nature of the government response that's required here.... I think it's still too early to say exactly what the nature of that response must be but it's under active consideration.

If we read the subtitles, that is no plan, no backbone and no desire to do anything to help the farm families across Canada. In fact this has been the same lame bleat that we have heard from the government for the last two years on this crisis, that it is repositioning our industry, that it is restoring a domestic economy, yet there was absolutely nothing in the budget to address the mounting agricultural debt that families are facing.

● (2015)

There was nothing in the budget to encourage young families to take up farming. We see right across rural Canada the rising stress levels of an aging rural population and young people have absolutely no incentive to take up farming.

In my own region in the north we are trying to maintain a healthy northern rural economy. Because all the farmland in southern Ontario is becoming too difficult or too zoned in to farm, my region would be a perfect region in which to expand. The only thing the government came forward with was that it was going to cut the agricultural research station in Kapuskasing. That was its commitment to northern agriculture. Obviously it is not worth the government's time to invest in winter hardy crops that are needed in the north.

Then we fall back on the one thing that was in the budget, the loan loss guarantee. I would love to say that this has been a fantastic solution, but it has not been. When we are talking about the increased numbers in slaughter capacity, let us be honest. The numbers are coming from the big packers. We have known for the last 10 years at least that the farmers' margins have been decreasing because of the increasing power of the packers. They are more powerful now than they were at the beginning of this crisis. If we are talking about ramping up capacity, where is the vast majority of this ramp-up? It is coming from the big packers.

We have been talking with the Beef Initiative Group from Alberta. It is trying to set up a plant. It has been waiting and trying to meet with the minister about a feasibility study to move forward. There is a lot of frustration. It seems to me it is the same frustration we see whenever rural Canada tries to meet with the government on issues to move forward. The government makes it sound as though it is moving heaven and earth, but out in farm country things are dragging on.

We have seen this with the CFIA in terms of its plant inspections and attempts of farm producer operations to get new plants. The CFIA continually pushes the plans back and changes things.

The Beef Initiative Group is trying to get a feasibility study agreed to by the government. It is beginning to wonder about the continual foot dragging. I would like the minister to make a commitment tonight that this feasibility study will go forward.

Unfortunately, I am beginning to think that the real problem is that the government has been flying by the seat of its pants and hoping for the best. A good example is that we are now three weeks away from the end of the fiscal year and the government still has not been able to address the issue of the CAIS deposit.

I know the minister will jump up and say that an answer will be coming very soon, but we are three weeks away from the end of the fiscal year and now we are scrambling to see whether or not producers are going to be told they have to come up with this coming year's CAIS deposit. There is $640 million in farmers' equity sitting in the CAIS deposit accounts. That is $640 million that had to be taken out in bank loans with the hope and prayer that CAIS would deliver.

We are going to hear lots of numbers about how CAIS is delivered here and CAIS is delivered there and CAIS is delivered everywhere, but the fact of the matter is when we talk to farm families it has not given them the money they need at the farm gate. Meanwhile $640 million in their own money is sitting in government accounts and we cannot even get a commitment from the government whether that money is going to be returned to the farmers.

The big issue is the government wants to insist that these men and women and farm families across Canada are somehow actively engaged in risk management. After surviving two years of the worst agricultural crisis in Canadian history, I would say these people are actively engaged in risk management, to the detriment of their own health and the future equity of their children.

We have come here once more to see what is the plan for rural Canada. Unfortunately we have seen the plan for rural Canada. It is laid out in the budget, and there is nothing there. The best we are going to get from the government is another quick fix. The best we are going to get is some kind of contingency support. That is not a long term repositioning of the industry. That is the problem with the government.

● (2020)

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member's intervention may have been more effective if it had accurately portrayed some factual information.

The hon. member said that there is absolutely nothing for agriculture in the budget. I guess the fact that under business risk management we had projected to spend $2.2 billion over two years but we are actually committing an additional $700 million to go to agricultural producers is nothing. It is not surprising that to the NDP $700 million does not mean anything.

I guess the fact that the AMPA program, which provides the ability for producers to get advances in the spring and in the fall to market their products, has been extended to beef and other livestock producers in the budget does not mean anything. The NDP does not understand the importance of beef producers having access to that program.

The federal government in the budget was very clear about the CAIS deposit. The member asked why we have not gotten rid of it. He knows full well that to do that requires the provincial governments, at least 8 out of 10 of them with 50% of farm cash receipts, to agree to it. Did he mention that? No, he did not.

What parts of those initiatives in the budget does the hon. member reject?

Mr. Charlie Angus: Mr. Speaker, far be it from me to make this a political issue. I would simply respond with what the Canadian Federation of Agriculture said the day after the budget was delivered. It said that once again the minister has offered farmers hollow words and no action. End of story.

Of course the minister has to sit down with the provincial governments but here we are again at the last minute. It is less than three weeks away from the next fiscal year and we are being told that the government has not managed to phone all the provincial ministers to see if they will agree to change the CAIS deposit.

Hon. Andy Mitchell: Remember that last week they were all here in Ottawa.

Mr. Charlie Angus: Did the minister get it?

Farmers back home are going to the banks now. They figure they have to give back their CAIS cheques so they can be part of next year's round. This has been going on for two years. Everybody has talked about the CAIS problems. We have talked about them in committee until we have turned blue in the face. There are three weeks to go and we are still waiting to hear from the provincial ministers. I do not think it is the provincial ministers' fault. I think it is the government that has not wanted to sit down and plan for the long term.

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, the loan loss reserve program that the member referred to earlier in his speech was supposed to help stimulate further slaughter capacity in Canada. The minister has been in the hot seat in respect of that. The Canadian Bankers Association was before the committee and testified that that $66 million program does not even exist. What a tragedy and travesty to desperate livestock producers.

I ask the member, after having announced in the budget the $17 million and some to this fabled non-existent program, redirected to it so to speak, why is the minister simply offering would-be slaughterhouse investors the sleeves off his vest? Why is the minister doing that with such mockery to producers across our country?

Mr. Charlie Angus: Mr. Speaker, the hon. member's question is a valid one.

This extra $17 million was being offered as though it were real money. None of this money that I can see has gone to anybody in terms of building slaughter capacity. This plan has not put any concrete in the ground. We are dealing in a time of crisis when it is very difficult for any plant to go to a bank to obtain funding. We have no clear picture of where this market is going.

There is this loan loss guarantee which the bankers are just learning about now from what we can begin to understand. For the people who are trying to get these plants off the ground it is extremely frustrating. Dangling another $17 million of Monopoly money in front of their faces is only adding insult to injury.

● (2025)

[*Translation*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I thank the hon. member for Timmins—James Bay for his generosity in splitting his time with me.

It is very obvious that we are in crisis. It is very obvious, in light of the events of last week relating to BSE and the blocking of exports at the U.S. border, that this key industry is continuing to experience massive financial and job losses. We are dealing with a $2 billion reduction in GDP. We are dealing with a $5.7 billion reduction in overall production, that is, $1 billion in lost earnings and some 75,000 lost jobs.

As the hon. member for Timmins—James Bay said earlier, this government has taken no action. As the Canadian Federation of Agriculture said so well, there are only hollow words, but no actions. We know very well this has been pretty much the way this government operates. We saw it with the Kyoto plan. Is there a plan? No, there is no plan in that sector. Is there a plan to reduce the growing poverty in Canada? No, there is no plan. We have seen it in the textile industry. Is there a plan to deal with the crisis hitting the textile industry, which we have already talked about in this House? No, there is no plan.

Similarly, in the BSE case, we see that this government has no plan and takes no action. It does not respond in any way. Moreover, we know very well that the problems we are now having in this industry at the American border are experienced by other industries, such as softwood lumber. That industry is very important to my province, British Columbia, and the penalties incurred to date amount to $4 billion.

And in the face of all this, we see the government's lack of action. We see the lack of initiatives when it comes to negotiating firmly with the Americans or when it must try to ease the suffering of farmers all across the country. There is no plan for dealing with these job losses. There are no actions. When this government does, occasionally, take action, it is too little and too late.

[*English*]

What are we left with? We saw market prices plummet $130 an animal in the hours following the U.S. district court's ruling in Montana. This crash in prices came just as producers were starting to turn a profit on some of their animals for the first time since May 2003.

We see the crisis. We see the incredible impact on our farming communities across the country. Like the member for Timmins—James Bay said, we do not see any action in the budget to address these fundamental concerns. Even if the budget passes tomorrow night because of support from the Conservative Party, the reality is that for the farming and cattle communities across the country there is no action from the government and there should be.

Now that we are conducting some testing, are the Americans being truthful about the extent of mad cow disease on their own soil? I will cite as a reference an article from the *Ottawa Citizen* written just this week about Lester Friedlander, a former veterinarian with the U.S. Department of Agriculture and a well-known whistleblower. Mr. Friedlander says, flat out, that "mad cow is probably prevalent in the U.S., but has so far been kept out of the public eye. There's no doubt in my mind".

In the early 1990s, he said that he was speaking to the USDA's chief pathologist about mad cow when the following exchange took place:

> "Lester, if you ever find mad cow disease, promise me one thing?" he was asked. "What's that?" he responded. "Don't tell anybody."

Mr. Friedlander said that he would take a lie detector test to back up his story. Once he heard that, he said, "I knew this whole thing was a joke".

Mr. Friedlander alleges the Americans have not pursued a handful of false positive tests with enough rigour and said:

> "The U.S. isn't any better than Canada. Except Canada was a little more truthful and came out and dealt with the problem. That's what I'm trying to tell the USDA," he argues.

What we have here is not an issue that requires more than government action and stepping forward. It is an issue that requires strong but firm negotiations with the United States. We know from witness accounts, such as the one I just mentioned, that there are Americans who believe there is equal prevalence of BSE on the United States side.

We also know, and this is outrageous, that members of R-CALF, the U.S. ranchers group that sued on safety grounds to keep the border closed to Canadian cattle, have been buying up cheap cows in Canada after that devastating ban. This is something that group's president actually acknowledged on March 7, 2005 when he said:

> "I don't see anything ironic about it," Leo McDonnell said from Columbus, Montana. "I didn't see it as a big deal"
>
> Three of those U.S. ranchers have been significant contributors to R-CALF's litigation fund," McDonnell said, "an endeavour focused squarely on keeping the border shut.

Rick Paskal, the president of the Canadian Cattlemen For Fair trade has said that R-CALF was "absolutely not concerned about food safety".

"There's nothing unique about what we're doing," said McDonnell, who noted that members of pro-trade U.S. ranching groups have also bought Canadian cattle.

The Americans have benefited from rock bottom cattle prices in Canada and Mr. Paskal is quoted as saying that as many as 30,000 head of cattle had been purchased by at least a dozen R-CALF members.

What we see here is not a safety issue. What we see here is an issue of trade and another example of how ineffective the government's approach to opening up the borders has been, just as we saw with softwood lumber.

Being a member from British Columbia, a province that has lost 20,000 jobs to softwood lumber because of the government's lack of action and lack of ability to negotiate on the softwood lumber, we are seeing the same type of dithering on top of dithering when it comes to BSE.

● (2030)

In both of those cases the government has been completely ineffective. In both of those cases we have seen the loss of tens of thousands of Canadian jobs in various parts of the country. In both of those cases we have seen devastation in communities across the country. In certain areas, in the epicentres of the crises, people are going under and families are losing their homes. In spite of all this, the government persists in taking weak-kneed actions.

What should it be doing? I will answer that. The member for Timmins—James Bay, who is also our agriculture critic, has said very clearly what needs to happen. He has called for 100% testing of cattle that is destined for slaughter. He has talked about a full feedback. Those are the types of things we need to do to respond to the international marketplace and make absolutely sure that we are establishing confidence in our cattle industry. Although we know that this is a question of trade and a question of negotiating firmly and strongly with our American neighbours, we also know that we have to take steps domestically.

We have also called for a very strong message to be sent to the Bush administration. When we see with chapter 19, with the BSE and with softwood lumber the continued trade tribunal rulings that have been ignored by the American government, we know we need to take a strong and firm position.

The NDP caucus continues to push for an effective plan to be put in place by the government to help farming communities, to help the cattle industry, to help the 75,000 workers who have lost their jobs and to help the tens of thousands of softwood workers who have lost their jobs. We will continue to speak out on this issue and we will continue to fight for them.

● (2035)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Speaker, after listening to two speakers from the NDP, I think I have finally figured out where they are going. They want to impose additional costs on producers. Their solution is to go to full testing and to impose a feed ban. They fail miserably in terms of understanding the kinds of concrete actions that the government is taking.

I want to reiterate to the members opposite what has been done. They have tried to indicate that we have had no plan. The minister announced a plan on September 10 that we would move ahead with whether the border opened or not. Where has that plan led us? From 76,000 cattle per week at the end of 2003 to 90,000 cattle per week at the end of June. It will be 98,000 at the end of this year. That is an increase in slaughter capacity of 30%. That is making progress.

We moved into the Hong Kong market in October 2004. Do the members opposite not think that is progress?

One last point because they go on about CAIS and so on. The fact is that the Government of Canada and the provincial governments put up $4.8 billion. We would love to put up more but we want to see the market open up. We are doing our part. I just wish they would stop misrepresenting the facts.

Mr. Peter Julian: The facts are, Mr. Speaker, that the government has done very little in facing this incredible crisis. It is not just members of the NDP who say this. The Canadian Federation of Agriculture has said that all the government is offering is empty words and no action. Cattle communities based right across the country are saying that the government has empty words and no action. Three-quarters of the members of the House in this minority Parliament are saying the same thing.

The Liberals say that somehow, in the midst of these empty words and complete lack of action, something good is happening. They can throw out all the statistics they want but we have seen with the budget that they like to do flim-flam, play around with figures, maybe do something this year and certainly they will do something five years from now, but we know that Liberal promises are not worth the paper or the napkin they are printed on.

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, I certainly agree with much of the sentiment that the hon. member has expressed. The whole issue here has become for a long time not about health or safety, not about science, but it has been about politics. The government has failed miserably to cut through the political BS and actually solve the BSE problem.

Other than this bloody government, all of us recognize the reality that the CAIS program is not working. It is not working whatsoever. My leader, the Leader of the Opposition, has called upon the government to utilize some of the $3 billion contingency reserve funds to properly address this issue with a program that works for farmers and delivers the money.

The parliamentary secretary just got up and bragged about the $4.8 billion. Why are farmers still going broke in this country then? It is because the money does not reach them. It does not get to the farm gate. I wonder if the member would support our call to use the contingency reserve funds for this emergency.

Mr. Peter Julian: What we support, Mr. Speaker, is real action. We support actual concrete steps that will make a difference in the farming communities across the country that have been horribly impacted by the lack of action of the government. We have always stood for that. We will continue to stand for that and we will continue to fight in this corner of the House for real concrete measures that make a difference.

● (2040)

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker—

[*Translation*]

Mr. Yvon Godin: I rise on a point of order. It is the NDP's turn.

[*English*]

The Deputy Speaker: Order, please. We always cycle between the parties, but we always go to a party first other than the speaker if there is anyone standing. Therefore, we go through speakers from opposition parties and in this case, with an NDP speaker, we do not go to an NDP questioner because that just would not be right. We will go to the member for Vegreville—Wainwright for a short question.

Mr. Leon Benoit: Mr. Speaker, the member made a couple of statements which were probably accurate. One was that BSE exists in the United States and has not been brought out. Second, R-CALF is doing what it is doing for the sake of making more money. However, that is still not dealing with the real issue.

The real issue here is the political harm that has been done by the government when it comes to our relationship with our American neighbours. It is the result of the name calling that took place over the past year and a half and more recently, through the unfortunate and stupid timing on the part of the Prime Minister when he announced just before the opening of the border that he would not take part in missile defence. That is the issue. That is why the border is not open. There is no other reason. I would like the member to comment on that, if he would.

Mr. Peter Julian: Mr. Speaker, the reason for this continuing problem is very clear. We have a government that dithers and then dithers, and dithers some more. We are talking about missile defence where the NDP very clearly indicated early on with the mass of Canadian public opinion that it was extremely important that it be rejected. It took months and months and a Liberal convention before the government finally saw the light rather than be fried by its own members at the Liberal convention and decided to change its position.

On every one of these issues, there is constant and continued dithering. Rather than negotiating strongly and firmly the way Canadians appreciate, we have not seen this from the government and that is why we are in the state that we are in.

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I appreciate the opportunity to rise on debate. Let me begin by thanking my colleagues from all sides of the House for participating in the debate. This is indeed a very important question and a very critical one for producers. Indeed, it is a critical debate for all Canadians whether or not they live in rural Canada or whether they live in urban Canada. This is a national issue with national concerns.

In the debate so far we have heard a lot of comments. We have heard a fair amount of political rhetoric at the same time. I will try in my comments not to engage in that. There are some important messages that need to be sent to producers and to Canadians. It is my intent to do that.

The first message, and I say this on behalf of the government and I say it very loud and clear, is that the Government of Canada stands four square behind our producers. That is an absolute commitment. It is something that we have done since the first case of BSE in May 2003. It is something that we have done since that time. It is something that we are doing on an ongoing basis. It is something that we will do as we move forward.

There has been a lot of talk in the House that this is phantom money. It is not phantom money; it is real money. It is real investments making a real impact on our producers.

There has been $1.9 billion invested by the federal government specifically on the issues of BSE. That has had an impact on our industry. It has provided an opportunity through very difficult times to maintain the industry. Is it at a level that we would like it to be at? No. However, it is certainly providing the kind of assistance that is necessary for our producers.

In addition to that, it is important to note as well that provincial governments have also provided investments to the tune of a little over $400 million. There has in fact been substantial investments made to the industry. Those are appropriate investments. They are important investments and they have helped to sustain the industry through this very difficult time.

As we look forward and contemplate on exactly the type of actions that we need to take, there are three specific areas in which we need to continue to work. First of all, we will clearly continue to work with the United States to reopen the border. That is an important market to Canadians and it is something that we need to do.

There has been a lot of misinformation here. The Conservative Party has left itself with a storyline that just does not match reality. It is trying to suggest that the border was not reopened as a result of mismanagement of the Canada-U.S. relationship.

The facts say very differently. I know that the party opposite when it is caught in a situation where it does not match a fact simply tries to repeat it over and over again, and louder and louder to make it a fact. It is not a fact. This is not a dispute between the Government of Canada and the government of the United States.

The fact is that the Government of Canada and the government of the United States have exactly the same view. The border should be opened and that decision should be based on the sound science that exists today. Both governments feel exactly the same way.

The USDA, the counterpart of my department, is actively supporting that rule and actively defending it. The President of the United States has stated clearly that he wants that border opened. He helped promote the rule change and has said clearly that should congress put in a disallowance motion, he will in fact veto it.

● (2045)

That is an unprecedented step for this President. It represents his willingness to expend significant political capital in the United States to make that happen. The storyline as presented by the party opposite has no basis in fact. We are two governments that share exactly the same view and we share that view in large part because of the strong work that has been done by the Prime Minister, other members of cabinet, members of my caucus in dealing with the United States, and with officials who have helped us arrive and helped the Americans arrive at the conclusion that having the border opened based on science is the appropriate step that ought to be taken.

Second, in terms of talking about actions as we move forward, is the absolute need to continue the transition measures that we put in place in September, essentially the set aside programs both for feeder cattle and for fed cattle. That program has worked well. It represents, to use the expression of the party opposite, real money going to real producers in a timely manner.

But more important, it has allowed a balance in the number of cattle that is available for slaughter at any one time and the amount of slaughter capacity that is available. That has created a recovery in price in the marketplace and it has been significant from the lows that we experienced before we put this program into place last August to where we stood a couple of weeks ago.

Money has been provided to producers from where it should come from, the marketplace. Those set aside programs put in place by the federal government and by several of the provinces have created an increased price that has provided new revenue and important revenue from the marketplace to producers. That is a fact. It is a reality and the industry will be the first to say that it is a program that has worked well and one that I believe is a transition measure that needs to be continued.

The next area that we need to work on is to continue and build upon the transition program that we put in place in September 2004. What that attempts to do, and I know it is very difficult for minds across the way to grasp this, is to reposition the industry so that it can be profitable with or without a border opening. Again, something very much asked for by the industry, seen by the industry in terms of what we did, and very much accepted by the industry as the appropriate thing to do.

When it comes to judging the appropriateness of the programs or the effectiveness of the programs, I intend to listen very carefully to what the industry has to say and to act on its recommendations. It is what we have done in the past and it will be something that we will continue to do as we move forward.

There are two important messages I wanted to send and clearly that is one of them, that this government stands behind our producers. There is a second message that needs to be sent. I know some hon. members across the way have sent this message as well and it is an important one to send. I am going to relate it to some of the comments made by some U.S. senators, not by all U.S. senators. There were senators on both sides of the debate. The vote almost split right down the middle. Some senators made some comments that Canada's regulatory regime was not effective and did not warrant classifying Canada as a minimum risk region.

Those comments were simply wrong. They were inaccurate. They were based on wrong information. They were inappropriate. They provided a message that was simply not so and after seeing such a debate in the U.S. senate, that it is absolutely appropriate here in the Canadian House of Commons to respond to those U.S. senators and simply say to them they were wrong. The science indicates they were wrong and the situation is dramatically different from the one that they painted in the U.S. senate. I want to make that comment clear and unequivocal.

● (2050)

If we look at the reality, the systems we have in Canada and the United States are very similar. In fact our regulatory regimes and the measures that we have taken are almost identical. The exposure which brought BSE into the North American herd took place on both sides of the border. When we take the fact that cattle had moved freely for a long period of time after that exposure between both of those countries, the criticism that they would make of Canada is a criticism that they would have to make of the United States. Quite frankly, the rest of the world is listening, including markets like Japan, and they are simply wrong in trying to paint a picture that is not reality.

We have a very strong regulatory system in Canada. A point that needs to be made, and I would suspect that all members agree with this, is that animal health is protected by a regulatory regime and human health is protected by a regulatory regime. We have a safe beef and cattle supply in Canada. It is safe for Canadians and it is safe for consumers around the world, and that message needs to go forth loud and clear because it is the truth, it is the reality.

As a country, we have been very open and transparent. We have not tried to hide in any way what we do. After the incidents of late December and early January, as the minister, I invited anybody from every country to come to Canada to observe what we did in terms of our feed ban. The Americans did come. They did an independent review of our feed ban. They worked very carefully with our industry as they did that review. They issued a report which said clearly that our feed ban was an effective feed ban, one that worked and ensured animal health and human health. That is not our regulatory regime speaking, although we say that. The Americans, through an independent review, have said that about Canada. I think the U.S. senators in their debate should have listened to that.

Our system is strong because of the types of measures we have taken. In the early nineties, once the discovery had taken place, we put in place strong import regulations from affected countries. In 1997 we put in place a ruminant to ruminant feed ban. That is considered the appropriate and best way to ensure there will be a decline and an eventual elimination of the low level of BSE which may be contained in the Canadian herd.

In 2001 we put in a cattle identification system. We enhanced that later in 2004. As a country, we are the best in the world through the identification system we are building. It is a system that will give us a competitive marketing advantage in addition to the animal health issues with which it can deal.

In 2003 there was a decision to remove all SRM from the human food chain. That is the gold standard around the world as the accepted manner to protect human health, and Canada follows that step. Just last year we indicated that we would put in place an additional measure of removing all SRM from all animal feed, and that too is an appropriate way of ensuring that the level of BSE declines and goes out of the herd.

Unlike what some U.S. senators said, clearly we have a strong regulatory system in Canada, a system that keeps animal health and human health safe. That is absolutely critical for our Canadian consumers and for our producers. Our producers can and have travelled the world making a very clear and important statement that we have a safe beef and cattle supply.

● (2055)

Our rules are sound and they are based on science. They are recognized clearly by the Americans and others for what they are.

There are other issues, and I want to talk briefly about some of the things we need to do.

I have mentioned the repositioning strategy. I believe we need to build on that strategy.

We have had much discussion about capacity and we have talked about that in a number of different ways. We have seen a 20% increase in capacity. There are plans on line to talk about going to a 30% increase, but it is more than just reaching certain macro numbers. It also will be important that we develop slaughter capacity on a regional basis to ensure we have slaughter capacity in the appropriate way across the country. As well, we need to ensure that the slaughter capacity is available for the different types of animals. We not only need this for the cattle side for older animals as well as younger animals, but we have to deal with slaughter capacity for other ruminants as well. As one of the members has mentioned, we tend to talk about this in terms of cattle, but there are also other ruminants. We need to deal with them also because they are having difficulty in this respect.

Specifically, we saw two smaller new plants open up. Assistance has been provided to those. As we move forward, there have been many suggestions on how we can make our program for helping slaughter capacity more effective. We have listened very attentively to those comments, and I want to thank members who have provided a number of suggestions on how we can do that.

We need to continue to deal with the issue of developing new markets. The Deputy Prime Minister talked about a number of successes in developing those. It is important for us to continue that kind of success.

I have had an opportunity to travel personally to a number of potential new markets. We need to continue to do our work in that respect. The two things have to go hand in hand. It is important that we process more of our own product in Canada, but we also need to ensure that we have new international and additional international markets to sell it into. We are determined to ensure we do both those things because they are both important.

It has also mentioned by some honour members, and I agree with them, that we have to deal with the issue of the size of a herd and with the age of a herd. As we move forward, it will be absolutely critical that we deal with those two issues. We intend to work very closely with all parts of the industry to deal with those specific issues.

I mentioned earlier that we needed to deal with the other ruminant sectors that have been impacted dramatically by the border closure.

I am quite pleased that we are having this emergency debate today. It gives me an opportunity to make those two very important points, and I just will wrap up by reiterating them.

First, the Government of Canada fully stands behind the industry. We have been there since May 2003. We have invested a substantial amount of resources and we will continue to do that. Second, we have a strong regulatory system in Canada that protects both animal health and human health and we have the best product in the world for consumers, not just in Canada, not just for the United States, but for all the globe.

● (2100)

The Deputy Speaker: Since we have a very popular minister here, I will keep questions and answers to one minute each.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, I thank the minister for being here and I thank the member for Battlefords—Lloydminster for bringing forward this emergency debate.

I wish the minister could hear the calls that come into the offices of most of the MPs, calls from feedlot operators and producers. They are saying that the fat market has dropped $10 a hundred. They are getting 10¢ a pound for their calf prices. Their cattle are down $100 to $150. They are losing our shirts. I had a call from a pastor about a guy who was ready to release his cattle. He had given up hope.

People are looking at the minister to step forward and make a difference. If there are issues that are dividing us with the U.S., let us deal with them. I know the minister will stand and say that the President does this and he does that. However, is there anything the minister can do that he has not done already to get money into extra slaughter plants? The loan loss reserve is not working. What more can he do?

Hon. Andy Mitchell: Mr. Speaker, a number of things have been done and they have had a significant impact. I mentioned first about the fed and the feeder set aside programs. They provided good price recovery between August and February and they provided additional revenue to the industry from the marketplace. This has been significant, and we have made a commitment that we will continue those set aside programs.

Second, I know the members opposite have a terrible time understanding how the CAIS program works, but it provided in a 60 day period in the fall $106 million to beef producers at their request to add some liquidity into their system. They asked for it, we processed it and it worked.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I would like to thank the member who requested the debate.

The minister said not too long ago that the NDP always liked to have blank cheques. The Prime Minister on the weekend said at the Liberal convention that the NDP liked blank cheques. I believe the Liberal Party likes to write cheques but forgets to sign the cheques. That is what happens with the farmers. One thing they do not forget though is to sign cheques for Lafleur. When we look at the sponsorship program, it seems he got money that he did not know he would get.

I have never had calls from farmers who have said that they received cheques they were not supposed to get. They never get cheques. The calls I get in my riding are from the feedlot farmers who are losing their shirts. They do not feel good when they see they are not getting money for their beef, but when they go to the store, people are paying the same price as before.

How would the minister answer those farmers who call my office? It seems the farmers who call the opposition members are not the same farmers who call the government. We have maybe a big problem—

● (2105)

The Deputy Speaker: The hon. Minister of Agriculture.

Hon. Andy Mitchell: Mr. Speaker, I would think the hon. member may be more effective in his intervention if he did not simply exaggerate and not state the facts.

One could make the case that there should be additional support. It is a reasonable case to make. However, I will not accept the hon. member's point that there has not been support for Canadian producers, particularly in terms of the BSE issue. There has been.

We have $1.9 billion provided to producers. Set aside programs were put in place to ensure that there was a price recovery to a certain extent, not to the level we would have liked to have seen it and not to pre-BSE levels, but a significant increase over what the price was last August. That has provided new income for producers from the marketplace. There has been assistance for producers. We have worked hard to provide it and we will continue to work hard as we move forward in the future.

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, I would like to also rise and represent the constituents in my area who depend on agriculture.

The BSE crisis and border closure has impacted the industry like nothing else because it comes on top of other catastrophes in the industry. The frosts across Saskatchewan on August 20 had a terrible impact on the grains industry.

Agriculture producers want to see a much more vigorous defence of agriculture internationally and domestically by the Prime Minister and the Minister of Agriculture. I wish the agriculture minister would be making the speeches I hear him making here to the U.S. senators.

I want to send a very clear message to the agriculture minister today that the CAIS program is not working. I get calls daily from farmers at wit's end trying to adequately access those funds and get them in a timely fashion.

Something was done very quietly, not announced in the budget, and that is the farm improvement loan, the FIMCLA program. Why was this program quietly cancelled? Farmers have come to me in the last while saying the program—

The Deputy Speaker: The hon. Minister of Agriculture.

Hon. Andy Mitchell: Mr. Speaker, the hon. member mentions that he would like to have me make speeches to U.S. senators. I assume he means the U.S. House of Representative members as well. He may want to check with the critic of his party who could probably describe to him the speeches I gave to U.S. senators and congressmen when I was in Washington.

I am fully engaged, as are other members of the government, in terms of dealing with the U.S. The kinds of actions we have taken in terms of our interactions, whether it be the Prime Minister or the minister, have led to the U.S. administration vigorously defending a rule that would see the border reopened. It has led to the President saying, "I am prepared to put my political capital on the line. I will veto any attempt in Congress to try to reverse this rule".

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Mr. Speaker, I would like to ask the minister about what this government was doing when the USDA was making its decision and when the interim injunction court case was being held. The judge in that case said that the USDA "failed to provide the specific basis for the conclusion that its actions carried an acceptable risk to public health and failed to provide the data on which each of the agency's critical assumptions were based".

Instead of making political speeches, the government members should have been building a case for what they say is the scientific case to say that this inter-border transfer will be safe. Were they making that case? Why were they not at the table when the interim injunction was being made?

The government applied late. It had no legal representation to make a case for Canada. Now this is in the courts and due process must be respected regardless. Political capital should be used to expedite that process to make it weeks and not months. The question is whether this government has that kind of political capital. It does not appear that it has because of what it has done.

Where was the Canadian government when the injunction was being granted? How much effort did the government put into substantiating Canada's case by evidence, facts and data?

Hon. Andy Mitchell: Once again, Mr. Speaker, that is bad research and a poor question. The reality is the Government of Canada did file an amicus brief with the court.

An hon. member: You didn't get it in on time.

Hon. Andy Mitchell: No, it had nothing to do with not getting it in on time. The judge has the right to reject a motion, to reject an amicus brief. The judge rejected our amicus brief. The Government of Canada was there. It made the case and it worked with the U.S. government.

An hon. member: You got it in late. That's why he rejected it.

Hon. Andy Mitchell: Those members just cannot stand the fact that their criticisms are totally off base. They totally miss the mark. Instead of being concerned about helping producers and making sure producers are okay, those members try to make a political debate about issues that have absolutely nothing to do with producers.

They should be concerned about the men and women and their farms out there and not with scoring the cheap political points that they attempt to score here in the House.

● (2110)

Mr. Dave Batters (Palliser, CPC): Mr. Speaker, I will ask the minister a very simple question and treat this debate with the seriousness it deserves. When will the minister be going back to Washington? He indicates that he has been there. When will he be going back?

When will the Prime Minister be going to Washington to sit across the table and look eyeball to eyeball with the U.S. administration and President Bush and have this discussion?

My producers in Palliser are devastated. The negative impact of this crisis has been very far reaching. It has decimated an entire industry. People are looking for help from this government. Can anyone from this government tell us when this border is going to open?

The Prime Minister's dithering and deception regarding missile defence has left this government with precious little credibility. The U.S. president was not even returning the Prime Minister's phone calls. If the Liberals do not think there is a link between trade disputes and missile defence, they can ask Frank McKenna and he will draw it for them.

When will the globe-trotting Prime Minister be going to Washington to—

The Deputy Speaker: The hon. Minister of Agriculture.

Hon. Andy Mitchell: Mr. Speaker, I will make the same point that I just made. I cannot imagine that after the comment I made earlier this member could stand up and talk about anything but producers and the real needs of producers.

I will tell members what I am going to do next. I am going to go to Alberta and I will meet with producers in Alberta on Thursday. We are going to have a discussion. That is the next step that we are going to do.

We will go to Washington when we need to go to Washington. The member suggests we need to go to Washington to convince the president. Convince him of what? The president has said he clearly stands behind a border opening and will execute a veto. That is what the president said.

The Conservatives cannot get their minds off that. They want to make a political statement rather than come forward in this debate and make suggestions about how we can help producers.

Ms. Diane Finley (Haldimand—Norfolk, CPC): Mr. Speaker, I have the honour tonight of splitting my time with the member for Medicine Hat.

As the agriculture and agrifood critic for the official opposition, I would like to thank my colleague, the member for Battlefords—Lloydminster and vice-chair of the agriculture committee, for initiating this urgently needed debate on the ongoing BSE crisis in Canada.

It is vital that this debate take place because it is important that all Canadians, including those in urban centres, fully appreciate the absolutely dire situation that the Canadian cattle and other ruminant industries are facing at this time.

Our producers have suffered greatly at the hands of free-trading mercenaries south of the border. They have suffered at the hands of protectionist politicians. They have suffered at the hands of this Liberal government, which has mismanaged this agricultural crisis, one of the worst in Canadian history.

Before I go on, I would like to put this debate in a historical context. It has now been 657 days since the U.S. border was unjustly closed to Canadian cattle and other ruminants. Throughout this time, our producers have endured untold personal and financial suffering.

It is estimated that our farmers have already lost well over $7 billion. Billions more are likely to follow. The ripple effect of these losses has significantly affected the trucking industry, the auction marts, equipment dealers and many other industries that do business with cattle producers.

Rural municipalities are suffering from decreased tax revenues. In fact, many farmers and affected businesses have been unable to pay their municipal taxes.

To highlight the seriousness of this situation, 79 municipalities in western Canada have declared their regions an economic disaster zone. As of December 3, 2004, there were 41 municipalities in Alberta, 26 in Manitoba and 12 in Saskatchewan that had declared their regions an economic disaster zone as a result of BSE.

In this context, the largest calf crop in history occurred in the spring of 2004. During this time 4.7 million calves were born in Canada. On top of all this, after countless Liberal assurances that the border would reopen, assurances from both this minister and the previous minister, Canadian cattle and other ruminant producers have once again had their hopes dashed.

Two recent U.S. court decisions and a vote in the U.S. Senate have delivered further blows to our already beleaguered livestock industry. To add insult to injury, today we have heard allegations that members of the protectionist group R-CALF are currently paying bargain basement prices for Canadian cattle off our very own feedlots.

Yes, the same free trade mercenaries who argue that Canadian cattle are unsafe to eat and that the apocalypse will occur if ever Canadian cattle were to cross the 49th parallel, are the same ones who are allegedly purchasing Canadian cattle right off our feedlots. If this is true it is beyond reprehensible, as they are only taking advantage of lower prices that they themselves created.

Our farmers are reaching the breaking point. They are losing their hope, their farms and their livelihoods.

How has the government responded to the BSE crisis? Let us take a closer look.

The CAIS program is not working, the loan loss reserve program does not really exist and the Liberal government continues to insist that the Americans are our friends in this crisis although it continues to find ways to insult them and disrespect them.

The Liberal solution of using the CAIS program to deliver emergency aid to cash-strapped producers suffering from the BSE crisis has been a colossal failure. Simply combining an income stabilization program with a disaster relief program is in itself a recipe for disaster.

That is why as a short term solution we are calling on the Liberal government to immediately dip into its massive surpluses to help Canadian farm families in need, more in need now than they have ever been.

● (2115)

We demand that the government immediately use the budget's contingency funds to help our cattle and livestock farmers. Further, we are calling on the government to provide tax deferrals on 2004 income for producers devastated by the BSE crisis.

With regard to slaughter capacity, there are currently 17 million head of cattle in Canada. Although slaughter capacity has increased slightly to approximately 85,000 a week, the number of cattle in Canada still significantly exceeds our current slaughter capacity. This massive surplus of cattle continues to result in depressed cattle prices and therefore production costs continue to significantly exceed market prices. No one can make a living that way.

The Liberal loan loss reserve program announced last September was supposed to help stimulate additional slaughter capacity in this country. In spite of this agriculture minister's often bragged about program, slaughter capacity has not increased one iota as a result of the loan loss reserve program.

We know this because we have recently learned that the program is a sham. It does not really exist. The fact that this loan loss reserve program does not exist is an insult to livestock producers so desperately impacted by the BSE crisis. To add insult to injury, the Liberals announced in the budget that $17 million is to be redirected from previous BSE commitments to this non-existent program. The minister is simply offering would-be slaughterhouse investors the sleeves off his vest.

Today in question period I noted that the Minister of Agriculture made an announcement that a loan loss reserve agreement had in fact been reached with the Farm Credit corporation. That is good, but it took six months to get that agreement. Has an agreement been reached with the banks yet? Not at all, but then we have only been waiting six months. Desperately needed are real incentives to increase slaughter capacity for investment and processing plants now.

We have been calling on the Liberal government to provide tax incentives for investment in co-operatives. Providing tax relief on the initial investment in a co-op would stimulate increased slaughterhouse investment and promote a made in Canada solution to the BSE crisis, which is something we have all been looking for. In addition, the government must ensure direct loan underwriting for the development of increased slaughter capacity.

With regard to the impact of the BSE crisis on other ruminant producers, I have said this before and I will say it again, why has this government failed to take any real action in addressing these particular producers' needs? Recently we learned that all four western provinces have developed BSE programs to compensate producers of elk, deer, bison, sheep and goats. Other ruminant, cervid and camelid producers who have suffered unjustly during this crisis have demanded and continued to demand action from the government. So far their demands have fallen on deaf ears. This is shameful.

We in the Conservative Party have asked and continue to ask the agriculture minister to ante up and kick in the federal portion of this funding for other ruminant programs, ones already committed to by the western provinces. Furthermore, as a result of the massive surplus of cattle in the Canadian herd, we believe that a federal cull program is necessary now more than ever.

In light of the continued closure of the U.S. border to Canadian live cattle, a cull program is no longer just an option but a necessity. The cull program should be targeted to animals born before the 1997 feed ban. The meat from these animals should whenever possible be used for human or animal feed as appropriate.

A reduction of the national herd with compensation to farmers would serve three purposes. First, it would provide cash immediately to the farmers. Second, it would relieve farmers of the burden of feeding their cattle. Third, it would decrease the herd size so that market prices could be allowed to rise naturally. It is worth noting that the Canadian Federation of Agriculture is supportive of a cull animal program.

I wish to close by saying that our farmers are fed up with the government's empty rhetoric and hollow promises. I and all of my colleagues in the Conservative Party of Canada implore the agriculture minister to secure real relief from the contingency fund for our producers in their time of need.

● (2120)

No one is arguing the safety of our beef. We know it is the best in the world. What we are arguing for is direct support for our farmers and producers. They need it. They deserve it.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Speaker, at the beginning of the agriculture critic's speech she outlined some of the facts as they really exist. I cannot understand why she did not stay on that vein throughout her remarks. We are dealing with a serious problem and I cannot understand what purpose it serves to get into political rhetoric and basically provide misinformation to the farm community on some of the existing programs.

The minister is going to meet with the cattle industry in Alberta on Thursday. He has said that we need to look at other things we could do as a result of the border closing. Members on the other side should be admitting up front that the repositioning strategy is having some impact. In her own remarks the member said that slaughter capacity has increased.

I want to ask the member a question with respect to the loan loss reserve. She said it does not exist. Nothing could be further from the truth. Obviously members of the Conservative Party do not know how a loan loss program works. Money does not need to be spent right away on a loan loss reserve program. A proposal from proponents of a beef slaughter plant would go to a lending institution, and as the minister announced today, they can now go to Farm Credit Canada as well. They would bring forward a proposal, which would be analyzed on its commercial merits. The loan loss reserve would backstop the loan with the lending institution. This would give that plant a better opportunity to get off the ground and succeed in terms of the slaughter industry.

I have a couple of simple questions for the member. Is that not true? Is that not how the loan loss reserve program works? Does it not have merit in terms of increasing slaughter capacity and giving producers the opportunity to build their own plants? Let us have a little—

● (2125)

The Acting Speaker (Hon. Jean Augustine): The hon. member for Haldimand—Norfolk.

Ms. Diane Finley: Madam Speaker, I know how the loan loss reserve program is supposed to work. The way it was described last September, would-be investors could apply to get underwriting from the government to reinforce their application to their bank to get financing to start up a slaughterhouse. It sounds good, but unfortunately as of two weeks ago at committee the Canadian Bankers Association testified that no agreement had been reached between the government and the CBA to make such a program operational.

In fact, the way things were structured, investors would have to get permission from the loan loss reserve program before the bankers would honour their application. The bankers of course want to know that they would get their reserves. We were also told that the applicants could only apply for the loan loss reserve program after they had bank financing. This is a catch-22 situation. They cannot get *A* until they get *B* but they cannot get *B* until they already have *A*.

The loan loss reserve may exist on paper but operationally it does not exist. As of two weeks ago at the very latest, nothing existed with the banks. It does today with the FCC, but not with the banks. Two weeks ago the application forms, which were promised three months ago, still did not exist so people could not even apply. For all intents and purposes that means that operationally the program does not exist.

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Madam Speaker, the parliamentary secretary and the minister used the expression "political rhetoric" dozens of times. Anytime we come up with a constructive suggestion, a real method, a path to address the situation, they dismiss it as political rhetoric. They dismissed our demands to drop the cash on deposit requirements of CAIS. They have since promised to buckle to that because of the thousands of farmers who have let them know that we, and not the Liberal Party, represent them. The difference is that the Liberal Party represents the bureaucracy and we represent the farmers.

Could my hon. colleague, the critic for agriculture, comment on the Liberals' habit of announcing funding and then not delivering it, not even having the forms available to apply for the programs that they introduce?

Ms. Diane Finley: Madam Speaker, the cases where promises have been made and nothing has been delivered are legend. It was only a few months ago that forms for emergency CAIS deposit applications were announced, yet three weeks later the links on the Internet where these forms and information about the programs were supposed to be available were not there, not until we raised it in the House and then magically overnight they appeared. I guess it was just lucky timing.

In the budget there was an announcement of over 20% of the original September announcement for BSE, over $100,000 had been redirected. In other words these were promises, announcements that were made but were not kept. It was redirected into other BSE relief programs. None of the money is to go to the producers, only to bureaucrats and consultants.

Mr. Monte Solberg (Medicine Hat, CPC): Madam Speaker, it is a pleasure to rise and address the emergency debate this evening with respect to the crisis in agriculture. In this case we are talking about BSE but I do want to talk for a moment about the crisis in agriculture in general.

I want to thank the member for Haldimand—Norfolk for her leadership on this issue. I want to thank the member for Battlefords—Lloydminster for sponsoring the debate tonight. I also want to thank the member for Lethbridge whose spot I am filling tonight. He represents a riding where there are 900,000 cattle and feedlots. He is also a leader in this area. Those are big cowboy boots to fill, but I will do my best to do that tonight.

I will start by pointing to the fact that the government has not taken the crisis on the farm seriously. A couple of weeks ago the finance minister stood here and delivered a budget speech on the economy. He did not even mention the fact that farmers today are facing probably the worst crisis that they have faced since the Great Depression. That is not an exaggeration.

In 2003 farm incomes went negative for the first time since the 1930s. Interestingly that same year when the CAIS program came in, $1.4 billion was allocated but it still could not be triggered. Even though farmers were in this terrible income crisis, it still would not trigger payouts to all kinds of people who were losing tremendous amounts of money.

I want to argue that the minister is wrong when he says that the CAIS program is working. I want to argue that this crisis affects everyone in agriculture, not just cattle producers. It is a serious problem. The best way to make the point is to read an e-mail I received today from someone in my riding. It says:

> This time of year when a farmer should be getting the "spring fever itch", I'm getting depressed because there is no money left in any of our commodities and our expenses are going through the roof, our margins are rapidly shrinking. These are things I know you are aware of...hence why I'm sending you this e-mail.
>
> My brother and I are second generation farmers, this farm has seen many changes in the last 10 years to accommodate the growing numbers the farm has to support, and falling prices. Our debt load is at its absolute max. and with the futures on many different crops, it's not looking good.... I'm not looking for sympathy, I simply wanted to explain our situation to you to give you a little history and to bring up a few points.

He goes on to say:

> I am 32 years old and losing hope in my career and my country very quickly. I know there is no magic cure to turn things around, but I feel as a last ditch effort you in some way carry hope for the farmers in Alberta—

He says flattering things about me which I appreciate, but there are many people in this place on all sides of the House who care deeply about farmers. In the face of all the evidence that the government is failing farmers on the CAIS program, and in terms of getting some resolution when it comes to getting the border open, I do not understand why the minister a few minutes ago stood there and defended his actions. His actions and their lack of results are indefensible. That is the point. We have an obligation and a right to stand and criticize the government when it is not doing its job. The Liberals are not doing the job for Canadian farmers today.

Even though the minister does not like to hear the criticism of his department and the things that they do, we have an obligation to stand up for farmers on these issues. That is what we are going to do tonight.

I want to talk for a moment about the border. Not long ago the Prime Minister, knowing that the border was due to open on March 7, because he was afraid of the debate about missile defence at the Liberal convention, went out before the convention and announced his decision not to support missile defence. In other words, for political reasons he decided he would jeopardize goodwill with the Americans, knowing the border should be opening on March 7, simply because he did not want to have to face the music at the Liberal convention. In other words, he put his concerns ahead of the concerns of Canadian ranchers and cattlemen. That is simply disgraceful and the result has been borne out.

● (2130)

I am not going to argue that the judge in Montana took that into account, but I know those senators did when they voted to get rid of the rule that would open the border.

In fact, not long ago there were some Canadian parliamentarians who went to Washington. They had a discussion with a Senator Smith from Portland. I looked at the minutes of the meeting and he absolutely tied the security issues and Canada's lack of support on security issues with the problems affecting trade in cattle and beef together.

The minister and the Prime Minister can duck, dodge, dive and weave all they want but I am telling members that senators on the other side of the border are saying the two are tied together.

In the United States, security trumps trade, and we are seeing it happen again in this situation. It is time for the government to wake up to that reality and to start addressing some of these concerns the Americans have about whether we are true allies in so many of these situations.

They are tied together. I do not know how many times I have heard that in the last little while. When I go back home people are saying that the relationship between how we treat our American friends on these security issues and the problems in trade are tied together. Farmers and ranchers know they are connected but somehow the government seems to think there is no connection at all.

I touched for a moment on the CAIS program. I just want to emphasize how frustrated farmers are with this program. It is not doing the job. We can have a situation where people have lost money every year for the five year period that the formula applies to for the CAIS program and if in the last year they lose less money than they lost the year before they will not trigger a payout. They will be losing money. However, if in four years out of five years they make money and in the last year they lose a little bit of money or make less money they will trigger a payout. It is crazy. We have a situation where people who are in dire economic straits, on the cusp of losing their farm, will not get a payout on this program. It makes absolutely no sense and yet the minister stands in this place and defends the CAIS program.

Without naming names, I can look across the way and know I have heard similar criticisms coming from members on the other side. There is no question that the minister has to get his act together and straighten this out.

The minister says that we are making partisan points. Well let me make an offer to the Minister of Agriculture. I know I could ask members who are sitting here today if they would be willing to work with the minister on a good faith basis to get that fixed and to get payouts to farmers in a timely way, in a way that makes sense based on their income, and I know we would be prepared to do that. We would be prepared to sit there and help get this thing fixed. We are here to make a difference. We want to make this minority Parliament work and if we can make a difference, and the minister is willing to do that, we would be thrilled to do it. However the minister claims that the program is not broken. He claims that it is working fine. We cannot start on a basis where the minister will not admit that there are serious problems in the program.

I want to talk for a moment about what I think is a fundamental shortcoming of the government: the need to increase packing capacity. I know there has been some additional capacity but we are talking about almost two years now since the border closed and we still are way behind the curve in terms of getting more animals slaughtered. The only way we can get cattle south of the border now is to send muscle cuts, boxed beef, into the U.S. We need to get more packing capacity.

This loan loss program is just a joke. We would be prepared to work with the government if it were willing to work with us to make more money available so that we can get more slaughter capacity. However we need to see some admission from the government that the current situation is not working but it does not seem to be willing to admit that.

● (2135)

I think I heard the minister say something positive about the possibility of a cull program. Over a year ago the member for Battlefords—Lloydminster argued that we should be doing that and we have advocated that position ever since. If the government is considering doing that we would certainly support it.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Speaker, the member made a considerable amount of sense in some of his remarks except where he tried to draw the link between ballistic missile defence and the decision that has been made in this case. The fact is that the president and the administration are with us and with us very strongly on this issue.

On the member's point that he would offer producers the chance to meet with the minister to talk about some of the problems with CAIS, the minister has already been doing that. He met with a group of Manitoba producers today who had some positive suggestions. The minister has always said that we are willing to make improvements in CAIS.

The member opposite spoke a fair bit about the senate hearing. Let me give him a quote from the senate hearing that refutes some of the arguments made by the member. The senator from Colorado said, "Frankly, the Canadian border is already open. The boxed beef is coming across the border from Canada in record numbers, numbers higher than they were before BSE was discovered in Canada creating a public policy windfall for those companies with processing facilities in Canada while punishing those in the United States. U.S. beef imports from Canada set a record in 2004 approaching 1.2 billion pounds, a 12 point increase over 2002 levels".

The senator goes on to say, "During 2005 beef imports from Canada are expected to total 1.2 to 1.3 billion pounds".

Surely the member would recognize that some of the efforts we have made have been successful. Yes, we want to do more. We want to increase slaughter capacity but surely the opposition would stand up and recognize that we are making progress. The minister and the government as a whole have been working extremely hard on this issue in the interest of Canadian producers.

The member from Fort St. John may laugh but $4.8 billion to producers from the government is nothing to sneeze at.

Mr. Jay Hill: Well, it did not reach my farmers.

● (2140)

Mr. Monte Solberg: Madam Speaker, there is a big difference between announcing the money and actually delivering it to the farm gate. That is exactly what has not happened on Canadian farms.

It is so frustrating to hear members across the way. When we go back to our ridings, and I know the member hears this too, it does not matter how many press releases the government sends out. It does not matter how elaborate the programs are that the government has designed or how many bureaucrats are dedicated to them. All that matters is whether or not we are getting results at the farm gate.

We are not getting results at the farm gate. What I am concerned about are the farmers who are stressed to the breaking point and the farmers who are giving up on their operations. The member can talk all he wants about what the government is doing but what I care about are the results that are being delivered.

It is fine for the member to talk about beef going across the border. It is great that the slaughter plants are able to send more boxed beef across the border but if we do not have an open border we do not have an outlet for that excess capacity and it means we have depressed prices. It means that many people cannot keep their farms and ranches going.

What we care about are the results that producers are getting. I hope the government is prepared to work with us to try to fix some of these problems. I cannot speak for everyone else but that is the offer I am making. I know that is what producers in my riding want. They do not really care which party gets this resolved, they just want it fixed.

Mr. Jay Hill (Prince George—Peace River, CPC): Madam Speaker, I want to commend my colleague for Medicine Hat. He has spoken on these agricultural issues many times and I know that he spoke very eloquently for the member for Lethbridge who, unfortunately, could not be here this evening.

In the short time I have I want to really express the frustration on behalf of farmers in Prince George—Peace River and indeed all across Canada. I do not understand, as the member for Medicine Hat just reiterated, why it is that the Parliamentary Secretary to the Minister of Agriculture and Agri-Food would stand up and defend the bureaucracy against the farmers.

I farmed for 20 years and was involved in farm politics. I know the frustration in the 1980s and it is still the same frustration today. We have programs designed by bureaucrats to service bureaucrats instead of being designed to help farmers. I do not understand why the parliamentary secretary and the Minister of Agriculture would stand tonight and defend this program that is not working.

● (2145)

Mr. Monte Solberg: Madam Speaker, I appreciate what my friend has said. That is the type of frustration we see on the farm. We have so many examples of where people will spend hours and hours trying to figure out the CAIS forms. They then take them to an accountant and spend $1,000, $2,000 or $4,000 on these things, only to find out after many months that they do not even qualify for a payout of any kind. That is beyond ridiculous. It is cruel that the government would not fix these problems that have persisted for two and a half years since the CAIS program came into being. It is time to start acting on this and to fix some of these problems.

Mr. Paul Steckle (Huron—Bruce, Lib.): Madam Speaker, I will be sharing my time this evening with the member for Edmonton—Mill Woods—Beaumont .

I am also pleased to speak this evening to this most critical issue affecting our primary agricultural producers. Sadly, we have seen a lot of numbers thrown about on all sides of the House this evening, but clearly the bottom line of the equation is that our producers are hurting and they are hurting badly.

This is not a numbers game. This is about our farmers and their families. It is also about the devastating impact that the BSE crisis is having on rural economies in general. To put it simply, when farmers hurt, all of rural Canada hurts. There is a great deal of pain out there in rural Canada tonight.

When I first began drafting this speech for this evening's debate, I considered talking about the repositioning strategy announced by the Minister of Agriculture last September. I strongly believe that his plan is forward looking and positive for the long term. I also believe that this made in Canada solution focuses on returning the Canadian livestock sector to profitability with or without a border opening. One must acknowledge that the repositioning strategy is a result of close collaboration with industry and with the provinces. It clearly aims to address both the immediate needs of ruminant producers and to reposition the sector for the longer term, whether or not the border opens.

I understand the importance of the three main objectives announced in the September plan. Enhancing slaughter capacity, helping producers transition and expanding in diversifying markets are all lofty, important and necessary goals. In fact, the agriculture committee has been calling for these measures for some time and I am glad to see that Agriculture Canada is also now responding.

That said, tonight I plan to talk about four things that do not revolve around the repositioning strategy. They are: first, the fact that we are moving live U.S. cattle through Canada into the continental United States; second, the allegations made by a former USDA veterinarian that the U.S. is hiding its cases of BSE; third, the need for an immediate and substantial injection of funds to help support our farmers; and fourth, the fact that the only science keeping the border closed to Canadian beef is U.S.-based political science.

I know I may sound a little less than diplomatic when I talk about these things this evening but many of my constituents were holding out until the border opened yesterday. However, as all members know, that did not happen. Moreover, it did not happen because of reasons that escape the understanding of most rational individuals. That missed date represents a huge psychological defeat for our farmers and I would be remiss if I failed to address this during the course of debate this evening.

Permit me to declare that I firmly believe that the Government of Canada, the CFIA and the Minister of Agriculture are doing all they can. However I believe t the language of diplomacy is obscuring the facts somewhat in this instance.

I would also like to take a moment to acknowledge the fact that the Bush administration is appealing the recent decision of the United States district court of Montana that prevented the border from opening as planned. This support is appreciated by our producers but, regrettably, the fact is that the border remains closed.

With that said I would like to cite an article that appeared in yesterday's *Ottawa Citizen* entitled "Agriculture minister pushes for ban on Hawaiian cattle: Shipments transit Vancouver on way to continental U.S." The article went on to say that the B.C. Minister of Agriculture was calling upon the federal government to stop permitting U.S. cattle to be shipped through our ports. I would have to add that if, according to the U.S. senate, the U.S. district court of Montana and the lobby group R-CALF, Canada is so wrought with risk, why would they want to have their cattle touch our soil?

The truth is that there is no more risk here than in the U.S and the U.S. senate, the U.S. district court of Montana and the lobby group R-CALF know that full well. They are simply playing games in an attempt to use the BSE crisis as a mechanism to pummel their Canadian competitors into the dust.

In getting back to the article, it is time to take off our kid gloves and fight fire with fire. I know our minister wants to encourage the international community to adopt rational, justified trade responses to BSE, but what are we to do if our concerted messages are being ignored and thwarted by certain elements of the U.S. beef industry? I am not suggesting that we should shoot ourselves in the foot by introducing measures that are irrational or haphazard, but our industry is taking on water. We are down to the brass tacks and our farmers need immediate and substantial help.

● (2150)

I know that this government is committed to supporting our producers in this their time of need. If there was any doubt on this front I would simply point out that over the past two years record payments have gone out to producers across this country: $4.8 billion in 2003, projected $4.9 billion in 2004, and $2.6 billion in direct BSE assistance, of which the federal share was almost $2 billion. That is the kind of initial support that I am talking about. Again, this is the initial support to which I refer. It is now time for much more.

As an extension of the above, in yesterday's *Ottawa Citizen* there was an article that was entitled "U.S. Hiding Mad Cow Cases". There has been talk in the countryside for months that the U.S. has adopted King Ralph's "shoot, shovel and shut up" approach. According to this article we now have a whistleblower.

The article references a former USDA veterinarian who formerly supervised meat inspectors south of the border. He outlined how he oversaw the processing and/or disposal of hundreds of downer and suspect animals. He claimed that he had no doubt that there were instances of BSE in the U.S. and that it was simply dealt with outside of the public eye.

This veterinarian outlined how false positives were not followed up on and how the United States testing program may be subverted as a result of longstanding systemic deceptions of this nature.

I submit that from a purely scientific perspective it is difficult, if not impossible, to accept that the U.S. is free of BSE. While our state of knowledge with respect to this disease is incomplete, we do understand that spontaneous cases are generated at a rate of about one in a million. That said, the United States, with its millions of cattle, could not possibly be 100% free of BSE. It is not realistic in any sense of the word.

I am not looking to bash our American friends, but I am tired of getting kicked around for no reason. If there was a problem with the quality of Canadian beef, I would be the first to support embargos and other forms of corrective action, but this is not the case. I eat Canadian beef and feed it to my family because I know it to be of the highest quality available in the world.

Our farmers need money now. I can barely listen to any more of this debate. We all know the problems and we should stop playing politics with this issue. The minister has done a stellar job so far and he should be commended for that. We need action if our farmers are going to survive.

In health care, the Prime Minister determined that we were going to fix the problem for a generation. He took immediate and decisive action to do just that. Under his leadership the provinces were brought together and a deal was struck that placed our health care system on a stable footing for the next 10 years. I would urge every member of this House to take that kind of approach on this issue.

I do not know what will fix this problem entirely, but I have several actions that could be taken, and once added together they could provide substantial assistance to our farmers, their families, and all of rural Canada. I would love to hear what other members have to say on this front.

Increasing our domestic slaughter capacity through producer owned cooperatives would be an important first step. Governments could provide access to start-up capital and streamline the red tape.

Governments must also get money into the hands of our farmers and not into the hands of packing plants. Let us hear members tell us how they believe this can be done and accomplished effectively. Simply writing cheques will not solve these problems if they are written without a long-term plan. Let us move agriculture beyond crisis management and on to a stable foundation for the next generation.

I will again restate my belief that the only science keeping the U. S. border closed to our beef is political science. The OIE said that there was no reason to close the border because Canada's beef is not a health risk. Our tracing system prevented the public from eating the BSE contaminated beef, unlike the U.S. system that permitted a cow to be placed on supermarket shelves.

Canada has taken measures to remove SRMs from the food supply. SRMs are the only part of the animal that contain the BSE prion and hence, there is no possibility for contamination of the human food supply.

For these reasons and more, I submit that our neighbours to the south are still playing games. I heard a media interview with a U.S. senator that said he believed that Canadian beef was safe, but he had to vote against reopening the border because he needed to get re-elected in 2006.

Worse yet, after the R-CALF victory in the Montana court, the media interviewed R-CALF members and they all said that they would eat Canadian beef. I find this astonishing. If they believed that our beef was not safe, then why would they consume it? The fact is that they do not feel that our beef is at risk. They are simply playing games that are hurting our farmers.

I should point out that even the United States President ate beef when he visited Canada a short time ago. To his credit though, he at least has the courage to admit that he feels our beef is safe. I would suggest that our American friends remember that one day the proverbial chickens may come home to roost.

● (2155)

If and when the U.S. BSE case is discovered, I would sincerely hope that the U.S. will not look to this Canadian MP for a lot of sympathy. I would be prepared to offer the same level of compassion and logic that the U.S. senate offered to us. If we were indeed friends, then I would call upon the United States to act accordingly. Unless it is actually able to produce some science in support of this continued border closure, then it should stop its actions. Failure to do so should be looked at by Canada as nothing more than unwarranted trade sanctions and we should take action accordingly.

I congratulate the minister for the efforts he has made in terms of bringing some relief to our farming community. I also thank the member opposite for encouraging this debate this evening.

Mrs. Lynne Yelich (Blackstrap, CPC): Madam Speaker, I have followed this debate and I will go back to the onset of this whole crisis. I go back to the American rally in Montana in July after the border closed. I can still remember the mayor of Havre talking about the relationship with Canadians and about the Prime Minister. He pointed out our mistakes with our diplomatic relations with Japan and how poorly we treated the Japanese. He thought that we not only insulted them, but that had we shown some sort of outreach toward them then perhaps we would not have been in this situation today.

I find it really ironic that the government is working so very hard now. A headline in the *Globe and Mail* says: “Canada, Japan take step toward free trade”. Where was Japan two years ago? Why was Canada being so smug and not realizing it was so important to sit, speak and renew relationships with Japan?

I do not think this was a figment of anybody's imagination. It did exist. I also heard that we denied Japanese scientists entry when our first case was discovered. Does the member agree that we have lots of problems with our relationships? Who is making these mistakes with our relationships?

Mr. Paul Steckle: Madam Speaker, the hon. member's question is well premised. It is important that we have good relationships. I trust that my comments this evening did not give the impression that we should not have good relationships. Whether it is with our United States neighbours or the Japanese, we have had longstanding relationships with these countries for many years.

As we all know, the Japanese were invited to be part of the team of scientists in Canada when the first case of BSE was discovered on our soil. Why they were not here I cannot speak to because I do not have the answer, but certainly they were invited.

On the issue of Japan's cases of BSE, there is a total misunderstanding even among the Japanese as to what degree BSE has overtaken the industry in that country. Today Japan is still not free of BSE. It is still finding the odd case from time to time. Do the people in Japan know that? I am told they do not. I am told every animal is tested. I am also told that in certain areas of that country, there are certain states, provinces or territories, every animal is tested, but in other areas they are not. Indeed they are walking around that.

We ought to know the full truth before we can really make a determination on some of these issues. Certainly, it is important to have good relationships, but I do not buy into the premise that we have failed in opening our borders simply because we made a decision on our northern strategic air defence systems. I do not believe that. If we believe the Americans and take them at their word, they have said this is an issue of science. It must be science based and the borders will be opened based on that decision.

● (2200)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Speaker, I know the hon. member talks to quite a number of people. One of the questions that has been raised with me by many producers is how a judge from Montana could close down the border. It has been said to me that for a nation trying to hold itself up as an example of democracy based on the rule of law, this decision in which we were not even allowed standing as a country is really an affront to justice.

The member and I have talked about that a bit. I wonder if he has any comments he might want to express on that point because it flies in the face of common justice where all sides of the case should be heard. It seems to me that politics entered the courtroom in the United States and that speaks pretty sadly of that nation, not in terms of the American administration at the president's level and the level of secretary of agriculture. The fact that we could have an affront to justice in a way that would close the border and throw the lives of Canadians into jeopardy is a problem.

Mr. Paul Steckle: Madam Speaker, many of us probably witnessed the response of a number of members of R-CALF as they left the courtroom that day in jubilation over what they believed was a victory for them in terms of their pocketbooks.

It is hard to believe that a country with the power that the Americans have, and recognized as a superpower in the world, could be subjected to the powers of a court in the state of Montana. It is hard to believe that the President of the United States, who has veto power over the senate and congress, is unable to overpower a judge's decision in a state. That is hard for me to understand.

Justice was not served in this case by the way this was handled. It will not be served until the border is opened based on the merit of the science that has been done. It will not be served until it is proven that beef products and all animal products in Canada and the United States are safe for human consumption.

Hon. David Kilgour (Edmonton—Mill Woods—Beaumont, Lib.): Madam Speaker, in this emergency debate I must, as an Alberta MP, add to what so many have said tonight. It is very unfortunate that the district court in Montana has succumbed to protectionist pressure. As my colleague has said, we should salute the Bush administration for appealing the decision.

The injunction comes despite the fact that the United States department of agriculture has said that Canadian beef is perfectly good and safe to eat. OISE has said it internationally. The United States DA's ruling that Canada is a minimal risk region was further reinforced, as members will recall, when the USDA technical team came to Canada to assess the risk in January this year. The team found that Canada's inspection program was robust and found compliance with Canada's feed ban regulations to be effectively curbing the risk of BSE.

The continued imposition of this scientifically unwarranted ban is a further blow to an industry that is only just beginning to recover from the fallout of the initial border closure.

The continued closure of the border reinforces the need for us to take immediate action. It has become quite obvious that the wait and see approach which has currently been adopted will not save our beef industry. We cannot be content to sit around and wait until the USDA has caught up in its legal wrangling to try to get the border open. Even though the USDA supports a science based approach and is pushing to get the border open, this will not help the thousands of producers.

Thousands of producers are slowly bleeding to death as they incur costs on cattle that they cannot sell at current prices. Since the crisis began in March 2003, it has become clear that increasing domestic processing capacity is of absolute importance in order to cushion the beef industry against further system shocks. Yet here we are in the same situation again and there has been precious little, if any, processing capacity added. Clearly, the loan loss program, which has been referred to by members opposite, has done nothing to decrease our dependence on American processors. Not a red cent has been advanced under this program.

We must all acknowledge that the loan loss reserve is an inadequate solution. It is abundantly clear now that the lenders will only lend to projects that meet their risk criteria in the first place. In other words, the processing plants that receive loans would have received them regardless of whether there was a loan loss program in place.

Financing processing plants in light of all the unknown variables and the tight operating margins that characterize these operations, constitute a level of risk with which lenders have clearly demonstrated they are reluctant to contend.

We all agree that increasing domestic processing capacity is of paramount importance. I believe this, therefore, leaves us with only one. The Government of Canada must make direct financial assistance, grants and loans, available for processing plants. My colleagues from the agriculture committee on the opposite side know that the two plants in Alberta were helped mightily to get going by the Government of Alberta way back.

We have paid a high price for our dependence on our neighbour to the south and we can no longer afford not to be self-sufficient in terms of processing capacity.

Although budget 2005 addresses some of the issues facing farmers by committing to eliminate the CAIS deposit requirements and providing $73 million this year and a total of $104 million over four years for agricultural cash advances, much more needs to be done. The magnitude of the crisis facing farmers today demands far more assistance than has been offered in the budget.

I do not know if members knew this, but Agriculture Canada was already predicting a drop in national net farm income this year of 34%, making it one of the worst year's on record. The farm economy in Saskatchewan alone will be experiencing its third consecutive year of losses, putting the total loss for the last three years for Saskatchewan producers at a staggering $900 million. That is unimaginable to me. What is even more alarming is that the farm income predictions for this year were made under the assumptions that the border would open to Canadian cattle and the Canadian dollar would remain in the 80¢ range. Clearly, neither of these assumptions is valid and so the decline in farm income this year promises to be disastrous if further support is not provided to our farmers immediately.

● (2205)

The Government of Canada needs to do much more to help our producers get back on their feet before our wealth of agricultural expertise is lost as more and more people pull out of the industry or are forced out by bankruptcy. Moreover, it is imperative that we continue.

A friend of mine, a three generation ranch farm, went into bankruptcy recently near Ponoka, Alberta. He has kids under 10, and his brothers are in difficulty. The whole community has been affected by the bankruptcy. To me it is an absolute tragedy that his financial institution could not have helped him get through this.

We have to support producers in this time of crisis so they can continue to leverage the competitive advantage in the production of capital intensive agriculture commodities and thus benefit from the continuing liberalization of global agricultural trade.

The competitive advantage of our producers is undeniable, especially when one considers that Canadians spend about 10.6% of their disposable income on food. The removal of trade barriers in global agricultural trades should be a boon for Canadian farmers and the Canadian economy, but this will only happen if we provide farmers with the support they need to get through the current crisis.

If this is not an emergency, then I do not know what is. I see no better time than now to take some of the $3 billion that has been earmarked for emergency situations and use it to alleviate the enormous crisis that farm families across the country are facing.

We can no longer stand by while an industry that provides the very nourishment that keeps us alive, an industry that makes up 8% of our economy and an industry that provides jobs for one in eight Canadians continues to be caught in this seemingly perpetual state of crisis. The time for action is now, and we must simply put a lot more money behind our farmers now.

● (2210)

Mrs. Lynne Yelich (Blackstrap, CPC): Madam Speaker, I was pleased to hear the hon. member's comments. He recognizes that the Saskatchewan economy is not very good. The agriculture economy is in the minus, by hundreds of millions. It is not very sweet, but yet the government and the finance minister from Saskatchewan continue to say that forever dollars go to Saskatchewan and to the agricultural community.

How can the member sit on the same side and allow these misrepresentations? It is simply not true. We are not getting the money. Would the member like to respond somehow and tell Canadian farmers what they can expect. Is there any hope? He heard the hopeless stories tonight. No one feels very good. We do not really have much hope. Perhaps he can help us because he is on that side of the House. Is there a way we can connect and get the message over there that we need the money and we need it now?

Hon. David Kilgour: Madam Speaker, I could not agree more with what the member for Blackstrap has said. She probably knows this far better than I do, but the losses of farm producers in Saskatchewan has been $900 million over the last three years. How many communities have seen their schools and stores close? It is simply unacceptable.

As a prairie Canadian like her, we have to do more. Prairie Canada and other parts of Canada are in crisis. This is the time when all the money we have for so many other things has to be focused on our producers. If we can get them through this, as I tried to say in my remarks, then we will be in a position where we can continue, as we are doing, to increase our exports of agricultural products.

This is the time. This is the rainy day. All the money that the Minister of Finance has been spending, and it seems to me a great deal more than has been committed to agriculture, should be going to help people like her constituents now. I see three other members of the agriculture committee as well as the chair here tonight. Their constituents are suffering enormously by what is going on right now. The Government of Canada, along with provincial governments, is supposed to help these people. They need it desperately, and I am sure members on all sides of the House agree with that.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Speaker, I will admit I am disappointed that the member from the governing party has not talked about some of the benefits we have put out there. It leaves the impression that a lot of effort has not been made. In fact, as I indicated earlier, as a government, we have paid the largest payouts to the farm community in Canadian history. That is not to say that there is not hurt. I fully admit, and so has the minister, that there is extreme financial hurt in the farm community.

However, I would ask the member this. In terms of moving ahead and moving forward, how does the member believe we should proceed? Should we emphasize more in safety nets, which is basically government payments into the industry? Should we take a somewhat different approach or in parallel to try to deal with the real problem, which is the lack of return? We have had a declining return in the marketplace for producers. It has been declining down for 25 years, not only in Canada but globally. Should we be emphasizing in that area and trying to make the market work more for producers than it currently is? The moneys need to come from there. Safety nets only cover some of the shortfall, not it all, and we know that.

● (2215)

Hon. David Kilgour: Madam Speaker, there has been a large payout, but it is also the largest crisis we have had. It is fine to say we have done this, but it is raining now. It is not good enough to say we will wait and see. This is not an attitude the Canadian producers can take.

What should we do? Other countries, the United States and its heartland, folks in Manhattan or San Francisco, have a real concern, affection and anxiety to help their farmers. They are treated as a strategic industry, which they are, and they are given all kinds of help, and equally so in Europe.

I know the parliamentary secretary is fond of saying that we have given about as much aid as we can now into the WTO. As a matter of fact, Madam Speaker, in your home town tomorrow I am sending a paper, because I cannot go to give it, on what agricultural subsidies are doing in Canada today. As it turns out, and I only learned this recently, we can do a lot more subsidizing of our producers as long as we are not in the red light district under the WTO. However, under green and amber we can do things to help our producers. I am glad to see my knowledgeable friend is nodding his head.

[*Translation*]

Mr. Roger Gaudet (Montcalm, BQ): Madam Speaker, I wish to share my time with the hon. member for Joliette.

Agriculture is being manhandled by Ottawa. Few countries have abandoned their agricultural sector as much as Canada did when the Prime Minister was Minister of Finance. Today more than ever, agricultural producers are less well supported, even though we are in the midst of a serious agricultural crisis caused by tumbling prices and the mad cow crisis.

When Ottawa intervenes, it establishes Canada-wide measures that do not meet the needs of Quebec or the other provinces. In fact, Quebec agriculture and Canadian agriculture are different. They are organized differently and do not have the same requirements. These measures are structures which only get in the way of helping farmers.

This crisis has struck Quebec twice as hard. It should not have affected Quebec at all. The discovery of one case of mad cow in Alberta, in May 2003 and the American embargo that followed have plunged the cattle industry in Quebec and other provinces into the depths of despair. If Canada were divided into health areas and controlled its borders and its public health policy, it would not be hit by the American embargo nation wide.

I want to warn the government's negotiators at the WTO by reading them a letter from the President of the Fédération des producteurs de lait du Québec.

> Dear readers,
>
> The negotiations on agricultural trade at the World Trade Organization, or WTO, will intensify in 2005. The framework agreement on agriculture was ratified in July, and members countries are now negotiating the terms and conditions. This could have a major impact on our agriculture and, consequently, on our food sovereignty.
>
> For Canada, the main issue is the future of its fair agricultural model: supply management.The freer trade advocated by the WTO is threatening one of its pillars, namely import controls. We must not forget that the world dairy ingredients and products market is used to dump subsidized surpluses which, in the absence of effective controls, will take over our market.
>
> Our model benefits society as a whole, not only the producers. It deserves to be maintained. Why? Because its allows producers to make a living from the market , without any subsidies. It fosters small family farms and very reasonable consumer prices. The public purse, regional economy and consumers all benefit from supply management.
>
> The 1994 WTO agreement is already surreptitiously undermining supply management because Canada failed to take appropriate action in this respect. Following this agreement, imported dairy ingredients escape customs control and replace locally produced milk and cream in our dairy products at the expense of dairy producers and the natural quality of our products.
>
> Like any other country, Canada must assume its responsibilities, using every means at its disposal to ensure better control at the borders. It is in the interest of the industry and consumers, who have the right to expect quality dairy products made in Canada, at an affordable price.

The letter is signed Marcel Groleau, president.

All this to say that Canada must immediately commence negotiations at the WTO and protect our industries, such as the milk, egg and turkey industries, which belong to the GO5.

Each dollar generated by the milk industry creates $26 in economic activities. One job on a dairy farm generates 1.5 jobs in the rest of the dairy industry. In Quebec, this industry alone employs 45,000 people, while in Canada, the figure is over 100,000.

During our negotiations with the WTO, I am asking the Minister of Agriculture and Agri-Food and his staff to be careful and to protect our agriculture, which is not costing them anything. This is important.

The main problems that have confronted the agricultural sector in recent years are: the income crisis; the globalization of markets; the reviewing of joint plans at the World Trade Organization; and increasingly more stringent environmental regulations on food safety, which adversely affect Quebec producers who must face foreign competition.

The government has to make a commitment to the agricultural sector. Agriculture makes an undeniable contribution to the vitality of rural regions, both in Quebec and elsewhere in Canada.

● (2220)

Being able to rely on a domestic and independent food supply contributes to the sovereignty of our nations. This is evident now more than ever and we must pay particular attention to the problems that Quebec and Canadian agriculture is facing. The government must commit to ensuring the harmonious development of agriculture and guarantee that agricultural activity will provide a fair remuneration for the work of men and women who make their living at it. This is more than wishful thinking. It requires a commitment, a real and feasible plan, for concrete solutions are what we have been waiting for since the discovery of the case in May 2003. None has yet been forthcoming.

This government has just shoved agriculture aside. If I remember correctly, the last three agriculture ministers have not been able to make their government, the Liberal government, see agriculture's importance for this country, or the importance of this continuing crisis, which is impoverishing our farming men and women.

Each of them has done his world travelling, Canada is, however, a member of the G-7 or G-8 and they have not been able to get the Canadian border opened up for beef exports. What means have they been using? Not a one. They have found no solutions for solving the problem, in the short term, the medium term or the long term, just ad hoc measures that solve virtually nothing.

There was a cross-Canada tour with the Parliamentary Secretary to the Minister of Agriculture and Agri-Food in January 2005. They found there was a shortfall of $2.1 billion, so what solution did they come up with for the producers? Nothing. Nothing at all. Nothing but promises. They have been making promises for 12 years and one of these days this will catch up with them.

As the critic for agriculture, I would like to do everything I can to defend the interests of Quebec producers and farmers. We must not forget that, when agriculture is well, all is well in the best of all worlds. If they need me, I am here for them.

[*English*]

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Madam Speaker, I want to thank the hon. member for his remarks. He works hard on the agriculture committee and he put out a statistic which I think really shows the value of the agricultural industry and the value of some of the Canadian programs that are in place.

He mentioned dairy. For every dollar of produce, I believe he said, there is a $26 spinoff into the economy. That shows what some of the national marketing systems that we have in place can do. Not only do they create income for primary producers, but they create economic growth for the country as a whole. As a result, the farming industry is indeed to a great extent the economic backbone of the country, creating one job in eight, and the list goes on.

I want to congratulate the member on his remarks and for pointing out some of those facts, because these are the facts that the general consumer population needs to realize. It is important for the Government of Canada and for Canadians to be there for the agricultural industry in its time of need.

● (2225)

[*Translation*]

Mr. Roger Gaudet: Madam Speaker, I thank the parliamentary secretary and I appreciate his congratulations. Still they have not yet found solutions because if we go back to what he was saying earlier concerning dairy products, they allowed in soy oil and cheese sticks that could possibly have brought in over $1 billion for farmers from 1997 to 2002.

I think the Prime Minister and the Minister of Agriculture and Agri-Food should go off together on a crusade to the United States. If memory serves, during the crisis of September 11, 2001, the United States was on its knees begging Canada to strengthen security. Why is it that today, because of one poor little mad cow, our whole agricultural industry has been brought down? What I would like would be for the Minister of Agriculture and Agri-Food to set out on a crusade with the Prime Minister and other important ministers. I am just wondering if the Minister of Agriculture and Agri-Food is really a minister or if he is just a pawn the government has put in place. It seems to me that he does not get support from the rest of the cabinet. He is always all alone in his corner. So I am really wondering whether or not he has been forgotten.

[*English*]

Mrs. Lynne Yelich (Blackstrap, CPC): Madam Speaker, I listened to the member's reply and cannot help wondering when he says the Prime Minister is a pawn if he would agree that perhaps the problems with our trade relations have to do with some sort of connection with the announcement last week when the Prime Minister decided not to join the U.S. missile defence.

I read about how it is a security issue. The spokesman said that they do believe it is a security issue. We believe it is a trade issue. I think it is both a trade and a security issue. I am wondering if the member would see a connection with the Prime Minister's announcement last week. Is it perhaps related? Does the member agree?

[*Translation*]

Mr. Roger Gaudet: Madam Speaker, very honestly, I thank the hon. member for her question.

However, I do not think there is any link. The American government's dice have been loaded for many years, so that it is no longer possible to reach an agreement with the U.S. on almost any project, such as the missile defence shield. Whatever has happened with the Americans, we have no agreements with them.

We have not been able to win an argument with the American government as a full-fledged G-8 country. That is what amazes me the most. As a G-8 country, we are unable to thump our fist on the table and say that we, too, are as capable as anyone else. But no, we are at the mercy of all those countries, especially the United States.

Mr. Pierre Paquette (Joliette, BQ): Madam Speaker, it is with both great satisfaction and great disappointment that I take part in this debate. We will recall that, just a few weeks ago, President Bush came to Ottawa to meet with the Prime Minister of Canada. He gave us the assurance that the border would be reopening in early March. At the time, we all wanted to believe it would. I warned against rejoicing too fast, because a similar announcement had been made once before, but then a mad cow, a Canadian cow, was discovered in the U.S. That had delayed things. Once again, a portion of the U.S. cattle industry was able to take advantage of the discovery of another mad cow, this time in Canada, to pursue their protectionist approach, which, in a few areas of the U.S economy, is unfortunately the trademark of producers.

We are talking about agriculture, but we could also talk about softwood lumber. We could talk about live hog and the dairy industry as well. Even though, earlier this year, there was hope that the border would reopen, intensive lobbying of all U.S. representatives and public opinion should have continued to explain that there are no public health reasons to ban cattle exports from Canada and Quebec to the U.S.

I think that we have taken a somewhat careless and wait-and-see attitude in relying only on the word of the U.S. president. I am convinced of the sincerity of the U.S. president on this issue, because, shortly after the injunction was obtained in Montana, President Bush announced that he would be supporting Canada's position, that is for the U.S. border to be reopened to cattle from Canada and Quebec.

Convincing the U.S. president is not good enough, however. Once again, we are getting proof of that. We can think of the cattle issue. In this respect, we have heard all through the evening very important testimonies from members like my hon. colleague from Montcalm. But we have to realize that the same is true for softwood lumber.

We are told in this connection that the Americans are going to respect the decisions by the WTO and special NAFTA panels. Unfortunately, after six positive decisions, in favour of the Canadian position, the Americans are still withholding the $4 billion-plus in countervailing duties illegally collected in connection with Canadian and Quebec softwood lumber exports.

The other example I can give is the Byrd amendment. Canada was right in its WTO challenge with the other countries of the Americans' decision to include in their trade legislation the provision that results —and I will remind you of this here because we are still in the process of putting in place the retaliatory rights to get the Americans to comply with the WTO decisions—in its being illegal for the Americans to levy countervailing duties and antidumping duties on foreign exports in a trade dispute and to hand them over to the industries lodging the complaint.

Obviously, something like the Byrd amendment acts as an incentive to file complaints and to create trade disputes. Consequently, softwood lumber, like the matter of exporting Quebec and Canadian cattle to the Untied States, is part of a context in which it seems, from the American point of view, that they will experience a great deal of difficulty in fulfilling their obligations toward Canada in relation to the decisions reached by the international institutions, or in the case of NAFTA bilateral institutions—in fact trilateral, since Mexico is included—or complying with treaties I would imagine were signed in good faith.

Given this context, after the visit by President Bush, the Prime Minister ought to have taken the bull by the horns—pardon the play on words—and continued his crusade in the U.S. in order to ensure that the President's commitments are respected.

● (2230)

This calls into question the government's approach to trade disputes with the United States. All too often, I get the feeling that the current government, the Minister of International Trade and the Minister of Agriculture and Agri-Food are afraid that if Canada asserts its rights at mutually established institutions, such as NAFTA and the World Trade Organization, it will antagonize the Americans even more. That is not how it works.

We know that the United States is a huge country that has a very diverse economy, particularly in terms of the production of goods, services and agricultural products. Often, we will have to face well-organized lobby groups, but they are limited, however, within the industry.

For example, with regard to softwood lumber, the entire softwood lumber or construction industry is not opposed to the return of the free trade of softwood lumber. In fact, here, we have allies in the U. S., just as we do with regard to Canadian and Quebec cattle, starting with the American president. I could name a number of other allies, particularly in terms of live hog, for which there was a preliminary announcement about countervailing duties.

A large part of the American industry realizes that it goes against its own interest for this lobby, representing one section of the American hog industry, just as in the softwood lumber and cattle industries, to want to use dilatory measures simply to protect their market from exports or, in this case, from Canadian imports.

This is the context, I believe, in which Canada must now raise its voice in terms of its overall approach to Canada-U.S. relations. In fact, we have gotten nowhere by not asserting our rights or by adopting a low-profile strategy and maintaining informal relations. I remember the Minister of Foreign Affairs, when he was Minister for International Trade, saying to let him do his job and to be patient, since he knew what he was doing. Two or three years later and the conflict has yet to be resolved. The border has been closed to Canadian cattle for the past 18 months.

In my opinion, Canada and the Liberal government has to stop taking a wait-and-see attitude and has to let all our trading partners know that the Americans are not honouring their international obligations towards Canada. There are a number of ways to do this.

The meeting the Prime Minister of Canada will have with his counterparts, President Bush and President Fox, will provide an opportunity to make a point. It is not enough to tell the U.S. president that we would really like the U.S. border to be reopened to Canadian cattle and the softwood lumber dispute to be resolved.

On the pork issue, we are looking at a preliminary notice of countervailing duties. I hope this will not go any further. It has been unsuccessful in recent years. Unlike us, the Americans have a plan. It is important to understand that, in reference to the cattle, softwood lumber and pork industries, I am talking about industries relying on protectionism to protect their markets. Informal negotiations or discussions such as those we were involved in are not enough for them.

The time has come for Canada to let the U.S. president know that we want to have a very serious discussion on preventing industries like the lumber, cattle, pork or steel industry from using dilatory tactics to avoid complying with decisions rendered under the rules we have mutually agreed on.

On March 23, the Prime Minister of Canada will have a very big responsibility. I will conclude by saying that I was amazed to learn today—I will check it out tomorrow—that this meeting whose purpose was originally to discuss improvements to NAFTA will not have that particular item on the agenda.This would mean taking not only a wait-and-see attitude, but also an absolutely irresponsible one.

● (2235)

[*English*]

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member talked about a range of trade issues, but I want to stick to the subject of the debate here tonight which is agriculture.

I want to first of all point out that the ruling in the United States in terms of pork indicated that no countervail action was to be taken. It had to do with anti-dumping issues and not countervailing issues. The reality is that Canada clearly does not subsidize its pork industry.

He raised another issue which has been brought up in the House on a number of occasions, one which is important to re-emphasize. It is not President Bush's position that the border ought to remain closed between Canada and the United States in the trading of live cattle. His position is the exact opposite. He is supportive of opening the border. He has indicated clearly that he is willing to take what for him would be an unprecedented step which would be to cast a veto should Congress move to disallow the particular rule.

The U.S. administration is clearly speaking in the same voice as Canada, that the border ought to be opened and it should be opened on the basis of science. That science exists and it states clearly that there is a strong regulatory regime in Canada to ensure that animal health and human health are protected.

This is not an issue between the President and the Prime Minister or between the USDA and the Canadian agriculture ministry. It is the result of a group in the United States which brought a court action and achieved a temporary injunction which the USDA intends to vigorously argue against.

The member talked about a litany of other issues, but in terms of the agricultural issue, the Government of the United States and the Government of Canada clearly have a similar position in that respect. In terms of this particular agricultural issue there is no division between Canada and the United States. Both governments believe that the border ought to be opened and it should be opened based on science and that it should occur now.

● (2240)

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I thank the minister for his question. As I said in my speech, I concede that President Bush has adopted the same position as Canada, or so he said. During his visit, he had effectively guaranteed us that the border would re-open in early March. As far as I can tell, he is unable to keep his promise because, on the one hand, a court in Montana has issued an injunction and, on the other, the American Senate passed a motion.

When American parliamentarians adopt a motion by a slim margin, we have a very serious perception problem. I think that it was 54 to 49, approximately, so it was a relatively slim margin but the motion passed all the same. So, we must deal with this perception problem, and that is not something we can do overnight.

That is why I wanted to put this debate on the closure of the border to Canadian cattle in a broader perspective, in the context of our overall trade ties with the U.S. We have a number of problems. I see that the low-profile strategy has not worked at all.

If we have the support of Mr. Bush here, that is a plus, but there are still some things missing and we need to work on them.

I cannot believe that the Prime Minister will not, in his meeting on March 23 with President Bush, address the question of the border closure. Judging from what the minister says, it is more or less pointless to do so. The matter must be brought up, but so that we look for strategy together that would prove to the U.S. courts that Canadian beef meets all health standards.

This leads me to another topic. Not only does Canada have a wait-and-see attitude in its trade relations with the Americans, but it is inconsistent. I am sorry to again draw a parallel with another issue, but the Liberal government's strategy with respect to softwood lumber is the same as its strategy with respect to cattle. Yes, there are procedures. Informal discussions appear to be taking place; there is nothing really formal in the way of discussions. The government is certainly not threatening the Americans with the implementation of the rules agreed onmoreover, there is no help to the victims here in Canada and Quebec.

Neither the beef producers nor the dairy producers of Quebec have had any sort of program of assistance that can be called such. The message being sent to the Americans is basically: hang in there. The number of victims created in Quebec and in Canada will make us far less of a trade threat in future.

It is the same thing with softwood lumber. We were promised assistance. We saw phase one, assistance with court costs for communities and associations, but then nothing more since 2003. Every year, the softwood lumber industry and the various companies have some $100 million in legal costs just to keep on going.

So without a solid assistance package in place to show the Americans that we are going to be able to hang on to the end, if no public opinion campaign is undertaken by U.S politicians and of course the American administration, we will not be able to survive this cattle crisis.

● (2245)

[*English*]

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Speaker, I thank the member opposite for putting this issue on the agenda this evening. It is a very important debate. It is especially so to producers in terms of if there are any added incentives or extra solutions we can bring out of this debate tonight.

The focus of the debate should be kept on where the responsibility for the latest crisis lies, and that is with the United States. I have to add a caveat to that, which is that United States President Bush and Secretary of Agriculture Johanns are on our side on this issue. They are fighting with us in terms of trying to get the border open. However, a single judge in the state of Montana and a group of protectionist producers are clearly responsible for this additional dilemma in which the Canadian producers find themselves. That is a fact.

As was heard in a question earlier this evening, I personally believe the way this was handled by a judge in Montana is an affront to common justice. The facts were not allowed to be put on the table in terms of the science that had been done by this country. When one reads the 27 page transcript from the judge, it is clear that the transcript was written well in advance and reeks more of politics than it does of law. That saddens me when I look to our neighbours to the south and think that justice in this case does not prevail. In fact, there has been a serious injustice done to Canadian producers, and over the long term to American consumers and probably American producers over the longer term as well.

It was summed up pretty well in an article in *The StarPhoenix* on March 4, entitled "Science, law victims of BSE". I will quote a couple of sections from that article:

> The judgment is specious and ignores both the rules of law and science. And, as if to trump Cebull's myopic injunction, the U.S. Senate followed the lead of a protectionist North Dakota Democratic senator in proposing a bill that will punish consumers for the short term and producers indefinitely to continue the ban.

The article goes on to state:

> The U.S. economy with its huge trade deficit is increasingly in danger of becoming isolated from the world, and made irrelevant. Canada, for example, is pushing to process its own beef and battling to find markets in Asia and Europe — anywhere outside the Fortress USA.

At least the editor of this article recognizes something that the opposition party tonight has tried to avoid. The opposition has tried to get into the political rhetoric without at least acknowledging some of the things we are doing. In the debate tonight we should be adding ideas on top of that so that we can in fact do better for producers in terms of opening up markets.

For once, instead of playing political games the official opposition should be prepared to take a position it may wish to avoid. Namely, it should stand with government members in condemning the United States Senate for adopting a protectionist, anti-trade, anti-science based assessment motion which effectively keeps the border closed.

● (2250)

As I stated a moment ago, the continued closure of the border is the result of a United States judge in Montana accepting the narrow protectionist arguments of R-CALF, a splinter group of U.S. producers determined to keep the border closed in order that they will be able to inflate prices to their consumers and really damage the whole idea of an integrated marketplace in North America and the whole idea of free trade.

It is the knee-jerk reaction of a protectionist U.S. Senate as well that talks free trade and practises protectionism.

As it was with the United States Senate, it was apparent in the decision of the United States District Court in Montana that the issue is not safety. The issue is clearly protectionism.

I will say that we have some allies in the United States Senate as well. On the floor of the United States Senate, Canada and its food inspection system had its defenders. I want to mention a few of those examples. It is important to hear what some senators in the United States are in fact saying.

S. O. 52

Senator Bond, who is a Republican from Missouri, had this to say about the call for the border to remain closed to Canadian beef by his colleagues in the Senate:

> We just heard a defence of protectionism. Let me define what protectionism is. Protectionism is, in my view, the use of scare tactics, the use of unfound scientific information, in an attempt to protect our markets. In this case, I believe sound science dictates it is time to open the border.

Let us turn to Senator Allard, who is a Republican from Colorado. In response to the motion to ensure that Canada's beef products are kept out of the United States, this senator said:

> Frankly, the Canadian border is already open. Boxed beef is coming across the border from Canada in record numbers, numbers higher than they were before BSE was discovered in Canada.... U.S. beef imports from Canada set a record in 2004, approaching 1.2 billion pounds, a 12% increase over 2002 levels. During 2005, beef imports from Canada are expected to total 1.2 to 1.3 billion pounds.

At least that senator recognizes what the opposition fails to admit, that we have made progress with beef products.

Yes, we want to make progress with live animals under 30 months and eventually get to exporting into the United States breeding stock again from both dairy and beef. We have some of the highest quality breeding stock in the world and that border should be open to those stocks as well.

Senator Allard called attention to the support of the scientific community on the safety of Canadian beef. He went on to say that the Harvard Center for Risk Analysis has stated that there is no body of scientific evidence indicating there is any potential risk to the American consumer in allowing live Canadian cattle under the age of 30 months to enter the U.S. marketplace.

That backs up everything the government, the livestock industry in Canada, and indeed the opposition in this case have been saying, that there is sound science behind our livestock industry, that we have some of the safest food in the world and the border should be open to the sale of those products.

Senator Chambliss, who is a Republican from Georgia, had the following to say concerning the work of the USDA inspection team, which reported on January 24:

> The inspection team found that Canada has a robust inspection program, that overall compliance with the feed ban is good, and that the feed ban is reducing the risk of transmission of BSE in the Canadian cattle population.

● (2255)

The USDA report continued by stating:

> The Canadian feed ban is not substantially different than the U.S. feed ban.

Then he continued by pointing this out and I agree entirely:

> —the Food Safety Inspection Service, FSIS, has audited a number of Canadian plants and found them to be in compliance with U.S. BSE requirements, including SRM...removal.

The powerful National Cattlemen's Beef Association sent a delegation to Canada in January. Senator Chambliss quoted them in his remarks in the Senate:

> The Canadian feed industry appears to be in compliance with its feed ban, based on visual inspections and multiple annual audit reports.

S. O. 52

The consequence for the United States of the border closure to United States beef by the Japanese has been as frustrating as is the continued closure of the U.S. border to Canadian producers. That is a recognized fact. United States producers are frustrated with the closure of the border by Japan and Canadian producers are frustrated by the closure of the border by the U.S.

In that regard, though, the U.S. senators pointed to the hypocrisy of the U.S. Senate calling for the scientifically unjustified continuing closure of the Canadian border while demanding that the Japanese open their border to the United States on the basis of science. Nothing could be more hypocritical than that.

The fact of the matter is that we have an integrated North American beef industry. It is the most integrated industry that we have between our two countries. The Americans should understand they are going into the Japanese market only when they treat us the same way they expect to be treated themselves by the Japanese. It only makes sense and it should be based on sound science.

Over the long haul, this decision by the Montana judge is going to hurt the American livestock industry in its ability to move forward.

Senator Roberts, a Republican from Kansas, had this to say about the continued closure of the Japanese market:

> The international science...says our cattle under 30 months of age are safe and not at risk for BSE. Still that market remains closed to the U.S...The market is not closed because of scientific concerns. It remains closed because of internal Japanese politics....

Senator Roberts continued by saying that keeping the Canadian border closed without a scientific justification is counterproductive for efforts to open the Japanese market. In the last quote I will read to members, he said:

> The same international science and guidelines that say that U.S. beef and animals under 30 months of age are safe also say that the beef and animals in Canada under 30 months are safe as well....That is the sound science standard.

I raise all those points because I think it is important to note that we did have a lot of allies in the United States Senate in terms of the debate that occurred there. Yes, the motion went the other way and some are trying to put a ban on the USDA decision to allow our products into the U.S., but it is important to note the argument these senators made. They were making their argument based on sound science. They were making it out of a belief in the terms of the integrated market that Canada and the United States have, and they were looking at the systems we have in place in Canada and recognizing the good systems that we in fact do have in place.

I raise those quotes just to point out to the opposition that yes, there are allies, and I would encourage opposition members here tonight to ally themselves with the government in terms of moving forward instead of using political rhetoric, instead of using the example of the border closure as a way to attack the government. On this issue the House should be united and working together to force the border open, to find other markets and to stand with beef producers and the farming industry in their time of need.

● (2300)

The Minister of Agriculture and Agri-Food has understood for a long time that regardless of whether the border opens or not we need to do what we can within our own domestic industry to move forward. On September 10 he provided, through the Government of Canada, a repositioning strategy for the livestock industry in this country.

This national strategy, with measures totalling $488 million, quickly began helping the industry move forward toward operating on a sustainable basis, not as profitably as we would like, certainly, but moving forward. That strategy includes continuing efforts to reopen the U.S. border. It included taking steps to increase ruminant slaughter in Canada. As has been mentioned, and I will not go through the numbers again, the numbers are in fact increasing. We want them to increase more.

It includes introducing measures to sustain the cattle industry until capacity comes on line. That was the fed cattle set-aside and the feeder set-aside program and it did have the success of bumping up the price and returning more from the marketplace itself. Yes, that came crashing down when the Montana judge made his decision, but maybe it can assist in the future again.

Finally, it includes expanding access to export markets for both livestock and beef products. This is an area in which the minister has worked very aggressively. He has been very hard at it. The Deputy Prime Minister announced earlier tonight that the opening up of the Hong Kong market is a result of the minister's efforts in that regard.

As for slaughter capacity, I am happy to report that where we were once processing 65,000 animals per week, we are now processing 83,000. The minister has said he would like to increase that capacity to about 100,000 per week because he knows that Canadian producers deserve the opportunity to have their cattle processed in Canada.

So we are in fact moving ahead. We are using the repositioning strategy. As members back in this corner where the NDP reside, they tried to leave the impression that we were not doing anything in that regard. We in fact are and it is having some success.

The Minister of Agriculture has listened to the needs of rural Canadians. He has tried to move forward quickly on that front.

There is no question about it: there is a cashflow and liquidity issue in the country. It has come up and we would expect it to come up in this debate tonight. There is a cashflow and liquidity issue in the country. There is this issue, and it has been admitted that the Canadian agricultural income stabilization program, or CAIS, the new program that it is, has not exactly responded as fully and as aggressively in returning incomes to producers as the government would have liked, but it in fact has been able to roll money out to the agricultural community in record levels.

We have to recognize that. Let us not try to slough it under the rug. We have admitted this. Yes, there is a cash income crunch out there, and the minister has asked me to hold consultations across the country on farm income. I am in the process of doing that. We have held meetings in every province now. We will be trying to focus that into a plan of action. The numbers are severe, there is no question about it. The market has not been returning to producers the kinds of incomes needed to cover their cost of production and a return on their labour and investment. We need to focus on that problem as well as this one.

The fact of the matter is that record amounts of dollars have gone out from the Government of Canada, with $4.8 billion in 2003. There are record amounts of dollars going out to the farm communities to assist them in terms of a safety net capacity and to assist them in their incomes. Of course it is not making them money; it is there as a safety net. We have to try to address that other concern in farm income.

● (2305)

The bottom line is that the minister and the Government of Canada have shown they are aggressively working on this issue through the repositioning strategy, through the programs that are in place and through the additions we made in the budget.

As the minister said earlier tonight, we will stand with producers in their time of need. I would look for some positive suggestions from members of the opposition for a change, things that we can look at, analyze and really use to assist the livestock industry.

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, since we are talking about American relations and rhetoric, I just wondered if the minister noticed that up until November with all of the anti-Bush remarks there was not a very good relationship between the Americans and the Canadians or between President Bush and our Prime Minister. It was not until after President Bush met with our leader, Stephen Harper, that we started to see better—

The Acting Speaker (Mr. Marcel Proulx): I remind the member not to use members' names.

The hon. Parliamentary Secretary to the Minister of Agriculture and Agri-Food.

Hon. Wayne Easter: Mr. Speaker, as somebody on my side of the House said, that is quite a stretch but it would be unfair to say that about its entirety. I think that the leader of the official opposition as well as the Prime Minister of Canada and the numbers of ministers who have talked to President Bush have had some impact on this issue. I do not think there is any question about that. I expect that the leader of the official opposition, as well as the Prime Minister, put forward the issue of BSE and the need for the integrated marketplace that we have and the need to move ahead with a good relationship.

We are always going to have these trade issue problems of some kind. We have a huge trading relationship at around $2 billion a day, so we do expect some bumps in the road.

We have clearly shown we want to be and we want to remain a sovereign nation in some of the decisions that we have made, so there will also be some differences of opinion there.

I think that at the senior levels of government it would be wrong to believe that a policy decision the other sovereign nation does not agree with would have any substantive impact on the trade relationship. That would be wrong and we both know it, because in order for both economies to remain strong and grow we have to work together and have that international trade relationship work in a very positive way.

That is what we want to do on this one. In fact, President Bush and Secretary Johanns are on our side, as are quite a number of senators, as I have quoted, and they are trying to make that relationship move forward and open up that border.

Mrs. Lynne Yelich: Mr. Speaker, being that my hon. colleague will not acknowledge that our relationships improved after that visit, I would like to ask the hon. member this question.

In Saskatchewan the situation is very cruel. I cannot express it strongly enough. The hon. member is in a good position to get some cash into our producers' hands. We have had a gamut of problems with everything from drought to grasshoppers. The CAIS program is not working because we cannot have that margin that we need to access CAIS. I would like to ask the hon. member what he can do for our producers in Saskatchewan, because across the nation they are suffering the worst by far of all the provinces. I would like him to comment, please.

● (2310)

Hon. Wayne Easter: Mr. Speaker, I thank the hon. member for her question and indeed for her concern. I have spent a lot of time in Saskatchewan myself over the years. I agree that it seems to be one thing after another, the August 23 frost, the border closure, and low grain prices.

In terms of government programming, CAIS is not the only government program. There is crop insurance, PFRA, interim cash advances, spring and fall cash advances, and the Canadian Wheat Board that maximizes the returns that are in the marketplace back to primary producers.There is the supply management system in some industries. There is a gamut of programs that are designed to assist producers. There has been some of the ad hoc funding that the minister mentioned earlier in terms of the BSE crisis.

There were a lot of things in my farm income hearings across the country that were certainly stated clearly. One of them was the lack of market power that producers have in the marketplace.

I want to quote a rural sociologist, William Heffernan. He summarized from his point of view what is becoming all too evident to a number of primary producers. He said, “Economic power, not efficiency predicts survival in the system”.

I raise it because Canadian farmers are among the most efficient and most productive in the world. Yet, as a result of all our productivity, their efficiencies have been drained off by someone somewhere. They are not receiving their cost of production and return on labour investment even though they are efficient and productive. Why? Is it because they do not have that economic power?

I think this statement is realistic. We must find ways together to ensure that they do have more power in the marketplace and they get a fair share of that consumer and export dollar.

I raise that challenge with opposition members. Let us work together in terms of trying to achieve ways and means for farmers, for primary producers who are efficient and productive in this country, the backbone of the economy in rural Canada, to receive a fair return on labour investment. How do we find ways to give them some of that market power so that they can get that share of consumer and export dollars?

S. O. 52

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I will be splitting my time this evening with my colleague from Bruce—Grey—Owen Sound. I want to thank my colleague, the member for Battlefords—Lloydminster, for allowing us to have this debate and for bringing this motion forward.

I also want to recognize the Minister of Agriculture and Agri-Food for taking the time to be here and to listen to all the comments that have been made. We hope that he will take that back to his office and make some good out of it.

I would also like to acknowledge that there has been a lot of talk back and forth about the U.S. I think it is important that both sides of the House, as has already been mentioned, thank President Bush, Secretary of Agriculture Johanns and past Secretary of Agriculture Ann Veneman for their goodwill and their hard work in wanting to ensure that the border stays open and that we do have a true North American market.

This side of the House definitely realizes that the situation that we are in today, with the border not opening up on Monday as we expected, is the result of a special interest group. The R-CALF ranchers are definitely a group that has profited by having the border closed. They have seen record cattle prices because of the fearmongering that they have been able to accomplish.

If we take that special interest group and combine that with a judge who is sympathetic to their needs, we have these injunctions. The first injunction was granted back in 2003. There is now this injunction granted just last week. Unfortunately, there may be further injunctions coming forward because R-CALF supposedly may be bringing forward more lawsuits before that judge.

There has also been a lot of rhetoric surrounding the relationship between Canada and the United States. The one thing that we cannot ignore is that the vote in the senate last week to ensure that the rule never becomes law is a reflection of the relationship between the Canadian government and U.S. politicians. If that vote had been held two weeks ago, we can be assured that it would have carried. We would have seen the rule pass the senate and not be defeated.

The one thing that we have to learn from this whole process is that the opening of the border is unpredictable. We cannot bank on the border opening on a certain date. One of the problems that we have had in the past is that we have always given the industry these false promises that the border was going to open. We should have been planning two years ago that the border might never open. We have to develop a made in Canada solution.

There has also been a lot of talk about the current programs that we have and the moneys that have supposedly gone out to the industry. I want to do a quick recap on that.

In all the programs that have been announced in 2004, the bison, elk, sheep, goat, and other ruminant species have been shut out of any federal dollars. I continue to hear from those producers and from that industry that they need the support as well.

Those industries were dependent upon the U.S. market and they have to go through this adaptation. They need the support of the department and this government to ensure that they can stay on their farms.

There has been a lot of talk about the CAIS program. We talk about it all the time in the agriculture committee. We dealt with it again today. We are still dealing with the delivery of the CAIS program from 2003. We are only talking about 40,000 clients or thereabouts being paid so far out of a total of 138,000. That is not acceptable. People are still waiting for money from 2003. Here we are in 2005.

The deposit in the CAIS program has been bantered about as well. We know that this deposit provides absolutely no benefit to the producer. It is like me going out and buying a tractor and throwing it in a shed never to use it again. It is an investment that does not generate a return to the farm.

● (2315)

We need to ensure that those dollars are available to farmers so that they can do the best they can to enhance their operations, put seed in the ground, pay off some bills, pay off their bank, and make their tax payments.

We have also been talking about the loan loss reserve program which I raised in question period today. That program has been slow in coming. It was announced in September and we are only at the point now where some lenders can use it. In this situation this is unacceptable.

We have not heard any discussion about the farm improvement loan program prior to the budget and it shocked a lot of us to learn that the program was cancelled. One of the reasons for removing the program was that it was not being used very much. As a result of the crisis on the farm and the lack of new loans being handed out in the agriculture industry, there was no need to use the program if no applications were being accepted at banks or credit unions.

It was short-sighted on our part not to maintain that program, especially during this time of crisis and especially when so many young farmers are struggling with huge debt loads. They sometimes needed the bit of extra leverage that was available through the farm improvement loan program.

We must look at reality and the reality is that we cannot wait for the border to open. This agriculture crisis, not just the BSE crisis but the overall crisis in agriculture, is having a tremendous ripple affect. It is affecting all rural communities. It is affecting the health of farm families. We must address the shortcomings right away.

As a result of this being such a huge farm crisis we need to put aside our political differences and work together. As my colleague from Medicine Hat stated earlier, we are more than happy to put aside our political differences and work together to resolve this problem and to make this minority government work so we can address this issue and ensure that we come to some conclusion and lay down a road map that we could use for the upcoming years.

How do we go about structuring some of this support? Producers and farmers across Canada take the greatest pride in the job they do. They do not like looking for handouts. They would rather ensure that the industry works, that the markets provide them with a return for their product, and that they be successful in that manner.

One of the ways we could do that would be to expand our slaughter capacity. There are regional shortfalls. Manitoba, the Maritimes and B.C. do not have enough packing capacity and depend upon other regions to take their animals. We must encourage that as quickly as possible and ensure those investments happen.

We must diversify the marketplace. We must pursue rigorously opening up other markets outside of the United States, whether that be in Europe, Asia, Pacific Rim countries, or Latin America. We must rigorously go out and seek those markets. If the U.S. will not open its border totally to us, then let us present our science to all those other markets in a more effective manner so that we can get two way trade happening with those countries as well.

We have a huge number of cull animals on our hands. The herd size in the beef sector must be reduced, as well as the herd size in the bison industry, the elk industry and the sheep industry. We must look at getting older animals out of the system and expediting that. A lot of farmers are sitting around holding on to those animals. We must get them out so they are not adding to our problems by continuing to produce more offspring.

There is a contingency fund in the budget and we are requesting that this money be used to deal with this crisis. Money will have to flow quickly and go directly to the primary producers. It must be delivered outside of the CAIS program and with the least amount of administrative cost and hassle. We must look at including all ruminants as well as the grain sector in everything that we deal with in the future in this crisis.

● (2320)

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, I do not know if the member has ever been to the Nicola Valley in British Columbia, the beautiful region that surrounds Merritt. B.C. but it has fabulous ranchland. As a matter of fact, one of the biggest ranches in all of North America exists in that region. I think it could be said, like the words of the song, seldom is heard a discouraging word, in the past, as far as the cattle industry, tough Brazilian producers.

Now the CAIS program is obviously flawed and there should be no problem in admitting that a program is flawed. It is flawed in design, overweighted by bureaucracy and it is misdirected.

In the member's deliberations, has he found that the minister has been open to design changes to the program so that it can deliver in the time of crisis? The great irony is that in a time of crisis these producers are being left without help. Has he found that the minister and the ministry has been open to suggestions on changing and adapting the plan so that producers who are suddenly in the time of crisis can indeed be helped?

Mr. James Bezan: Mr. Speaker, I can assure my hon. colleague that I have actually been touring the ranches at Quilchena, Nicola and Douglas Lake and have really enjoyed the time that I had in the valley and seeing how those operations function, which is quite a bit different from the way we do business on the farm in Manitoba.

We know for a fact that when we talked about the CAIS program in debate as a supply day motion the government voted against us. However I was encouraged that the minister was able to convince the Minister of Finance to include the removal of the CAIS deposit program in the budget. Unfortunately, some debate is still going on at the federal-provincial meetings on whether those deposits should be removed and what would replace them.

I would urge the minister not to even entertain the issue of deposits. Nothing in the program provides any benefit to the producers. It does not keep the program in the green box for WTO. What we need to do right now is do what is best for the farmer and we have to look at that for the long term.

The situation we have right now is not working for the cattle industry. The delivery of disaster funds through the CAIS program does not get the money into the producers' hands fast enough and I think the CAIS administration and the minister realize that. That is why we have to start looking at delivery outside of that.

Some of the moneys that we handed out at the very beginning of the crisis back in 2003 flowed quickly. We need to revisit that and maybe make the TIS program, which was used back then, the standard for delivering compensation in a situation like this. I am a cattle producer but I hear a lot from the bison producers, the elk producers and the sheep growers in my area and I want to make sure their issues are dealt with on an equivalent basis to those of us in the cattle industry.

● (2325)

Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, before I ask the member a couple of questions, I want to point out some figures.

As of last week, CAIS has paid out $1.1 billion to producers so far. In terms of the conversation here, between the Alberta program and the national program, CAIS was able to quickly provide liquidity in the order of some $265 million to the cattle producers. I think both those figures speak to getting money out to producers.

However I have two very specific questions for the hon. member.

First, as he is aware, as he is very knowledgeable about the industry, we have put in place, along with the provinces, both feeder and fed cattle set aside programs. I would be interested to know the member's view as to whether they have worked in the past and the value of continuing them into the future.

The second question concerns the issue that he mentioned about cull animals and the age of the herd. I wonder if he would talk about what he would feel in terms of some of those specific solutions, particularly how any of those solutions may relate to the slaughter capacity that may be available to deal with handling that particular part of the problem.

Mr. James Bezan: Mr. Speaker, although money has flowed to producers, I think we all can agree that the loss to the industry is over $7 billion. The amount of money that has been derived from government sources by no means even compensates a part of the loss. Most guys are so far in the red that they barely can breathe now. Yes, we gave them some money but they have now used up all their liquidity, whether it was in cash assets or more leverage. Essentially, they have given away their entire net worth and asset base and are on the edge.

Some producers in my riding are currently going through foreclosure, and I know it is happening right across the country. I do not want to see any more losses like that. We need to be working hard to keep families on the farms and ranches and keep them productive.

I was concerned when it was first announced that there would be a lot of people, especially in the feeder program, who would use the set aside program specifically in retaining females. In my area that is predominantly what has happened. That will just multiply the problem we have down the road. It just means more heifers will be held back and put into the herd for breeding, thus increasing overall production when we have these difficulties.

In the cull cow program, I know there are shortfalls in capacity. We may have to look at some other solutions in dealing with these mature animals. I had some conversations today with some Canadian Meat Council members and currently there is room in some of the plants to handle some of these mature animals. Some of the mature cow plants are not running at full bore because they just do not see them being flushed out of the market for the price they are paying. However if there were some incentive from government to get these animals moving through the system, we could fill those plants back up to capacity and be able to expedite the cull.

● (2330)

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, thank you for granting this emergency debate on what is definitely an emergency situation in my riding of Bruce—Grey—Owen Sound and across Canada. I would also like to take this opportunity to thank the member for Battlefords—Lloydminster for initiating the motion on this debate.

With due respect to my colleagues across the floor, I would like to express my thanks to the minister and the deputy minister for sticking around until the wee hours of the morning, so to speak.

I welcome this opportunity to share the thoughts and concerns that have been raised by my constituents. I have been hearing horror stories galore. As I have said before, my riding is a very agricultural riding. Whether it is beef, sheep, elk, bison or anything else, they are all being affected by the BSE crisis.

I have experienced something I never want to see again and that is people I know declaring bankruptcy. They are neighbours and friends, and they are fighting as hard as they can to make a living but they are getting hammered every time they turn around.

The latest nail in their coffin came just last week when a federal judge in some ranching community in Montana took it upon himself to decide that if the border were to reopen to Canadian cattle, "The threats are great. Delay is prudent and largely harmless". We all know our beef is safe here. It is known around the world. This is politics at work again.

I would like Mr. Justice Richard Cebull to know exactly how harmful this delay is and will continue to be to Canadian cattle producers. It is the obligation of the government to deliver that message.

Producers across the country are losing millions of dollars and the government is doing little or nothing to help. The CAIS program has long been identified as flawed and deficient. There is $640 million right now sitting in an account somewhere. Producers who cannot put food on their tables borrowed that money. They put it up front and they need it back, and they need it back now.

The Liberals voted against our motion to drop the CAIS cash deposit and now they say they want it gone. As the member for Selkirk—Interlake pointed out, they have agreed to put it in the budget, and I do thank the minister for that, but it is still a long way from being gone.

Today we heard there will be a national CAIS committee to review appeals. With all due respect, we do not need another committee and we do not need any more consultations. Farmers have said loud and clear that the program does not work. The Liberals also say that they will develop alternatives to the program but no one seems to have a clue where to start with it. It is a comedy of errors that no one finds funny.

The Liberals have never been able to address the issue of older cows, but those are the animals that would not even be included even if the border were reopened. In light of this court injunction that we just heard about, producers, in my riding at least, are leaning more toward a cull program than ever before. The government must address this issue now.

More and more producers are telling me that they just want the $200, the cash that they can get out of it and they will cut their losses and ship the cows to market. The feeling that seems to be out there is that we can get rid of some of these and maybe get the market back to where it is going.

It is also imperative now, more than ever before, that the government provide tax incentives to support investment in Canadian slaughter capacity. We note that its current efforts in these areas have been grossly inadequate and ineffective thus far.

It is clear that Canada has to help itself and that we need a made in Canada solution. The 2005 budget did very little to address this. There are no tax deferrals and the loan loss reserve program got an additional $17 million, but according to the Canadian bankers who we just talked to at the agriculture committee last week, they say there is no loan loss reserve program because they cannot agree with the government on how it can and should work.

Both the National Cattlemen's Beef Association and the USDA recently submitted reports indicating that Canadian beef was safe and that our feed supply was governed by sound science.

● (2335)

After standing with his hands in his pockets for over 21 months while the border stayed closed, the Prime Minister, in going back to an old line of a Kenny Rogers' song "You picked a fine time to leave me, Lucille", finally picked a fine time, opened his mouth and give the U.S. a reason to react to the border just one week before it was scheduled to open.

I am not naive enough to think that is the total reason. As some of the speakers tonight have said, there is no doubt in my mind that this influenced the senators on how they voted last week. Our relations with the Americans is at an all time low and members of the government continually say things, and I would like to think they are not with full intent, that upset our neighbours. The timing could not have been worse.

I know some gains have been made as far as the beef issue, but we have a long way to go. If it were milk, it would be barely enough to cover the bottom of a pail. We need to work together as politicians and producers, as the Deputy Prime Minister said earlier, to do what is necessary, to do it right and to do it yesterday.

I believe the minister's heart is in the right place, but ministry staff told us today at the agriculture committee that the deposit requirement was not placing any hardship on farmers. With that kind of attitude, no wonder no improvements to the CAIS program have been carried out thus far.

The message the minister could take back to his staff is that there are hardships out there. The CAIS program is not working. Let us get a good attitude and frame of mind so they can go to work and make the necessary improvements.

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Speaker, the hon. member has made a lot of positive comments in terms of the need to work together. However, members of his party seem to go on at great lengths claiming that we voted against doing away with the CAIS deposit on this side of the House. We voted against the motion that was brought forward by the opposition party. It did not seem to realize the reality that this was a federal-provincial agreement and under our Constitution, we did not have the authority to drop the CAIS deposit ourselves.

It is something that we talked about within the government. The Minister of Finance came forward with the budget. The minister has been talking to the provinces to try to move in that direction. That is the reality. It was not voting against producers. In my hearings with producers, they have said we should drop the CAIS deposit. The minister has taken the initiative. The Minister of Finance has put it in his budget, and it has been brought forward. However, it has to be done in a negotiated way with a federal-provincial agreement. I just wish members opposite would recognize that because we do want to move forward on it in a coordinated way with the provinces.

Mr. Larry Miller: Mr. Speaker, I do not think there was a question in the member's comments, but he refers to a reality. Try to tell that to the producers in my riding and across the country. The Liberals voted against the motion to get rid of it. It is as simple as that.

Therefore, I go back to the CAIS program. Will the minister go back to his staff and instruct the changes, and in what form and in what timing? We have three weeks to the deadline. We have to make some progress on the issue. I would like a little more encouragement than I heard at the agricultural committee today that we will work toward the right thing and get this resolved.

● (2340)

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, I appreciate the observations of my colleague. We are all familiar with the phrase, "if it ain't broke, don't fix it", but I think my hon. colleagues across the floor are more fixed on "it's broke, let's not try and fix it". They will not respond to some of the design requests to make changes.

Around the failed CAIS program, if people were willing to be innovative, there are still things that could be done to help farmers and producers in crisis such as tax relief or tax deferrals. Those who want to bring out innovative new ways of marketing are encumbered at every turn by excessive regulatory regime and all kinds of roadblocks and obstacles.

In his workings with the minister or department officials, has the member found that they are open? If they are not willing to alter the design of the CAIS program, are they willing to look around the CAIS program and clear the way so innovative, hard-working, entrepreneurial producers can make some headway without getting bogged down with government bureaucracy, taxation and regulation?

Mr. Larry Miller: Mr. Speaker, the thing that really shocks me is the CAIS program, which we have talked about to no end, is not working. The CAIS program never was a disaster program. We have a disaster like the tsunami. The CAIS program was designed for an ongoing insurance program, for lack of another term.

Going back to the tsunami, like true Canadians, we came to the aid of the tsunami victims, and that is good. I have absolutely no problem with that. Where I do have a problem is when we have a disaster within our own nation that can lead to a lack of food to feed the population, we do not treat it for what it is, a true disaster.

Farmers are very proud people. They are not people who like to live out of the mailbox or have their hand out, but they have been made to live that way.

Of the richer nations in the world, Canada spends one of the lowest percentages of its disposable income on food. It is nice to know our producers can produce cheap food, but it is away beyond that. They are not getting paid for what it is worth. Then add a disaster on top of that and it compounds the matter.

Mr. Brent St. Denis (Algoma—Manitoulin—Kapuskasing, Lib.): Mr. Speaker, before I begin the substance of my remarks, I would like to commend those who spoke this evening from the other side and from our side. In particular, I would like to mention the efforts of the Minister of Agriculture and Agri-Food and his parliamentary secretary, who have worked tirelessly, as have their predecessors, on this file since the first case of BSE was discovered. There is no question that all Canadians and parliamentarians want to see this file successfully closed with the opening of the border to live Canadian cattle.

Unfortunately, it remains closed in spite of the best efforts of the U.S. administration, including commitments by U.S. President Bush and matched commitments on the Canadian side to see the border open. Insistent and consistent efforts were made to ensure that a science based solution to the problem was found.

As has been aptly explained by my colleagues, our American friends are seeking a reopening of the border with Japan based on sound science. We ask nothing more and nothing less for our own Canadian producers.

I wish to echo the comments of Canadian producers and others. Canadian producers, be they beef producers or producers of any other commodity are among the best farmers in the world. They manage their farms within one of the safest food systems in the world, and we should be very proud of them. The fact that the government has responded with vigour and with substantial financial assistance should not go unnoticed, which it seems sometimes it has by opposition parties.

The problem with the U.S on softwood lumber is a major problem for my constituents in my northern Ontario riding, as is the problem with beef for beef farmers in northern Ontario. This may be a surprise to my colleagues across the way. My northern Ontario riding in central Algoma, the North Shore area, the Manitoulin Island area and the Highway 11 area from Smooth Rock Falls to Hearst, has a large number of cattle farmers who, like farmers out west, have been very seriously hurt by the closure of the border.

I prefer not to say too much about the Montana district court decision, but I hope a solution can be found for the file on the case of the trade in beef. As we search for solutions in softwood lumber and other commodities, we ask our American neighbours to manage trade based on law, on science and on best practices, not based on regional parochialism.

I am very pleased to join my colleagues tonight to participate in this important debate. The issue of BSE and the continued closure of the U.S. border to Canadian livestock is an issue that is very dear to the hearts of many Canadians, not just those working in the livestock industry.

The government and opposition parties in the House have all taken the opportunity at one time or another in the last two years to focus attention on this important matter, and tonight's debate is another welcome opportunity to address the issue.

It is not the first special emergency debate on this. I recall participating before. I recall the minister staying all evening, not just once, but several times in the past to ensure that the message got out, as it should. The government is working hard on the file and is doing its best.

The livestock industry is part of our proud history as a nation. Looking back, it is an industry that played an important role in the settling of the Canadian prairies more than a century ago. At the same time, the livestock industry is also an intrinsic part of our present and of our future.

● (2345)

[*Translation*]

As everyone knows, Canadian beef is renowned worldwide for its quality. It is synonymous with top quality.

[*English*]

This industry has been a major component of Canada's foreign trade. In fact, Canada exported more than $4 billion in beef and cattle products in 2002, which makes it the third largest beef exporter in the world. It may be a surprise to a lot of Canadians that Canada is the third largest beef producer in the world. We hear so much about beef from Argentina and other South American countries, as well as Mexican and U.S. beef, but considering the population of Canada is certainly not the third largest in the world, being the third largest beef producer is significant and speaks to the importance of the industry to Canada's economy as a whole.

In fact, as a country Canada actually generated a trade surplus in beef products of $3.2 billion, nearly 6% of its total trade surplus. I believe that was last year. Clearly this is an extremely important industry not just for livestock producers but for all Canadians. It is an industry that has developed an international reputation for excellence.

● (2350)

[*Translation*]

In light of the reaction of other countries to the discovery of a case of BSE in May 2003, the industry is paying a very high price for events totally beyond its control.

[*English*]

Last September the Minister of Agriculture and Agri-Food worked in close consultation and collaboration with the provinces, territories and the industry and announced a $488 million package to reposition Canada's beef and cattle industry. Restoring Canada's position as a global leader in premium beef exports is a key component of the industry strategy. The government committed $37.1 million in new money as part of a repositioning strategy to intensify our activities dealing with international market access issues related to BSE.

I would like to underline the minister's efforts in not only designing and promoting the repositioning strategy, but it is a strategy that makes a lot of sense regardless of one's perspective. The slaughter capacity, which used to be much higher, over the years for a number of reasons was reduced and it is necessary that it be re-established. We should hit a 30% increase by the end of the year and hopefully much more than that over the next few years. We hope we never experience a closure again once the border is reopened and that we are never so dependent on trade in live cattle with the U.S. again.

With the 2005 budget the Government of Canada announced that an additional $17.1 million will be available within the $488 million strategy to reposition Canada's livestock industry to further increase domestic slaughter capacity through the loan loss reserve program. I believe the minister announced that Farm Credit Canada would be actively engaging itself in that program.

[*Translation*]

We have taken vigorous action. The Minister of Agriculture and Agri-Food has taken part in trade missions in different parts of the world in an effort to get borders reopened to Canadian cattle.

[*English*]

That is not all. Additional budget initiatives will be of assistance to cattle producers. For example, $104 million over the next four years will go to the Agricultural Marketing Programs Act to expand the cash advance program and to broaden access to include livestock producers. Certainly reopening the U.S. border to Canadian livestock and beef products from animals of any age has been a priority. We intensified our efforts in other parts of the world, particularly Asia. We have seen positive results, for example, in China and Hong Kong.

Again the efforts of the government and the minister to engage existing foreign markets and potential new foreign markets and discussions on diversifying our trade in beef are laudable. They have already gained results. The dividends for those efforts are yet to come. Our efforts have been paying off as more countries come to recognize the efficacy of our science and to reopen their markets to Canadian meat products.

[*Translation*]

In addition, we have earmarked $80 million over two years to resolve the issue of removing specific risk factors from animal feed.

[*English*]

The United States Department of Agriculture has acknowledged this fact. The President of the United States has acknowledged the fact that Canadian science is good science. We must not lose sight of the fact that Canadian producers and our food safety system is virtually second to none in the world. Unfortunately, science is not the only factor at play in the international decision making process.

Certainly Canadians know our beef is safe. The Canadian food safety and inspection system in place was sufficiently robust that the BSE infected animal was detected and removed before it reached the human food chain.

In an effort to support our livestock producers, beef consumption in Canada rose by 5% when BSE was discovered in 2003.

Canadians have clearly shown their support for our livestock producers. Governments in Canada have also clearly shown their support for our cattle producers.

We can all be sure that these efforts will continue. We must and will continue to support our producers as we move forward to resume trade, strengthen our domestic capacity and ensure that the industry is sustainable for the future.

S. O. 52

● (2355)

[*Translation*]

We must support our producers, and we will continue to do so as we move forward to resume trade, strengthen our domestic capacity and ensure the future sustainability of the industry.

[*English*]

I would like to commend the beef producers again in my riding of Algoma—Manitoulin—Kapuskasing. I have met with many of them since this issue arose back in 2003. They are facing tremendous challenges. The dairy farmers are facing the tremendous challenge of what to do with the cull cows.

I would like to extend to them my fondest hope, which I am sure joins their hope that this issue with our U.S. neighbours will be resolved soon and in a way that will see the full recovery of the industry over as short a term as possible. At the same time, I am sure I share with them the desire that our capacity to process and slaughter our own cattle will be expanded and that that expansion will be achieved over as short a time horizon as is possible.

I will now give up my place on the floor and allow someone else a few minutes before the evening is over. I would again commend all members for their efforts here tonight and other times in showing their support for not only the cattle producers, but for all farmers right across this great country of ours.

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, it is closing in on midnight and I think it would be proper to thank everyone for staying this late this evening, the minister, the parliamentary secretary, colleagues across the House, and of course all the hard workers in the House, including the pages. It is worth mentioning that there are even some people in the gallery. I do not think people realize how seriously we are taking this issue. It is nice to have them here this evening.

I want to address one thing. The previous speaker lauded the government on what it has done. There has been an announcement that the farm improvement loan program is being taken away. This will negatively impact Saskatchewan.

I mentioned earlier that in Saskatchewan the situation is particularly cruel. We have gone through everything from drought, to grasshoppers, to frost, and the trade impact. In Saskatchewan this was particularly bad. When I heard about the farm improvement loan program cancellation, I also understand that it will really impact us negatively. I would appreciate hearing the member's comments on the farm improvement loan program cancellation.

On our relationships with the U.S., I do thank our own side here which has done a lot, including our leader who did meet with President Bush. I am sure things did improve considerably after that meeting.

Mr. Brent St. Denis: Mr. Speaker, first, in response to the member's second point, she referred to the Canada-U.S. relationship. My colleague a few seats behind also talked about the same point.

I certainly am not one prepared to accept any linkage between any decision on ballistic missile defence. To be perfectly honest, I am sure the federal district judge in Montana would hardly be aware of that debate. The confluence of events is extremely unfortunate, but I believe that there is absolutely no linkage whatsoever. I think it would be more of an insult to our U.S. neighbours to even suggest that there was any kind of connection whatsoever.

At all times there will be issues of concern between our two nations. We are powerful allies and powerful trading partners, but we also have very strong issues on each side of the border. I do not think that the Canada-U.S. relationship will suffer any more than it has at any other time during the ongoing debates we have over one issue or another.

As to the farm improvement loans program, I am aware of the policy. I have to defer to the hon. member for her knowledge of her own province of Saskatchewan. It is not a program that I have a lot of personal experience with. I do know that it was part of the expenditure review program outcomes which netted the federal government in the order of $12 billion in funds which could be allocated to other Canadian priorities such as health care. I will leave it to her to pursue her interest in that subject.

● (0000)

[*Translation*]

The Acting Speaker (Mr. Marcel Proulx): It being midnight, I declare the motion carried.

This House stands adjourned until later today, this Wednesday, at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 12:00 a.m.)

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