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OFFICIAL REPORT
(HANSARD)

Wednesday, February 2, 2005

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, February 2, 2005

The House met at 2 p.m.

Prayers

• (1400)

[English]

The Speaker: As is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Don Valley East.

[Members sang the national anthem]

• (1405)

STATEMENTS BY MEMBERS

[English]

TSUNAMI RELIEF

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, it is with great pride and pleasure that I stand today to commend all Canadians and our government for their generous contributions, individually and collectively, to the relief effort for all those people affected by the tsunami disaster. I am truly impressed by Canadians, young and old, from all sectors who have reached out to help through donations and fundraisers among other efforts. This shows once again what Canadians are all about.

The job ahead will take years. Our government is committed of course to work diligently and responsibly, also in coordination with our international partners, toward the comprehensive recovery, rehabilitation and reconstruction assistance programs. Therefore, it is important that these generous contributions from everyone be distributed to all tsunami-affected areas suitably and effectively, with fairness and transparency.

Once again let me recognize all Canadians for their extraordinary compassion, generosity and efforts toward these most difficult times. Bravo and congratulations.

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AGRICULTURE

Mr. Dale Johnston (Wetaskiwin, CPC): Mr. Speaker, farmers and livestock producers and all those whose livelihoods rely on agriculture are anxiously counting the days until March 7 when they hope the U.S. border will open to cattle under 30 months of age from Canada.

After three years of drought and a beef ban that lasted almost two years, reopening the border is only a small step in solving this economic crisis. We might have been able to weather the BSE cases better if we had not been quite so dependent on the U.S. to buy and process our beef.

It is time to be proactive, to rebuild our markets and secure new markets for new products. The best way to accomplish this is to increase our slaughter capacity. We need more processing plants and we need them now.

The federal government has a role to play. There are groups with site plans and marketing plans for new slaughterhouses, but they cannot get the government's attention or help. People are losing their farms, homes and businesses. We need a new deal for rural Canada, and the upcoming budget is a good place to start.

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FRAUD AWARENESS MONTH

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, in Toronto yesterday the Minister of Industry joined members of the Fraud Prevention Forum, chaired by the Competition Bureau, to launch its Fraud Awareness Month.

Millions of Canadians will be better educated on how to protect themselves from fraud thanks to this month-long campaign. More than 40 public and private sector organizations will be reaching out to Canadians in an effort to educate Canadians on how to recognize, report and stop fraud. These organizations have committed to airing public service announcements on radio and television, distributing 30 million bill inserts and posters, buying newspaper ads and posting web banners, all in the name of fraud education and prevention.

As the saying goes, an ounce of prevention is worth a pound of cure. Fraud Awareness Month, with its unprecedented cooperation by the public and private sector, will help stop crimes before they start.

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[Translation]

PORT-ALFRED PLANT

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, on January 26, Abitibi-Consol announced that it was closing its Port-Alfred plant in La Baie for good.

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There was no advance notice of this announcement of the definitive loss of 640 jobs. The workers were confronted with a done deal. The company did not even offer a glimmer of hope for any recovery. Its actions showed nothing but disdain for its employees.

The federal government's lack of interest is also apparent, made conspicuous by its absence, when this is disastrous news for the entire population of Saguenay and Saguenay—Lac-Saint-Jean. If a plant closure in a distant region is not of concern to the government, why does it talk about regional development?

It is all very well for the Minister of the Economic Development Agency of Canada to send a sympathetic message to the plant workers, but Saguenay needs money more than it needs kind thoughts.

* * *

●(1410)

POTATO FARMING

Mr. Andy Savoy (Tobique—Mactaquac, Lib.): Mr. Speaker, in my riding of Tobique—Mactaquac, the potato is king. Its growth, processing and shipping are essential economic activities in the upper Saint John River valley.

In honour of this vital crop and all those who devote their efforts to it, the New Brunswick Potato Museum has just announced its first inductees into the Potato World Hall of Fame.

One of those honoured is a man who has specialized in this crop for many years. Yvon Ouellette of Drummond, New Brunswick, is one of the province's most successful potato growers.

People like Yvon Ouellette, who give their heart and soul to what they do, are the ones responsible for the dynamism of this agricultural sector. Their devotion and business acumen have made the potato industry the driving force of our region's economy.

My sincere congratulations to Yvon Ouellette on his induction to the Potato Hall of Fame.

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[English]

TSUNAMI RELIEF

Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC): Mr. Speaker, I rise today to recognize the hundreds of people in my riding who have given of their time and resources to raise relief funds for the victims of the tsunami disaster on December 26.

Young children have held penny drives and donated money from their paper routes. Youth groups have taken up collections. A group of Sri Lankan immigrants have stepped forward to lead local efforts.

In Pitt Meadows, Dotti Preena has organized a Sri Lankan fundraising dinner and silent auction.

In Maple Ridge, Surekha and Neli Meedin teamed up with the owners of the Haney Bottle Depot to hold a successful bottle drive.

In Mission, Ken Selvaraja of the Cedar Valley Lions Club organized a Sunday brunch at Stella's Restaurant to raise funds for a Sri Lankan orphanage.

These are just a few of the countless examples of those who have done so much to help so many in their time of great need.

I ask all members of the House to join with me in thanking all those who have given and all those who continue to give.

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TEXTILE AND CLOTHING INDUSTRY

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, it is with sadness that I learned yesterday that Gildan Activewear will close its two Canadian yarn spinning operations.

One of the plants, scheduled to close in March, is located in Long Sault, Ontario, and employs 170 people. This area, which used to have one of the most concentrated clusters of textile companies in Canada, lost close to 2,000 jobs over the last 20 years.

I urge the Government of Canada to put measures in place for those workers in order to receive employment insurance benefits in a timely manner. I also call upon the government to improve the program for the textile industry to ensure that no more jobs are lost in this important industry.

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[Translation]

UBISOFT

Mr. Réal Ménard (Hochelaga, BQ): Mr. Speaker, Ubisoft, a company with the world's second largest team of video game creators, has just confirmed that it will invest \$700 million over the next five years to expand its operations in Montreal, thus creating 1,000 new jobs.

We salute Ubisoft's dynamism and recognize that financial support from the governments in Ottawa and Quebec City had something to do with this decision.

This example of Quebec-Ottawa cooperation gives legitimacy our questioning of the federal government's silence regarding any assistance it might provide to Bombardier in its ambitious proposal for a new family of aircraft. On December 15, the Government of Quebec presented Bombardier with a contingency plan in order to encourage the aircraft maker to develop its new aircraft at Mirabel. Ottawa has been as silent as the tomb so far.

The Prime Minister should take his inspiration from the federal participation in the Ubisoft file and take a clear position in favour of Quebec for Bombardier. Let us remind him that—

The Speaker: The hon. member for Brome—Missisquoi.

* * *

THE ENVIRONMENT

Hon. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, my riding, Brome—Missisquoi, now has an immense conservation area in the Sutton Mountains, which will soon cover nearly 20,000 acres.

My colleague, the hon. Minister of the Environment, has announced a contribution of \$1.1 million to help Nature Conservancy Canada consolidate its acquisitions in the Sutton Mountains.

In Brome—Missisquoi, the environment is a priority. The people there live in harmony with nature. They have supported me in this project because they believe it is urgent to preserve this unique heritage. The First Nations call the trees “standing people”. The people of Brome—Missisquoi and everyone involved in this project have stood tall to protect priceless natural resources.

In some cultures, a tree is planted when a child is born so that the child will have a friend for life. In Brome—Missisquoi we have given our children a forest for life. What a fine inheritance.

* * *

• (1415)

[English]

AGRICULTURE

Ms. Bev Oda (Durham, CPC): Mr. Speaker, in January I was pleased to attend a meeting of the Region 4 Chapter of the Ontario Corn Producers Association in Durham. The annual meeting was followed by a grassroots meeting to discuss the real challenges faced by my farmers day after day as they move into another season.

Thanks to Joe Hickson and Dale Mountjoy, over 300 farmers attended this session, representing the cattle, dairy, feather farms, suppliers and banking institutions, all an indication of the significance of their challenges.

What is clear to me is the government's support programs are not working. Simply working to open the border is not enough.

This industry can no longer afford a reactionary issue by issue agriculture strategy that the government has given it for the past decade. What the farmers in my riding and what farmers across the country need are programs that work for them, a domestic agricultural and agrifood policy.

* * *

THE HOLOCAUST

Mrs. Susan Kadis (Thornhill, Lib.): Mr. Speaker, last week I accompanied Her Excellency the Right Honourable Adrienne Clarkson, Governor General of Canada, to the 60th anniversary of the liberation of the Auschwitz-Birkenau death camps.

Although I have had years of education in relation to the Holocaust, nothing could compare with standing there at Auschwitz-Birkenau, where over 1.5 million people were systematically killed, the majority of them Jewish. We must continue to speak out about the Holocaust and use it as a powerful tool to prevent other atrocities.

Although we can never right the wrong that befell the courageous victims and survivors, we can and we must as Eli Weisel stated “be their custodians”. It is not enough to simply say never again. We have a collective responsibility to take decisive action now.

As the elected representative of Thornhill, I am committed to working with my colleagues at all levels to ensure that there are specific educational programs to combat anti-Semitism and racism in every form. There is no better way to secure our future than to ensure our children live free of hate and racism.

S. O. 31

IMMIGRATION

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, when a young Moroccan woman named Saadia El Ouardi was ordered by her father to marry a man more than twice her age, and who already had two wives, she refused. He then threatened to kill her to regain his so-called honour, and she fled to Canada to save her life.

But, last weekend she was deported to Morocco, despite her father's continuing threats, despite the fact that her son Timmy is a Canadian citizen and despite the appeals of the community in Hamilton where she made her home.

While citizenship and immigration does not recognize threatened honour killings in Morocco, the international organization Global Rights and the United Nations have documented such killings, and the inability of Morocco's justice system to protect women there.

Our first priority is to return Saadia and Timmy to their family in Canada. But, the bigger issue here is that Canada must work harder to protect women everywhere from the tragedy of honour killings.

* * *

JUSTICE

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, there are fewer tragedies greater in life than the loss of a child. This tragedy can be compounded when the death of a child is the result of the irresponsibility of someone else in our society to choose to drink and drive.

Last year Michael John Reid was killed by a drunk driver in my constituency. It was a terrible loss to my community, to his friends and, most important, to his family.

I rise today to demand tougher laws, tougher sentencing and better enforcement of our drunk driving laws.

The devastation to families of unnecessary tragedies by drunk driving is profound, and must never be forgotten. All too often, drunk drivers are back on the streets within days of their offence. For many, drunk driving is a casual choice, devoid of thought.

However, to victims like Michael Reid, and the devastation his loss has caused his mother Lisa Reid and his family, these tragedies must never become statistics.

The best way to honour the life of John Michael Reid is to learn, fix our broken laws and ensure that tragedies such as this are never repeated. I ask the Prime Minister to do this.

Oral Questions

[Translation]

JUNIOR NATIONAL FIGURE SKATING CHAMPIONSHIPS

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, the Skate Canada Junior National Championships will be held February 2 to 5 at the PEPS complex at Laval University in Quebec City.

These championships are an opportunity to see our talented young skaters in the following categories: juvenile, pre-novice, novice, men, women and pairs. Today's skaters will be tomorrow's Olympic medalists. They deserve our wholehearted encouragement for their efforts.

This type of competition allows them to see how they rank against each other, but above all to acquire the experience they need to succeed.

The Bloc Québécois wishes the best of luck to all the skaters and hopes that this competition gives them a taste of success and achievement.

* * *

● (1420)

[English]

EQUALIZATION

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, the Minister of Finance, following equalization talks, suggested that Saskatchewan is not nearly as hard done by as it makes out. However, the Vanier Institute of the Family has released figures showing household incomes are stagnant, debts are rising and the savings rate for Canadian families has dropped to zero.

The residents of the finance minister's home province of Saskatchewan are even worse off. They have had a negative savings rate in each of the last four years. That is a far cry from the situation 20 years ago when the typical household was saving about 20% of its disposable after tax income.

Families are crumbling under the financial pressure. As their bank accounts dwindle, so does their sense of security for the future.

The Liberal government's tax and spend policies and the gross waste and mismanagement of the last decade have contributed to the cash shortage, and it is particularly hard on low and middle income families who are paying the price.

It is time to put money back into the hands of the hard-working Canadians who earned it.

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CHARLES CARMAN CORE

Mr. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, I would like to take this opportunity to pay my respects to Charles Carman Core who died last week at the age of 96.

Charles Carman Core was Brampton's 33rd mayor, holding the position from 1959 to 1962. Previously to being mayor, Mr. Core had served on Brampton's town council for 30 years. He was also the youngest member of the council at the age of 28, and over the years he filled many other positions, such as the warden of Peel County.

Although Mr. Core moved to South Carolina in 1966 to be closer to his daughter, his memory will always be remembered in Brampton.

I personally never had the opportunity to meet him, but I have only heard good things about him.

Mr. Core and his memory will never be forgotten and his legacy will live through his three children, 13 grandchildren and 30 great grandchildren.

ORAL QUESTION PERIOD

[English]

FOREIGN AFFAIRS

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, I would like to return to the Prime Minister's failures on his recent visit to China.

First, he apparently found a functioning opposition in the Communist system. Then, in his lust for photo ops, he signed an open-ended declaration with the Communist government with wording that implied non-comment on issues like Taiwan, Tibet and human rights violations.

How could the Prime Minister possibly sign on to language like that in such a declaration?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I am not quite sure what literacy skills the hon. member happens to have, but allow me to read this. We exchanged views—

Some hon. members: Oh, oh!

The Speaker: Order, please. We have to have some order to hear the answer.

Right Hon. Paul Martin:—respecting and protecting these rights. Both sides expressed support for the broadening and expansion of dialogues and exchange in the field of human rights. That is out of the document that the member obviously has not read.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the Prime Minister knows specifically what words I am referring to. I am sure he does because his own caucus expert on this, the former minister for Asia-Pacific, has written the following about the wording the Prime Minister signed onto. He said:

...beneath this antiseptic veneer...means Taiwan and Tibet are not Canada's business, and it doesn't matter if political freedoms, fundamental human rights or basic norms of international law are impinged.

Could the Prime Minister explain his absolute incompetence and negligence in signing on to that kind of communist wording?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, for a document that does not talk about Taiwan, let me simply say that the document says that Canada is opposed to any unilateral action by any party aimed at changing Taiwan's status and escalating tensions that would have an impact on the political stability and prosperity of Asia.

We simply said that no one should unilaterally change Taiwan's status. That means China.

Oral Questions

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, let me ask about another part of the Prime Minister's trip because not only did he let down the people of China, Tibet and Taiwan, let us take a look at Canada's own business community.

Before the Prime Minister left on his trip there was a CSIS report that said Communist China is actively engaged in economic espionage in this country targeting our aerospace, mining and nuclear industries.

Did the Prime Minister raise this issue specifically with the Communist Chinese leadership when he met with them?

• (1425)

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, again the document refers to the fact that parties will not engage in internal interference. We are essentially saying that this country will pass its laws and other countries will understand them.

Unfortunately, we have a document that in fact refutes every single point raised by the Leader of the Opposition. What I would suggest is he fire his research staff and get somebody who can read in English.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, clearly the Prime Minister did not raise the issue of industrial espionage with the Chinese leadership, even though last year CSIS reported to this Parliament that:

...Canada's scientific and technological developments, critical economic and information infrastructure, military and other classified information, putting at risk Canada's national security.

It said that it was being sourced out by foreign spies, and a source said "particularly Chinese spies".

Did the Prime Minister raise with the Chinese leadership the active presence of Chinese spies stealing Canadian industrial secrets, yes or no?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is clear that the opposition could not care less about the bilateral relations between Canada and China. It has demonstrated absolutely no interest in understanding better a country that is emerging on the international scene as a very important power for all of us. We have been engaging China. We intend to continue to work with it. We raise the question of human rights every time we have the opportunity of doing that.

However I honestly believe that for Canadians it is quite important to engage in a bilateral relationship with China.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, respectful engagement is built on a relationship of trust and the People's Republic of China, according to our intelligence service, is engaging a network of spies to steal Canadian strategic and economic information.

Clearly, from these non-answers, the government did not raise this matter in the People's Republic of China. The first responsibility of a government is to protect our sovereignty and national security.

Why did the Prime Minister fail to do so by raising the active presence of Chinese spies in Canada?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, I believe there is a lot of temerity coming from the Calgary

Southeast member, who participated in the trip, who was there for every photo op with the press and the journalists and who had a lot of courage when he was with the Canadian reporters, but who lost every opportunity to raise it with the Chinese people when he was on that trip.

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[Translation]

NATIONAL DEFENCE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, before Christmas, the Prime Minister was categorical: without a written commitment from George Bush ruling out any possibility of militarization of space, Canada would not participate in the missile defence shield project. The problem is that today he is being contradicted by his Minister of National Defence, who said, "We do not need any guarantee. The current missile defence shield system will not lead to the militarization of space".

Since this position is not at all reassuring for the future, the public has a right to know. Will the Prime Minister insist on a written guarantee from George Bush, or will he sign a blank cheque for the militarization of space?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, there is no need to insist on a written guarantee from Mr. Bush. The Prime Minister said that we would not be part of an agreement in which the militarization of space would be sought by either party. Therefore, it is out of the question for us to be a party to such an agreement. The Americans know that this is where we stand. The whole House knows that this is our position. To suggest otherwise is merely to try to distort the issue in an attempt to confuse things.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, be that as it may, the Minister of National Defence still does not know that his Prime Minister talked about a written guarantee. It may be that the Prime Minister himself does not remember. It would not be the first that he does not remember what he said.

I recall that, just before agreeing to making changes to Norad, the Prime Minister phoned me and said that the issue had nothing to do with the missile defence shield. However, we know now that, in fact, this has something to do with the missile defence shield, contrary to what the Prime Minister told me on the phone, just before agreeing to these changes and signing the agreement.

Today, I would like to know if his intention then was not try to slip past us Canada's participation in the missile—

• (1430)

The Speaker: The hon. Minister of National Defence.

Oral Questions

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the government's position is clear: a debate will take place in the House on all the conditions relating to whether or not to participate in the defence shield program. Hon. members will have the opportunity to debate this issue, as they already have on a number of occasions. But the Prime Minister has always been very clear. Canada will never take part in any plan involving the militarization of space.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, let us be clear. I put my question to the Prime Minister, not to the Minister of National Defence, who is contradicting his leader.

When he phoned me on the eve of responding to Norad and the United States, he told me this had nothing to do with Canada's participation in the missile shield program, that the Norad agreement was in no way connected to the missile shield. We can see that it is the opposite now.

I know the Prime Minister likes to spend lots of time hesitating, but will he answer and confirm that this is indeed what he told me and that, in fact, the opposite is happening?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the leader of the Bloc is a little confused, I must say. The main issue is the defence of Canada.

For the defence of Canada, Norad is essential and very important. The decision we made in July unquestionably empowered Norad to provide information on the missiles. We wanted to maintain the protection not only of Norad, but also of our airspace. That was a very important decision for Canada.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, what I said and maintain from my place was that he told me this had nothing to do with the missile shield. The fact is that we know today that the head of Norad and the person at the helm of the missile defence system are one and the same. He does not seem to be schizophrenic; he knows perfectly well what he is doing.

I would like the Prime Minister to tell me why, on the eve of announcing a change, he assured me that this had nothing to do with the missile shield and why, today, he is skirting the question? He could at least acknowledge noticing that both are run by the same person and that there is a connection with the missile shield.

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the Bloc's position is totally preposterous. Back in July, it was clear what the decision should be, as well as why we were making this decision. We made that decision because we wanted to ensure the role of Norad in the future. It was all open and transparent. The leader of the Bloc may be the only person in the world who did not know.

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THE ENVIRONMENT

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, I can say exactly what the hon. member for Laurier—Sainte-Marie has said, because I had the same conversation.

As long as we are talking about broken promises, let us talk about when the Prime Minister was in the opposition and said that Brian

Mulroney was not doing enough to reduce pollution. Again, he has not taken action and pollution is increasing daily.

Mandatory reduction of fuel consumption in vehicles would allow us to achieve 10% of our objectives. Will he announce such a program today?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, to answer the first part of the question of the leader of the New Democratic Party, the reason we took this decision was made public, as were Norad's intentions in all this. Everyone knew it. If the leader of the NDP did not, then that makes two people in the world who were out of the loop.

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[English]

NATURAL RESOURCES

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, what we have here is the truth versus a series of insults. I think the Canadian people can judge what is really going on.

My next question is for the Prime Minister. I would like to ask about an issue of fairness, fairness for the people of Saskatchewan when it comes to natural resources. The people of Saskatchewan have worked hard to get their economy in order. They have made real progress.

Fairness for the people of Newfoundland and Labrador has allowed them to improve. Fairness could do the same in Saskatchewan.

Will we see fairness for the people of Saskatchewan from this Prime Minister?

● (1435)

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, fairness for Saskatchewan was recognizing a \$120 million error in the structure of the equalization program and fixing that error by sending that money to Saskatchewan.

Fairness for Saskatchewan was putting a floor under the equalization system last year which has resulted in an incremental \$590 million for Saskatchewan in this year alone.

Fairness for Saskatchewan is assisting that province to graduate from equalization all together. People in Saskatchewan want fairness from the Government of Canada. They want to see the government engaged in their province doing good and constructive things, but they want—

The Speaker: The hon. member for Central Nova.

* * *

SPONSORSHIP PROGRAM

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, yesterday documents tabled at the Gomery inquiry showed that a cheque written under the sponsorship program went directly into Liberal Party coffers. This is an alarming new piece of evidence that shows that sponsorship money went directly to the Liberal Party of Canada.

However, with an election looming, these documents were withheld from the public accounts committee doing its work and the Canadian public last spring.

My question is for the Prime Minister. Why were these documents withheld from Parliament and the Canadian public and who is responsible for this latest cover-up in the sponsorship scandal?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, once again the hon. member is commenting on day to day testimony, testimony than can be contradicted by other days' testimony. It is not appropriate. We should not be surprised at this because earlier this week the hon. member and his leader were asking the Prime Minister to tell Mr. Chrétien how to conduct himself before the inquiry.

Let us be clear what they were asking the Prime Minister to do. They were asking the Prime Minister to engage in witness tampering.

It is little wonder that the *Vancouver Province* today in reference to the member for Central Nova said that he had forgotten basic legal training.

Mr. Peter MacKay (Central Nova, CPC): Well, Mr. Speaker, more stonewalling and obstruction from a recent convert.

Two years ago, before the Auditor General's revelation about every rule in the book being broken, there was also concern from senior officials calling on experts to determine if the law had also been broken.

In 2000, senior officials expressed concerns about breaches of contracting rules and the Criminal Code. Specific concerns were raised by the deputy minister of Public Works, including contributions to the Liberal Party by Liberal ad firms that were receiving money from the sponsorship program.

After the 2002 audit, the Auditor General called in the RCMP and charges followed. Why were the police not called in by the government five years ago when this information was known?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, once again, we have a public inquiry that was set up by the Prime Minister and the government to get to the bottom of the issue. The inquiry is in fact working very well and that is why Canadians across the country support Justice Gomery in his work. I would urge the hon. member to do exactly what Canadians want all of us to do, support Justice Gomery, not comment on day to day testimony.

I understand the hon. member recently received a couple of speeding tickets. He is obviously driving a little faster than he is thinking.

* * *

TRANSPORTATION SAFETY BOARD

Mr. John Williams (Edmonton—St. Albert, CPC): Mr. Speaker, Jim Walsh, a member of the Transportation Safety Board, attended the Liberal Christmas party and even sat at the Prime Minister's table, which was after his boss said he should not even go to the party.

Oral Questions

Howard Wilson, the old ethics lapdog, said it was inappropriate for patronage appointees like Jim Walsh to attend partisan political events.

The Prime Minister has many times said, "I will have the highest ethical standards". My question is for the Prime Minister. Does Jim Walsh sitting with the Prime Minister at a partisan event meet his high ethical standards or is he going to tell the House that he does not have any ethical standards?

[Translation]

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 quite clear that anyone appointed by the governor in council has to follow the code of conduct, which prescribes the highest standard of ethics.

It is right to question the appropriateness of someone's presence at a political fundraising event. I understand that the ethics commissioner is now going to clarify the interpretation of this code for all those involved.

• (1440)

[English]

Mr. John Williams (Edmonton—St. Albert, CPC): Mr. Speaker, Howard Wilson, the old lapdog, said it was not appropriate, which the minister just confirmed, for patronage appointees to go to the party with the Prime Minister. But we are still waiting for the Prime Minister to bring down the ethics standards so that we can judge who is in and who is out and who is doing the right thing.

The question is simple. Will the Prime Minister bring in these ethical standards or do we go with no standards whatsoever and find out that people can do whatever they want, any time they want, and get the Liberal Party to pay for it?

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I want to inform the hon. member that on this side of the House we are very interested, and what we are in fact doing is bringing ethical standards up, not down as the hon. member has suggested.

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[Translation]

NATIONAL DEFENCE

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, when it comes to a shemuzzle, it is hard to beat the current government's record with regard to the anti-missile defence shield. In fact, the Minister of Foreign Affairs claims that the positions of the American administration and the Canadian government are in no way contradictory, since the weaponization of space is not part of the program in its current state.

Are we to understand from the minister's comments that he is satisfied enough with this answer to go ahead with the shield? Does he believe that this is the guarantee?

Oral Questions

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): No, Mr. Speaker. This is one of the criteria upon which the government will base its decision. We have been extremely clear. We do not want to take part in a program that will contribute to the weaponization of space.

However, that is one of the criteria. Everyone knows that. There are others.

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, given the refusal of the American administration to guarantee that space will not be weaponized, would the only acceptable position not be to reject a plan that goes against the wishes of Quebecers and Canadians and that, furthermore, represents a threat to peace?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is clear that this government, like all Canadians, seeks always the promotion of peace. In fact, we seek always to promote peace.

I can add that we have a commitment from the American administration that its current program is not leading to the weaponization of space.

The member is referring to an interview with a representative of the American administration who acknowledged that nothing in the current program was leading to the weaponization of space.

* * *

AEROSPACE INDUSTRY

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, contrary to what the Minister of Transport said on January 13, the federal government's offer to Bombardier was not made until last Friday. We still do not know whether this offer contains any specific guarantee that at least 54% of jobs for this project will be in Quebec, in keeping with the current distribution of employment.

Can the minister tell us whether there is indeed such a requirement in the federal government offer to Bombardier?

[English]

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, we are in discussions with Bombardier. We have not reached the point of discussing the number of jobs or where they would be located. Those matters will come, and it will be largely determined by private sector consideration as to where those jobs are best situated for the economy of Canada.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, during the election campaign when the federal government offered \$500 million to the automobile industry to guarantee its development in Ontario, it made its offer clear and achieved its objective. At present, the minister is saying that he still has not discussed the number of jobs.

Why could what was done for the automobile industry in Ontario not also be done for the aerospace industry in Quebec? It seems this would be only fair.

[English]

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, every province in this country would like to come in and ask for a certain number of jobs as their quota allotment. That is not the way the economy works. We are driving to have a strong aerospace industry in all of Canada. It will be strong in Quebec. It will be strong in Ontario. It will be strong in Atlantic Canada and it will be strong in the west.

* * *

● (1445)

[Translation]

PARENTAL LEAVE

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, the deadlines have gone by and the Prime Minister has not reached an agreement with Quebec on parental leave. The Liberals are still hiding behind the Supreme Court, instead of working with Quebec to find a solution. It is clear that the Prime Minister is not trying to reach an agreement that would be fair to Quebec and to working families. The Prime Minister stubbornly opposes Quebec's desire to set up its parental leave program.

Why is he not keeping his election promise?

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I believe the hon. member is repeating exactly the same question as yesterday. And so my reply will be exactly the same. One issue is the appeal now before the Supreme Court, which is intended to better clarify, in a much broader context, all the programs covered by EI. The other, parallel issue concerns the negotiations with Quebec. There is no direct connection between these two issues. Discussions with my counterpart from the Quebec government are still going on and we are still optimistic.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, we are up against a Liberal bad habit: the Prime Minister makes an election promise he has no intention of keeping, then sends the case to the Supreme Court, and then makes the province fight to obtain what it was promised.

That is exactly what is happening to Quebec on the issue of parental leave. When will Canadians be able to count on a prime minister who keeps his word?

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, the Prime Minister of Canada keeps his word and acts in partnership with all the provinces in all matters regarding federal-provincial relations.

In this respect, we have already covered a lot of ground with the Government of Quebec in the matter of parental leave. We have almost got the entire file sorted out. All that is left is to discuss methodology for the first year. That is why discussions are still going on.

*Oral Questions***WORLD AQUATIC CHAMPIONSHIPS**

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, we are very sensitive to the efforts of the City of Montreal to save the Aquatic Games, and we hope that Mayor Tremblay's advisor is not once again Morrow Communications.

The Minister of Transport wants to distance himself from the "fridge" and cut off the Savard group. As for the Minister of Canadian Heritage, she wants to get involved at any cost to try to save her friends at the International games.

Could the Minister of State for Sport tell us who is in charge regarding this issue: his department, the transport department or the Department of Canadian Heritage?

Hon. Stephen Owen (Minister of Western Economic Diversification and Minister of State (Sport), Lib.): Mr. Speaker, we have fulfilled all our obligations towards Montreal 2005 and the organizing committee.

[*English*]

The federal government is the single largest contributor to the world aquatic games which we hope will be held in Montreal in July. We are supporting Mayor Tremblay in all his efforts to get the private sector to come up with its support that was budgeted for the event.

We remain open, as does FINA, with the doors open to Montreal, to make sure that we get the private sector's support so that this important event can take place in Montreal.

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, he had better send those talking points to those other two ministers, because due to the infighting of these three ministers Montreal is going to get the short end of the stick: 55,000 cancelled hotel rooms, 20,000 fewer tourists and \$80 million in lost revenue.

Which minister is in charge? Who is taking responsibility for this mess?

Hon. Stephen Owen (Minister of Western Economic Diversification and Minister of State (Sport), Lib.): Mr. Speaker, let me repeat in English. I am sorry if the hon. member did not understand my French. The Government of Canada has met all of its obligations to the organizing committee to ensure that there will be a successful event in Montreal. The fact is that the organizing committee has not met its private support targets.

We are working with the Mayor of Montreal and with FINA to ensure that there is every possibility that those targets can be met and there will be a successful event in Montreal next July.

* * *

ABORIGINAL AFFAIRS

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, aboriginal communities are faced with unique challenges in terms of delivery of services. One such service is child care. The delivery of child care has proved to be a problem for our first nations population for many reasons, including the isolated nature of their communities.

I would like to ask the Minister of Social Development what considerations have been made to account for aboriginal communities when drafting the national child care strategy.

● (1450)

Hon. Ken Dryden (Minister of Social Development, Lib.): Mr. Speaker, ensuring that the early learning and child care needs of aboriginal children are met is a national priority for all of us. At our recent FPT meeting, the ministers recognized the critical need to engage aboriginal leaders in discussions about the best approaches for aboriginal children and to build on successful initiatives such as aboriginal head start.

Aboriginal children are doing better. More are going to college and university, but many more need to attend in the future. They need to get a good start. Good quality early learning and child care can offer that immensely important boost.

* * *

PUBLIC WORKS AND GOVERNMENT SERVICES

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the federal government is distributing millions of maple leaf lapel pins that are stamped "Made in China". What kind of credibility does our Prime Minister have in talking about Canadian values when he is leading the race to the bottom with our own flag? This is the man who pioneered the flag of convenience on the high seas and now he is pioneering the lapel flag of convenience.

My question is simple. There are 1.6 million flags scheduled to be delivered for March 18. Will they be made by Canadian workers or are they going to be shipped from overseas by sweatshops?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, certainly we as the Government of Canada and my department as the chief procurement officer for the Government of Canada endeavour to purchase the best quality materials for Canadians and at the same time achieve the best possible value for Canadian taxpayers. We do so within the confines of our trade agreements and particularly respecting the principle of national treatment, which is an essential part of all our trade agreements.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, parliamentary purchases are not covered under the WTO. They are exempt.

Here is a little bit of a history lesson. The lapel pin was a Canadian invention. It was made for 35 years by Canadian workers until this government came along.

Disney has the Mounties, this government gave the Remembrance Day coin to Tim Hortons, and now it is giving the flag to China.

This government is selling off our cultural heritage like a bunch of roadside hucksters selling off hubcaps and velvet Elvis paintings.

We have Canadian values, and the minister is talking values, so here is my question. What about the values of all the jobs in Rexdale where there have been layoffs so this government can outsource to China?

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

Some hon. members: Oh, oh!

Oral Questions

The Speaker: Order, please. The hon. member for Timmins—James Bay has asked a question. He is entitled to hear the answer. With all this noise he will not be able to hear a thing. The Minister of Public Works and Government Services has the floor now.

Hon. Scott Brison: Mr. Speaker, the fact is that Canada is a trading nation. We benefit as a trading nation not only from what we purchase here from other countries, but more importantly, from what other countries purchase from Canadian companies. For us to benefit from those external markets and for Canadian companies to be protected under the principle of national treatment, it is essential that we respect that principle as part of all our trade agreements and as such protect Canadian investment anywhere in the world.

* * *

THE ENVIRONMENT

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, we have a Prime Minister who says Kyoto is too bureaucratic. We have an environment minister who says we should not focus on the targets. We have a natural resources minister who says we could not hit the targets anyway. Now, this group wants to spend billions of dollars and send it offshore for hot air credits.

Why will the government not spend the money and spend those billions of dollars to help the Canadian environment before sending it off for hot air?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, I have said that the enhanced plan that will be out pretty soon about Kyoto will be a very convincing one and not a penny will be spent on hot air. The only hot air that exists is coming from that party which refuses to come clean on where it stands on climate change.

• (1455)

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, I hope Maurice Strong comes up with a plan in time.

The government needs to admit and tell people what achieving these Kyoto targets will really mean in terms of higher electricity costs, heating costs, gasoline costs, and the destruction of many hundreds of thousands of jobs in Ontario and in Quebec.

Will the minister come clean and tell Canadians what exactly the real economic costs will be by adhering to Kyoto?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, maybe one day the official opposition will understand that in the new industrial revolution we are in, the environment and the economy go together. Kyoto is not only necessary for the environment. It is a wonderful opportunity to strengthen the competitiveness of Canada.

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, the Kyoto protocol takes effect in Canada on February 16. While everyone supports a greener environment, including the auto industry, the Liberal-imposed vehicle emission targets will penalize Canada's automakers and harshly punish consumers.

Will the industry minister come clean today and admit that his government's own emission targets will kill thousands of auto jobs?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, again the official opposition does not understand. It is a fact

that recently the chief strategist of General Motors said that we have been slow entering the market of hybrid cars. In Europe there is an agreement with the auto industry and those cars become more and more competitive. We will do the same in Canada.

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, it is the government that does not understand. It is like telling Canadian dressmakers to just make small sizes, force the public to fit into them and that should fix the problem.

While the government dithers over an automotive policy, Ontario auto jobs, factories and initiatives like GM's Beacon project hang in the balance. When will the government admit its Kyoto plan will kill thousands of auto jobs in Ontario?

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, the government has done more for the automotive sector in this country than any government in many, many years. We have saved thousands and thousands of jobs in the automotive sector and there will not be jobs lost in the automotive sector due to Kyoto.

* * *

[Translation]

PARENTAL LEAVE

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, Quebec Minister Claude Bécharé expressed his impatience with the federal government as he prepared to enter a cabinet meeting this morning. He said, "I am looking into the situation in Ottawa. If they are convinced, then they had better convince those who are not."

Could the Minister of Human Resources and Skills Development stop saying any old thing and instead explain clearly to us why, eight months after what was described as a nearly final agreement, the parental leave file has yet to be signed by the federal government and the Government of Quebec?

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, contrary to what my colleague from Quebec has said, Quebec's Minister Bécharé is very patient because we are continuing to talk to each other and both of us are trying to find the right approach to settle this entire matter.

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, it is all well and good for the minister to say that everything is going fine, but Minister Bécharé went on to say: "It remains to be proven whether they are acting in good faith or not".

Can the minister understand that even her Quebec counterpart is questioning the federal government's good faith in this matter, since it is unacceptable that, eight months later, negotiations have still not come to an end, and until they do young parents are being denied the parental leave program?

*Oral Questions***INFRASTRUCTURE**

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 interesting that the member for Québec wants to pass herself off as the spokesperson for the Liberal government of Quebec, but I must tell you that we are engaged in direct contacts with that government.

I must point out as well that the parental leave system is being provided at this time to all Quebec families by the federal government. No one is being penalized at this time. We are trying to help Quebec improve this program, which is why the discussions are still going on.

* * *

• (1500)

[English]

NATIONAL DEFENCE

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, over the past few years Canadians have reason to be proud of Joint Task Force Two members in the war against terrorism. Canadians are not proud that our special forces, who have been injured in the line of duty while on classified missions, are denied disability pensions.

Why is the minister allowing his government's obsession with secrecy deny pensions to disabled JTF-2 soldiers?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the first thing we have to recognize is that members of our special forces do an incredible job for this country. I understand there is a specific problem about the secrecy of their missions and the need to fill out certain forms.

I promise the hon. member and all members of the special forces that I will work with them to ensure they are justly and properly treated. They will not be discriminated against because of their great service to this country. We have to reconcile their record with the need to have a system that protects their privacy. We will do that.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, this problem has been going on for years. The minister should know that without proper documentation of service related injuries a disability pension will still be denied.

Injuries to our special forces in the line of duty are not being reported due to so-called reasons of national security, even when the injuries can be confirmed without details of the operation.

How does the minister intend to increase recruitment and morale among our soldiers when the troops know that the JTF-2 veterans are being denied proper care?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the hon. member is doing her best to paint this into a huge problem. I went to the JTF-2 base. There is no recruitment problem with them. They are thrilled to be doing the jobs they are doing. They are proud of the jobs they are doing for this country. They will continue doing it. They are great soldiers. They will work with us to solve these problems, but they will not turn it into a silly political football like the hon. member is trying to do.

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, the new deal for cities and communities, particularly that part which deals with the federal gas tax allocation, is one of the government's principal priorities in order to achieve its environmental objectives.

Would the hon. minister for infrastructure please update the House on the status of this key component of the new deal for cities and communities?

Hon. John Godfrey (Minister of State (Infrastructure and Communities), Lib.): Mr. Speaker, I am proud to tell the House today that we have passed another important milestone in our commitment of the \$5 billion gas tax toward our communities.

Each province and territory has been told of its allocation. There will be a per capita formula with a special allocation for the three small territories and P.E.I. This approach was proposed to us by the Federation of Canadian Municipalities and we have accepted it. These funds will be supporting environmentally sustainable infrastructure across Canada.

* * *

TAXATION

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, during the last election the Prime Minister went to Saanich—Gulf Islands and promised JDS employees that he would fix their tax problem. He said, "I told Ralph to fix that".

In December the Minister of National Revenue said he was seized of the file. I have now learned that the government has no intention of keeping its promise and that in fact it is going to seize their money.

Why does the Prime Minister say anything just to get a vote? His words are hollow. They are empty. They are meaningless. Why does the Prime Minister continually break his word to these people?

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, the integrity of the tax system is a core national asset. What is critical is that each and every taxpayer knows that he or she will be treated exactly the same as every other taxpayer. That is the principle we are applying in this case. I can assure the hon. member that these individuals will be treated within the law but in a manner that is fair.

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, if the minister wants to talk about integrity, I want to talk about the integrity of the Prime Minister. He looked these people in the eye, made promises to them and he broke them. He will say anything to get a vote. It is shameful. The Prime Minister's honour is in question. He should be absolutely ashamed of himself.

He promised me four years ago he would help these people. Why did the Prime Minister lie—

Some hon. members: Oh, oh!

Routine Proceedings

● (1505)

The Speaker: I could not hear what the member said and we will deal with that after question period. The minister may wish to respond to whatever question may have been asked. I could not hear one. Perhaps the minister would care to respond and we will deal with the other matter in a minute.

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, the general point is that the integrity of the tax system requires that each and every taxpayer be treated in a manner that is fair in comparison with other Canadians. In this particular case, on an individual basis, arrangements will be made that are both fair and within the law.

* * *

[Translation]

GAS TAX

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, when he disclosed details of his plan for sharing gas tax revenues, the Minister of State for Infrastructure and Communities said he wanted to respect the jurisdictions of Quebec and the provinces. But in the same breath he said that he was negotiating with Quebec the ways and means of distributing these revenues among the municipalities, even though this is an area that falls under Quebec's exclusive jurisdiction.

Will the minister, who claims to want to respect the jurisdictions of Quebec and the provinces over municipal affairs, admit that Quebec must have full, unconditional control over how gas tax revenues are used in all the municipalities in Quebec?

Hon. John Godfrey (Minister of State (Infrastructure and Communities), Lib.): Mr. Speaker, I can confirm that we will be working closely with Quebec while at the same time respecting provincial jurisdictions. We have already been working for quite a while on tripartite infrastructure programs. We will continue to negotiate on this basis of mutual respect, while still looking together for national objectives shared by the three levels of government.

* * *

FOREIGN AFFAIRS

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, the International Commission of Inquiry on Darfur established by the United Nations Security Council to investigate violations of international human rights and humanitarian law in Darfur made its report public yesterday. It strongly recommends that the Security Council refer this matter to the International Criminal Court.

Will the Government of Canada support this important recommendation?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada heartily welcomes the commission's report. As hon. members know, we determined last summer that the atrocities taking place in Sudan were clearly war crimes and crimes against humanity.

In its report, the commission recommended that the Security Council immediately refer the situation in Darfur to the International Criminal Court. We fully support this recommendation. This is concrete action to help achieve a lasting resolution to this terrible conflict.

[English]

PRESENCE IN GALLERY

The Speaker: I would like to draw the attention of hon. members to the presence in the gallery of the recipients of the 2005 Aboriginal Achievement awards: Lolly Annahatak, Brenda Chambers, Dr. Thomas Dignan, Sharon Firth, Judy Gingell, Eber Hampton, Joe Jacobs, Fauna Kingdon, Emma LaRocque, Gerald McMaster and John Joe Sark.

Some hon. members: Hear, hear!

The Speaker: I invite all hon. members to meet the recipients at a reception at 3:15 in Room 216-N.

* * *

BUSINESS OF SUPPLY

The Speaker: It is my duty, pursuant to Standing Order 81(14), to inform the House that the motion to be considered tomorrow during consideration of the business of supply is as follows:

That, in light of the numerous recent disasters affecting agricultural communities across Canada and the government's failure to deliver timely financial relief to struggling farmers, whether by the Canadian Agricultural Income Stabilization (CAIS) program or other programs, the House calls on the government to immediately drop the CAIS deposit requirement and honour the commitments it has already made to Canadian producers.

This motion, standing in the name of the hon. member for Haldimand—Norfolk, is votable.

[Translation]

Copies of the motion are available at the table.

* * *

● (1510)

[English]

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. Gary Lunn (Saanich—Gulf Islands, CPC): Mr. Speaker, I rise on a point of order.

In the heat of the moment in question period apparently I used the word "lie". Again, I did not intend to do that, so I will withdraw it.

ROUTINE PROCEEDINGS

[English]

CERTIFICATES OF NOMINATION

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 110(2), I am tabling four separate certificates of nomination.

[Translation]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have the honour to present the 23rd report of the Standing Committee on Procedure and House Affairs, concerning the membership and associate membership of some committees.

[English]

If the House gives its consent, I intend to move concurrence in the 23rd report later this day.

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, there have been consultations among the parties and I believe you will find unanimous consent in the House for the following motion:

That the membership on the Standing Committee of Procedure and House Affairs be amended by replacing the name of John Reynolds with the name of Jay Hill.

The Speaker: Does the chief opposition whip have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

(Motion agreed to)

• (1515)

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, if the House gives its consent, and this as well is a change of committee membership, I would like to move that the 23rd report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

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

Some hon. members: Agreed.

An hon. member: No.

* * *

PETITIONS

CN INTERMODAL TRANSPORTATION FACILITY

Mr. Gary Carr (Halton, Lib.): Mr. Speaker, I have a petition from constituents in my riding of Halton.

The petitioners are concerned about the proposed CN intermodal facility in their community and are in opposition to that development. Therefore the petitioners call on the government of Ontario to stop the development of the proposed CN major intermodal terminal facility in the town of Milton and surrounding area.

[Translation]

EMPLOYMENT INSURANCE

Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ): Mr. Speaker, I have the honour to table a petition signed by 1,400 workers in my riding. They are demanding a return to the former EI economic regions, since the new regions are offering EI at an unreal rate and, as a result, the workers in my region are losing benefits.

They are also demanding that the government keep its promise to increase the number of weeks of entitlement for seasonal workers.

Routine Proceedings

[English]

MARRIAGE

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, it is my honour to present a petition from a number of people in my riding of Saskatoon—Wanuskewin in Saskatchewan.

The petitioners call on Parliament to support the traditional historic and sacred definition of marriage.

[Translation]

GULF WAR

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, it is my pleasure today to table a petition presented by the social action committee of the Cégep régional de Lanaudière in L'Assomption and in particular by Karine Picard and her colleagues. I congratulate them on their efforts and their commitment to their community.

I want to read this petition:

We the undersigned, at the Cégep régional de Lanaudière, want to heighten the government's awareness of gulf war syndrome and we hope that the Canadian government will recognize the seriousness of permanent after-effects suffered by some members of the Canadian armed forces who took part in the 1991 gulf war.

It is my pleasure to table this petition in the House on their behalf. I look forward to hearing the government's response.

[English]

MARRIAGE

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Speaker, I have the honour today to present a petition with 146 names of people in my riding who call upon the government to preserve the traditional definition of marriage as between one man and one woman.

GASOLINE ADDITIVES

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36 I wish to present a petition on behalf of the constituents of Lambton—Kent—Middlesex. They are calling upon Parliament to protect the health of seniors and children and save our environment by banning the disputed gas additive MMT as it creates smog and enhances global warming.

INTERNATIONAL AID

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I have the privilege of tabling a petition signed by Canadians in three provinces, Ontario, Saskatchewan and Alberta, in support of the continuing campaign to press the government to increase our overseas development assistance from the current shameful level of .28% to 0.7% of GDP.

It is a very important petition at any time, particularly on the eve of a budget.

Government Orders

• (1520)

NATIONAL DEFENCE

Ms. Alexa McDonough (Halifax, NDP): I wish to table another petition with many hundreds of signatures. The petitioners urge that Canada finally take a clear stand in saying no to any Canadian participation in Bush's missile defence madness and instead to concentrate on working with our partners in peace toward better arms control and an end to the production and sale of weapons of mass destruction and any materials used to build them.

* * *

[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, a revised version of Question No. 57 will be answered today.

[Text]

Question No. 57—**Mr. Pierre Poilievre:**

With regard to the potential move of National Defence Headquarters: (a) has the government completed a business plan for the purchase or lease of the JDS Uniphase campus in South Nepean; (b) if so, for which departments; and (c) what are the specifics of this plan?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, PWGSC, as the custodian of the lands and buildings located at 101 Colonel By Drive, presently being occupied by National Defence Headquarters, developed a document entitled "Department of National Defence Accommodation Strategy in the National Capital Region", in March 2004 which included a potential relocation of NDHQ functions presently being carried out at 101 Colonel By Drive, to the JDS Uniphase complex at 3000 Merivale Road. The Department of National Defence DND ultimately advised PWGSC that they did not need the building. PWGSC did not purchase this building because we have no client requirements to support this type of acquisition at this time. As long as the property remains vacant, however, we will continue to consider its availability in the analysis of accommodation needs of other federal departments.

[Translation]

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

The Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

[English]

MOTIONS FOR PAPERS

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

The Speaker: Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

The House resumed from November 29, 2004, consideration of the motion that Bill C-24, an act to amend the Federal-Provincial Fiscal Arrangements Act and to make consequential amendments to other acts (fiscal equalization payments to the provinces and funding to the territories), be read the second time and referred to a committee.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, this is a timely topic. Before I get to my speech, I want to give some kudos to the premier of Newfoundland, Danny Williams, and the premier of Nova Scotia, who have put up a good fight on an issue of principle.

Being from Saskatchewan I was very disappointed when listening to the Minister of Finance's comments and reaction to questions today that he is not going to extend this principle to all provinces right across the country. If we are going to fragment our country into pieces, and that is the way we are going to carry out equalization programs, we are heading for trouble. That is not the way to do it.

That is not the first time the minister has let the province of Saskatchewan down. He has let us down on farm programs. They are an absolute failure in the province. On the junior hockey issue, I heard the Minister of National Revenue today say that he is for fairness and for treating all Canadians equally. Well, tell that to the 10 or 11 junior A hockey teams in Saskatchewan that have been shafted by the Liberal government. The minister has not been a good news story for Saskatchewan.

The Minister of Finance said that Saskatchewan is a have province. I do not know what kind of wonderland paradise the minister of words lives in because I have a lot of problems with that categorization. The equalization plan as it is presently set out is full of major defects. It is a very poor instrument with which to measure true fiscal capacity. That is the very issue about which Newfoundland and Nova Scotia were fighting.

Academics have been extremely critical of the formula. They have been very critical of a formula that emphasizes in 13 out of 33 tax bases non-renewable natural resources. In Saskatchewan with uranium, potash, oil and gas, that is a good part of the province's tax base or revenue. The academics are from all regions of the country and their condemnation of that formula as being very defective has been almost universal.

The Minister of Finance must realize it himself. He is setting up a panel to study the issue and come up with some recommendations on it. I am amazed that he would not understand that problem, but he does not.

Government Orders

I want to make some points about Saskatchewan's fiscal capacity and the categorization by the Minister of Finance that Saskatchewan somehow is a have province. The best indicator of fiscal capacity is per capita income. Statistics Canada records show that the average per capita income in Canada, rounded off, is about \$30,000. What is it in Saskatchewan? It is \$25,000, which is \$5,000 below the national average. The Minister of Finance says that Saskatchewan is a have province.

Manitoba, our sister province right next to us, has a million people, give or take a few thousand. It has about the same population as Saskatchewan. Under the current equalization formula Manitoba in the current year is to receive \$1.433 billion in equalization. Saskatchewan will receive \$71 million. The amazing thing about that, if we look at Statistics Canada statistics, is that Manitoba's per capita income is \$1,500 higher than Saskatchewan's, but the Minister of Finance says that Saskatchewan is a have province.

This is a huge deficiency between two provinces that are quite comparable. We are talking about a difference in financing in the neighbourhood of \$1.3 billion. I am not begrudging Manitoba; I am just saying the formula has to work for all provinces in the country and it is not.

Let us look at a few other indicators. The Fraser Institute just completed a study on health care and waiting lists. The average wait time in Saskatchewan from the time a person sees a general practitioner until seeing a specialist and to get a first treatment is 30 weeks. That is almost eight months. If a person's car broke down and the garage mechanic said to bring it back in eight months, the person would be very dissatisfied.

● (1525)

Manitoba's average wait time is 15 weeks, half the wait period that in Saskatchewan. Saskatchewan has the longest wait list for MRIs in the country, 25 weeks. Manitoba is 11 weeks, and there are other provinces in Canada where the wait list is as low as 5 weeks. We are the highest in these matters. That is another indicator. We are dead last when it comes to wait lists for health care, and it does not stop there.

Every time we have a farm safety net program in Saskatchewan, the provincial government pleads poverty. It says that it does not have the fiscal ability or capacity to pay its 40%. It goes on every year. It comes up with a whole lot of explanations why it cannot do it, but it basically boils down to the fact that it does not have the money to pay for those programs. I can see why. Look at the equalization plan.

This is another thing about which we should be concerned. Saskatchewan is very similar to Newfoundland and Labrador in other categories too. If we look at the net out-migration of people from provinces, Saskatchewan is second in the country for people leaving the province. Only Newfoundland and Labrador is higher, although I read a report which said that out of 22 year old people in Saskatchewan, we were the leader in the country. That just happens to be the year that most students graduate from the University of Regina and Saskatoon. Most of them, and I do not think I am saying anything out of turn here, move to provinces like Alberta, British Columbia and Ontario or cities like Calgary. In their minds, the

province does not offer them opportunity in the future, not unlike Newfoundland and Labrador.

In many respects I reiterate what I said before. The Minister of Finance is letting the people of Saskatchewan down in a serious way. He knows better. He knows that the equalization formula has to be a national formula. It is in the Constitution. However, the intent of that is to provide all provinces with the fiscal ability to provide essential public services to the population. The records show that in health care, in agriculture programs, in highways and a whole lot of areas, the situation in Saskatchewan is deteriorating. It all boils down to a province that does not have the fiscal ability to meet those challenges.

Many people in Saskatchewan are viewing Danny Williams as their champion and their premier on this issue. They see the importance of this issue. I must confess that when I heard the announcement as a Saskatchewan person, I thought that was good news and that we would get that kind of treatment in Saskatchewan as well.

However, all I get is a bunch of baffle-gab from the Minister of Finance. He comes up with all sorts of arguments. If I heard him today, he said that we were getting \$600 million on this and \$140 million on that. I have read the Department of Finance releases on documents on this matter. In this current year, we are getting \$77 million. That is the Department of Finance figure. Manitoba is getting \$1,433,000,000 this year. On a per capita level, that is \$77 per person in Saskatchewan and in our sister province, Manitoba, which is basically I think in the same fiscal boat as Saskatchewan, it is \$1,433 per person. When we look at it on a family basis, it is something like \$6,000 in Manitoba and \$280 in Saskatchewan.

No wonder the wait lists in Saskatchewan are the highest in the country. No wonder the highways are falling apart. No wonder the agriculture sector is in a disastrous state of affairs. Quite honestly, we have been using creative financing in Saskatchewan. I am quite sure if truth were known, we have run up huge fiscal deficits in the province over the last two or three years. We are running out of money. The province has a \$12 billion accumulated debt, not unlike the problems that Newfoundland and Labrador has.

● (1530)

I would think the Minister of Finance would understand the strongest argument for removing the clawback on the development of non-renewable resources. Why would he not want Newfoundland and Labrador and Saskatchewan to be like Alberta, which has developed a very strong economy around its non-renewable resources? In every other fiscal measurement, personal income, property taxes, corporate tax capacity, growth in the economy, employment and all the other indicators of fiscal capacity, it has built its economy around that. It has a very prosperous economy and is a have province. It is not dependent on the federal government for anything. It is a net contributor to Confederation.

Government Orders

Why would we not want to set in place a formula that encourages Saskatchewan, Newfoundland and Labrador and other provinces to follow that same path, to become prosperous, self-reliant contributors to the Canadian mainstream, and to become a destination point for investment, people, jobs and all the other things? Because the Liberal equalization policy says that this is dangerous. The government wants to keep them under its thumb. It wants to keep them dependent on it. It wants to punish them for trying to create jobs and having people become self-reliant and independent people in the country. It is a dangerous concept.

The Liberals believe in this big Ottawa bureaucracy where they like to keep people under their thumbs. I guess for political reasons too they like to use their fear tactics to try to scare people into becoming more dependent on their programs and approach to things.

I am profoundly disappointed with the Minister of Finance. I would have thought, given his background and his knowledge and given he was born and raised in Avonlea, Saskatchewan, he would have a real appreciation of the problems Saskatchewan faces and the problems of the equalization formula. I would have thought he would be the champion of this issue. He is in a position, as Minister of Finance, along with the people who make the rules on this thing, to take the bull by the horns, to use a Saskatchewan phrase, and get this problem fixed. However, he is not doing that.

The Minister of Finance has given us the same answers he has given us on the junior hockey issue. We have 10 junior A hockey teams that have been punished by the revenue department, which has imposed taxes on those teams, but not on 120 other teams across the country. He has done nothing to rectify that problem. Ten communities have appealed to him to address the issue. I hope he will do it in this budget, but I am not optimistic. We have a private member's bill on this, but he has given no indication he will support that. I am not enthusiastic about his approach to nation-building.

I would like to make another comment on the whole topic. We talk about building a strong, unified Canada from coast to coast. The equalization concept is a part of our Constitution. It was intended to be national in scope and to treat Canadians fairly from one end of the country to another. What the Minister of Finance has done with his concept is chop it up. He has an equalization formula that is unique for one area and an equalization formula that is unique for another area. Nobody can really look at any basic principles across the country and say that this is the formula, that it is fair and a true measure of fiscal capacity and that it is fair for everyone. These are the sorts of things people look for from the Liberal government.

Another point is, why during the heat of an election, would a prime minister go into the province of Newfoundland and Labrador and make a firm commitment to the premier, acknowledging that the clawback on non-renewable resources, on oil and gas is wrong, that if he becomes prime minister, he will totally eliminate the clawback? He made that firm commitment, but then the premier had to fight and use everything in his tool chest to try to get the Liberal government to live up to the commitment. It is a disgraceful way to run a country. The only reason the government has accommodated Newfoundland and Labrador and Nova Scotia on this is because the bulldog tenacity of Danny Williams forced it to live up to its promise, and I commend him for doing that.

● (1535)

When the Prime Minister made that promise in Newfoundland and Labrador during the election, he not only made that commitment to the province but, as Prime Minister of Canada, he made that commitment to every province. If he is going to change the rules about equalization, he is changing them for all the provinces, not just one.

I am thorough disappointed that the government has apparently decided to change the formula for Newfoundland and Labrador and Nova Scotia, but yet tells a province like Saskatchewan that the changes made in the formula will not apply to the province. That is a very disappointing approach to fiscal federalism in the way the government deals with things.

I want to point out the disparity also between different provinces. I like to use Manitoba because Manitoba and Saskatchewan are quite similar. I know both provinces. I do not want in any way to construe this as being a negative against Manitoba. It has its own challenges as well.

Going back over the last 10 or 11 years and looking at the Liberal equalization formula and how the government has dealt with those two provinces, the average discrepancy in equalization payments between Manitoba and Saskatchewan is \$800 million a year. That amount over a 10 year period works out to something like \$9.6 billion. That is a difference between two provinces that are relatively the same in fiscal capacity. Saskatchewan has a \$12 billion deficit. When compound interest and everything else is factored in, it could have virtually eliminated its public debt if the equalization formula had been a fair formula and the clawback on non-renewable resources had been there.

To show how crazy this formula is, I will point out some calculations under the equalization formula. For every \$1 of revenue that Saskatchewan received from oil and gas, the federal government clawed back \$1.50 under equalization. If the political masters in Saskatchewan look at the merits of equalization, they will ask why should the province develop its natural resources? Why should the province create jobs in that sector and try to build its economy when the federal government clubs it over the head on equalization? It is a losing proposition for a province to try to develop its natural resources.

Saskatchewan has other non-renewable resources on which an economy can be built. Saskatchewan has probably half of the world's uranium. I actually do believe that uranium has a major place in this energy starved world, a world dominated by air and water pollution. Atomic power will be part of the equation, whether the chattering class agrees with me or not. Saskatchewan has the world's largest deposits of potash.

Another thing I disagree with on targeting non-renewable resources is the fact that they are non-renewable. They will run out some day. If the provinces that have non-renewable resources do not build the right kind of economic climate and foundations, then they are in trouble when those resources run out, whether that province is Newfoundland and Labrador, Alberta or Saskatchewan.

Government Orders

Anybody in government who decides that we should target non-renewable resources as the foundation for our equalization formula should put on their thinking cap. It is a bad approach. There are a whole lot of people who are a lot smarter than me who have looked at this topic and they condemn a formula that emphasizes non-renewable resources to the extent of this current formula.

• (1540)

I guess the folks back in Saskatchewan will be very disappointed with a Minister of Finance who says that this new accord with Newfoundland and Labrador and Nova Scotia will not apply to them or to any of the other provinces in Canada.

The farmers in my area are desperately looking to federal and provincial governments for some increased fiscal capacity to address their challenges. They are up against the wall. This will not be good news for anybody in Saskatchewan. I am supremely disappointed with the minister's words and his approach to this whole matter.

[*Translation*]

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, I thank our colleague for his presentation. If there is one thing this government is particularly good at, it is creating general discontent in all of the provinces. They are very adept, in fact, at stirring up discontent just about everywhere in Canada.

The hon. member has given a very good explanation of the past and future effects of the new equalization agreement with Saskatchewan. The government refuses to acknowledge the fiscal imbalance.

Does the member think that finding solutions to the fiscal imbalance might improve the situation, for Saskatchewan in particular, in the context he has just described?

[*English*]

Mr. Brian Fitzpatrick: Mr. Speaker, I have to agree with my Bloc colleague's comment about the fiscal capacity. The programs, which governments deliver to the people, the ones that really count in my area, are things like education, health care and highways. Those are the bread and butter programs that are delivered to people. There are a whole host of areas such as social services, environmental protection and game management.

When people think of government, they generally think of their provincial governments but these are very expensive programs to deliver. In a province like Saskatchewan we do not have the fiscal ability to really deal with these matters, which is why we have the longest wait list for health care in the country. It is disgraceful and, in my view, it is almost a violation of the Canada Health Act.

We do not have the fiscal capacity but Ottawa has lots of money. The government had \$4 billion to spend on a Kyoto study but does not even have a plan for implementing it. It blew billions of dollars in the HRDC boondoggle. It has squandered goodness knows how many billions of dollars on the gun registry. It almost boils down to corruption. The sponsorship program would be one that comes to mind.

We have all this money in Ottawa and it is being squandered and wasted on low priority items while the provinces have to struggle

with real problems and real demands from the Canadian public. I totally agree with the member.

I also want to portend an argument for my friends from Quebec. I know right now Quebec does not have a lot of these non-renewable resources but I know the province has a lot of potential. A lot of mining activity is going on in the province that is looking very promising, such as diamond mining. In the Gaspé area, a lot of people in the oil and gas industry are talking about the potential of that province having a great deal of oil and gas in the future.

It is not just something for the present for provinces like Saskatchewan that have resources in this area. It could very easily be that Quebec could be sitting on a whole lot of very valuable non-renewable resources and it will be its turn to be punished under this formula as well. It is something that every province in the country should be thinking about. It is bad policy and it definitely creates a huge fiscal imbalance. I agree with my Bloc member 100% on this issue.

• (1545)

[*Translation*]

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, Bill C-24 implements the results of the conference on equalization held on October 26, 2004, results that were imposed upon Quebec and the provinces by this federal government. We are going to vote against this bill.

Why are we going to vote against it? For a number of reasons. First of all, Bill C-24 does not in any way correct the fiscal imbalance. The funds available, considerable though they are, will not solve the problems, as they are still far from enough.

Second, there is no in-depth reform of the equalization program, so the problems that have been pointed out, by Quebec in particular, are still there and will continue. Worse yet, the proposed changes to the equalization program will potentially worsen the fiscal disparity between the provinces.

Certain specific agreements have been negotiated by the federal government, with Newfoundland and Nova Scotia for instance, but these are not covered by the bill. As a result there is a major problem of unfairness and the very spirit of equalization is being violated.

The very essence of this bill is flawed. Indeed, this agreement includes, among other things, an allocation formula between the provinces that is unchanged. This bill includes an individual threshold provision to guarantee that no province will get less than what had been estimated at the time of the 2004 budget. While this may seem interesting at first glance, it is always difficult—and the Minister of Finance is an expert when it comes to underestimating—to come up with accurate estimates.

In fact, under Bill C-24, Saskatchewan and British Columbia are the only ones that benefit from this measure, to the tune of amounts estimated at \$581 million and \$191 million respectively.

Government Orders

For the second year of its implementation, the bill sets out the equalization payments to be made to receiving provinces under the program. In the case of Quebec, for example, we are talking about \$4.798 billion, or 44.2% of the total amount. What is rather peculiar is that the allocation between the provinces has already been definitely determined—and the term “definitely” is key here—for a fiscal year that will end in March 2006. However, we all know that the relative economic situation of the provinces does not necessarily evolve in accordance with the forecasts.

In light of the lack of accuracy of federal budget forecasts, how can this government claim to do better when it comes to the provinces? Once again, we are dealing with a federal government that claims to know the affairs of the provinces and of Quebec better than its own jurisdictions.

Third, under this bill, overall funding will increase by 3.5% for the year 2006-07, and for each subsequent year. I should point out that this is by default. A group of independent experts will conduct a review to re-examine the allocation and determine if adjustments should be made.

This committee will give advice to the government, but will not have the authority to change the overall amount. It will merely be consulted. It is the federal government which will continue to make all the decisions. When it comes to equalization, we are far from stable and predictable funding. Again, this government will make unilateral decisions, and that is very unfortunate.

As I mentioned earlier, the bill is far from solving the fiscal imbalance issue. Yet, during the last election campaign, the Prime Minister said he would launch a new era of cooperation with the provinces. The bill before us does not fulfill that objective.

The government had even agreed to amend its Speech from the Throne to include a part on the fiscal imbalance, as we call it. They call it financial pressure. Everyone but the government calls it fiscal imbalance. In its Speech from the Throne the government agreed to correct it. Bill C-24 fails to do so.

The Prime Minister has proven it. The election is over and there are no more fine speeches. He has imposed his priorities, choices and methods on the provinces despite some serious resistance. The Prime Minister did not take any account whatsoever of the true needs of Quebec and the provinces.

• (1550)

No change was made to the calculation method that penalizes Quebec and results in unstable and unpredictable payments.

Furthermore, the Prime Minister not only did nothing to resolve the fiscal imbalance, he still refuses to acknowledge it. Yet, a few moments ago, the Conservative colleague made reference to it: Ottawa is up to its neck in surpluses. We are talking about \$60 million in surplus since 1997-98. According to the Conference Board, these figures have been raised often in this House. Bear in mind we are talking about some \$166 billion by 2015. I am sure that if we updated these figures, the amount would be even higher.

In the meantime, the provinces—except Alberta—are no longer able to pay for their public services properly. A very large portion of funding in the provinces and Quebec goes to health, a very important

sector, and the provinces and Quebec have great difficulty funding their other obligations.

Again, the Conference Board estimates that by 2015, the combined deficits of Quebec and the provinces will be \$68 billion, another good example of the democratic deficit the Prime Minister talks about .

The democratic deficit is also a political imbalance because the government does not look after its own areas of responsibility. It can barely handle its own as it is. It is busy interfering more and more in areas under the jurisdiction of Quebec and the provinces.

From 1997-98 to 2000-01, we estimate that Ottawa spent nearly \$16 billion on new initiatives in areas under the jurisdiction of Quebec and the provinces. That is outrageous. In 2003 alone, intrusions represented \$81 billion, or 44% of federal spending and 55% of the government's operating expenditures. Nearly half of the spending of this government, which claims to be a federal government, was directly in areas under the jurisdiction of the provinces and Quebec.

How could we support this bill after all that I have just demonstrated?

Not only is Bill C-24 inappropriate, but the government itself is indirectly acknowledging it. How? It is acknowledging it by signing specific agreements with other provinces. Following a basely election-minded promise and an inappropriate agreement on equalization, the government had no choice. So, on January 28, the government entered into an agreement on oil revenues and equalization with Newfoundland and Labrador and Nova Scotia.

Even that agreement recognizes that Bill C-24 does not work. Under it, Ottawa will reimburse the two provinces for any loss in equalization due to offshore oil revenues until 2012. It represents a huge amount. Naturally, we are delighted for the people of Newfoundland and Labrador and Nova Scotia. We wish them all the best.

Still, we are talking about approximately \$2.6 billion for Newfoundland and Labrador between now and 2012, of which \$2 billion will be paid immediately in 2004-05. As for Nova Scotia, the amount involved is \$1.1 billion, of which \$830 million will be paid immediately. For 2004-05 alone, the amount paid to Newfoundland and Labrador will represent \$3,868 per capita. For Quebec, this would mean \$29 billion.

If Bill C-24 were really great, there would have been no need for an agreement on equalization. Moreover, it is an unfair agreement. Equalization was designed as an equity measure, to ensure that the provinces could provide comparable services. As they become more prosperous, equalization declines, and that is how it should be. The principle of equity is thrown into question by this agreement.

While Newfoundland and Labrador and Nova Scotia can get rich without having their equalization payments cut, Quebec's equalization payments are cut whenever it receives hydroelectric revenues. Is this normal? I think not. We have said it a number of times in this House: the solution lies in resolving the fiscal imbalance.

Government Orders

I cannot wait for June 2, when the Standing Committee on Finance's Subcommittee on Fiscal Imbalance will issue its report.

There are ways to resolve these problems. One of them is to abolish the CHST; in other words, transfer responsibility for the GST or personal income tax to the provinces.

● (1555)

That way, the provinces could secure more stable funding and pick their own priorities. Consequently, they would not be driven by the federal government which can change things almost at its own discretion.

However, since the reality is the equalization program does exist, it has to be improved. Bill C-24 does not meet these objectives. Why does this bill not take into consideration the fiscal capacity of ten provinces, commonly called the ten-province standard, instead of just five, as is currently the case. Why are the floor and ceiling provisions not eliminated in this bill. It would be much fairer.

The government must fully respect the representative tax system approach. This means that measurements of fiscal capacity must be based on reality and not on current estimates that can change over time. Otherwise, we end up in situations where overpayments might be made and then Quebec and the provinces have to make repayments.

Of course, this does nothing to foster balanced budgets in Quebec or any other province. This is exactly the situation in Quebec City, where the finance minister, Mr. Séguin, is trying to square the circle and, unfortunately, he will find it very difficult to make ends meet.

Many of the problems of Minister Séguin in Quebec are the direct result of the actions of the federal government, which does not take into consideration the real needs of the citizens who benefit from services provided by the provinces, specifically Quebec in the case that I am referring to.

Earlier, I mentioned the ad hoc agreement reached with Newfoundland, which also opens the door to injustice. Since revenues will be assessed by using a different formula from one province to the next, we can only arrive at results that do not accurately reflect the tax resources of each of them. Consequently, we are making equalization payments that do not meet the objective of equalization. Yet, this objective is simple: it is to ensure, through taxation, that the quality of public services is at a comparable level from one province to the next.

The Bloc Québécois, like the Séguin Commission, feels that ad hoc solutions create problems of fairness between receiving provinces and that they go against the spirit of the program. This program should normally smooth out the relative disparities between the provinces, not increase them.

As I mentioned earlier, the agreement proposes to arbitrarily exclude certain revenues, but not others. On what basis? We are not quite sure. The provinces have their own sources of revenue, including natural resources, energy, income tax, property taxes and commodity taxes. In order for the equalization program to be fair, all of these revenues must be taken into consideration. They also include royalties from mining or oil activities, and revenues from hydro dams.

Under this agreement, when it comes to calculating equalization payments, offshore oil revenues are not taken into consideration, but revenues from mining or hydroelectricity continue to be taken into account. This is not fair to Quebec. This is not a good agreement for Quebec which, incidentally, is not the only loser. Earlier, an hon. member mentioned that Saskatchewan also has problems with this agreement.

Bill C-24 does not at all alleviate the concerns that we are expressing in this House. This is unfortunate. Despite the fact that this is a minority government, all too often we feel that it is not listening to the other parties in this House.

● (1600)

This is unfortunate. However, we remain hopeful. We repeatedly tell them what Quebec's needs are. We repeatedly tell them what the real concerns of Quebecers and Canadians are. We remain hopeful that, one day, they will understand.

We must not forget that this agreement gives subsidies to the oil-producing provinces. We have talked a great deal about the Kyoto protocol and its implementation. It is an example of misrepresentation by this government that, on one hand, claims to promote the Kyoto protocol and its implementation and, on the other, through special agreements, gives subsidies to the oil-producing provinces. As a result, the bill is paid by those provinces that generate hydroelectricity, a much cleaner energy source. So, once again, we come back to the polluter-paid principle and not the polluter-pay principle.

This agreement is not satisfactory for any of the provinces. Bill C-24 does not work. What do we have to do to get them to open their eyes? This agreement does not resolve the real problems of the equalization program. The current equalization formula is inadequate in terms of both its objective and its operation because the standard is inadequate. Ottawa does not take into account the revenue of all ten provinces. Thus, the average revenue is artificially lowered.

As a result, the recipient provinces have \$297 less per capita than the average of the ten provinces to deliver public services. Equalization is, however, supposed to make things essentially comparable. The widest gaps are not taken into account, so the average is skewed.

Ottawa does not gauge revenues properly either. To take property tax revenues as an example, rather than measuring the tax base according to property values, the federal government has arbitrarily invented a complex formula that takes into account a whole set of economic and demographic variables.

For example, in Quebec in 2002 the residential real estate wealth per capita was \$30,621. Using the federal formula, which is complex, convoluted and all but obscure, Ottawa assesses it at \$71,406, 133% higher. Naturally, equalization payments are reduced accordingly.

Government Orders

The Minister of Finance has the nerve to tell us “Oh my, we have an unexpected surplus. We did not see it coming”. Yet when we look at calculation methods like those, we should not be surprised that the federal government has money coming out of its ears, so much so that it does not know what to do with its revenues and so takes it upon itself to interfere in areas that are the provinces' and Quebec's jurisdiction.

It is the same thing for other types of revenues, so much so that Ottawa's creative calculations no longer reflect the provinces' fiscal capacity in any way. What is more, the overall amount is clearly inadequate. In fact, calculation of the amounts of equalization does not reflect the reality of provincial tax revenues. Ottawa leaves half the provinces out of its calculations, as well as not taking all revenues into consideration, and assesses them wrongly.

This is the recipe for a financial catastrophe, and unfortunately that is just what is shaping up in the various provincial legislatures and in Quebec. Bill C-24 is badly put together and does not meet the needs of the provinces and Quebec. I will be very pleased to vote against it.

payments to the provinces and funding to the territories), be read the second time and referred to a committee.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I want to commend my colleague from Portneuf—Jacques-Cartier for his excellent speech on equalization and I want to ask him a question.

Earlier, on the calculation of equalization, my colleague referred to the value of Quebecers' properties and the fact that the federal government has overvalued them. It is a terrible situation. Quebec has not always received equalization. For a long time, Quebec was not among those receiving equalization.

How did this happen? I want my colleague to clarify this a little. One of the reasons—and I want to know if he agrees—is that far too often the federal government has allowed Quebec's natural resources to be processed outside Quebec, in Ontario for the most part, which is terrible.

Now, when it comes time to discuss equalization, the Premier of Ontario washes his hands of it. He says Ontarians pay a great deal. In any event, he is not the one who pays. It is an equalization system that was established in the Canadian Constitution. It was set up at the time to get the provinces to accept the Constitution. That is how this happened.

Unfortunately, Quebec has now been drained of all its good jobs. Although Quebec is one of the largest producers of aluminum and magnesium in the world, the auto industry is disappearing from the province. The GM plant in Boisbriand closed, as did the parts manufacturing companies, what with the industrial cluster being set up in Ontario.

I could go on about other sectors where Canada allowed Quebec's natural resources to be processed elsewhere, often with support from federal aid programs. Just look at the latest instance, before the election, when \$500 million was granted to the auto industry just after the GM plant closed in Boisbriand.

Now there will be a dispute over the fact that Quebec wants its fair share of equalization and its wealth to be calculated on true values. A problem is brewing in Canada. We can try to pass bills to solve it, but many Quebecers know that the only way to get justice is to separate from this country.

Mr. Guy Côté: Mr. Speaker, I thank my hon. colleague for his excellent question. Sadly, I am forced to agree with him. We have been witnesses for a very long time—and I believe this sincerely—to a weakening of the Quebec state for the sake of promoting federalism.

Forgive me for not remembering the exact quote but, in our party, we all recall a federal minister saying, “We are going to hurt them. They will not vote for sovereignty”.

[English]

Hon. Bill Blaikie (Elmwood—Transcona, NDP): Mr. Speaker, it is a pleasure to be able to say a few words today about Bill C-24 at second reading. Hopefully we will be able to dispose of this bill, at least at this stage, later this day, have a vote and get it off to committee, where we can continue this debate about equalization.

ROUTINE PROCEEDINGS

• (1605)

[Translation]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, on a point of order.

Earlier today, I tabled a report by a parliamentary committee concerning changes in the membership of certain committees. Unfortunately, I did not obtain leave for concurrence at that time. With leave of the House, I move that the 23rd report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

[English]

The Deputy Speaker: Does the hon. member have the consent of the House to move the motion?

Some hon. members: Agreed.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[Translation]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

The House resumed consideration of the motion that Bill C-24, an act to amend the Federal-Provincial Fiscal Arrangements Act and to make consequential amendments to other Acts (fiscal equalization

Government Orders

Certainly equalization is a very important part of how the country is constituted. It predates the Constitution of 1982. I think it goes back to 1957. In the process of patriating the Constitution in 1980-82, we enshrined the principle of equalization. I was here at that time. I think that was a very important thing to do: to establish at a constitutional level the fact that as a country we want provinces to be able to provide reasonably comparable levels of public services.

In order to do that without so-called have not provinces having to tax at a level that would make them uncompetitive and therefore create an even worse economic situation for them, there is a pooling of resources at the federal level pursuant to a particular formula by which provinces which fall below a certain fiscal standard, shall we say, receive equalization payments.

It is also timely that we are having this debate this afternoon, because we have in recent days witnessed the Atlantic accord between the federal government and Nova Scotia and Newfoundland and Labrador. This bears on the equalization debate, because what was at stake there was a feeling on the part of Newfoundland and Labrador and Nova Scotia, first of all, of course, that a promise the Prime Minister made during the election campaign be kept. That promise had to do with how and when the equalization formula is amended as a result of wealth that accrues to provinces as a result of new revenues, in this case oil and gas revenues. The federal government reached an agreement on January 28, 2005, whereby Nova Scotia and Newfoundland and Labrador can keep 100% of their offshore energy revenues.

This we welcome, but it also at the same time creates questions about how other provinces are being treated. For instance, it creates questions, I know, in the minds of many people from Saskatchewan.

Indeed, my leader, the hon. member for Toronto—Danforth, asked a question today in the House with respect to what the government intended to do in regard to Saskatchewan. Because although Saskatchewan is happy for Nova Scotia and Newfoundland and Labrador, it hopes that this ultimately means good news for Saskatchewan too. It feels that at the moment as a result of the Atlantic accord an argument could be made that revenue from natural resources is being treated differently depending on what jurisdiction that revenue is being raised in.

For instance, looking back over the last 10 years, Saskatchewan makes the argument that a similar deal for Saskatchewan would have realized over \$4 billion for the Province of Saskatchewan if the federal government had not taxed back its oil and gas revenues, that is to say, when it was in the have not status. Saskatchewan is no longer in the have not status, but when it was, this is the amount of money that was lost to the Province of Saskatchewan because it did not have the kind of deal that Nova Scotia and Newfoundland and Labrador now have with the federal government with respect to their oil and gas revenues.

It is not surprising that the Government of Saskatchewan, and I believe with the support of the opposition in Saskatchewan and I am certain with the support of the people of Saskatchewan, feels that some similar treatment of the revenue from its energy resources is due to Saskatchewan, if fairness is to be the rule of the land.

● (1610)

I think we will see a growing debate about the ramifications of this welcome agreement between the government and Newfoundland and Labrador and Nova Scotia, a welcome agreement but nevertheless an agreement that has ramifications for other provinces that feel they need to be treated somewhat differently now as a result of that agreement having been reached.

We hope it is not the case that the only difference between Saskatchewan and Newfoundland and Labrador, for instance, is that the Prime Minister did not go there in the dying days of the election and make a promise he had no intention of keeping in order to save Liberal candidates in Saskatchewan. I hope members would not think me cynical to suggest this, but maybe it was because there were no Liberal candidates to save in Saskatchewan, except the Minister of Finance himself, that no such promises were made.

The fact of the matter is that the Prime Minister made this promise in Newfoundland and Labrador. If it is a promise that was rooted in a commitment to fairness and not just rooted in the politics of the moment, a promise which the Prime Minister came to regret and then had to live up to as a result of pressure from those provinces, if it is a promise that was rooted in fairness, then ultimately this Prime Minister is going to have to deal with the legitimate feelings of the Saskatchewan government and the Saskatchewan people that something different is due to them as a result of that promise made and the promise ultimately kept to Newfoundland and Labrador.

The Government of Saskatchewan, for instance, argues that its province loses on average about 90% of all the provincial royalties and taxes collected on oil and gas developments. In fact, it claims that in some years Saskatchewan has lost in excess of 100% of all its provincial energy revenues. This means that the people of Saskatchewan have been realizing very little financial benefit from the depletion of a non-renewable resource. I do not think that is fair, particularly when one considers that now Nova Scotia and Newfoundland and Labrador can retain 100%.

It is only fair, it seems to me, that the case of Saskatchewan be looked at. I understand that Saskatchewan will be making its case to this independent panel that has been set up to advise on the equalization program.

With respect to Bill C-24, we are supporting it at second reading. We want to get it into committee but we certainly do not think that this is by any means a perfect piece of legislation. We feel that we should look at amending Bill C-24 to ensure that, at a minimum, growth in the equalization program keep pace with growth in the nominal gross domestic product. Hopefully this is something the committee can look at.

Government Orders

Under proposed paragraphs 4.1(1)(b) and (c), growth in total equalization payments is being arbitrarily constrained to 3.5% per year. The result of this is that the value of the program will continue to be eroded over the next several years and will increasingly be inadequate to meet the commitment of the federal government to address fiscal disparities under section 36(2) of the Constitution. Thus, we have a formula here that is not sustainable from the point of view of the provinces. Certainly I know that this is how the Government of Manitoba sees this formula that would be enshrined through Bill C-24.

It is widely understood, I think, and accepted, regrettably, that the federal government's financial commitment to equalization has declined over time. Equalization as a percentage of GDP fell from about 1.1% in the mid-1980s to just 0.7% by 2003-04.

● (1615)

This has occurred for the following reasons, the following actions on the part of the federal government. It has happened because the government is now using a five-province standard instead of a more rational all-province standard. It has occurred because, in the same vein, the federal government has made unilateral changes which made coverage under the program less rather than more comprehensive.

I think the provinces welcomed the October 2004 decision by the federal government to boost base funding in 2004-05 and 2005-06 although, as I have already said, they are concerned—and we share that concern—that the escalator being set at just 3.5% will undermine the improvement that this represents over time unless it is changed to reflect economic growth.

It may be that during committee deliberations and perhaps at report stage the bill could be amended. Proposed paragraphs 4.1(1)(b) and (c) could be amended so that rather than 3.5%, total payments under the equalization program could be set at the average rate of growth in Canada and Canada's nominal gross domestic product for the three previous years beginning on April 1, 2006.

It is clear that the federal government is in a position to do this. The provinces are not asking the federal government to do something that is beyond its fiscal capacity to do. When we look at the history of federal surpluses, \$61.3 billion between 1997-98 and 2003-04, and the federal government's projections of future surpluses, \$61 billion between 2004-05 and 2009-10, the projections made by the Liberals themselves in their own platform, the modest cost associated with the kinds of changes the provinces are looking at is easily affordable. What we are suggesting is easily affordable.

Assuming nominal GDP growth would average about 5.5%, the extra cost of ensuring the value of the transfer is not diminished would be less than a quarter of a billion dollars per year, a drop in the bucket when we think of the overall fiscal surpluses that the federal government is now dealing with. This would go some way but certainly not all the way toward addressing the problem of the *équilibre fiscal* that my colleagues in the Bloc talked about. It would also go some way toward addressing a concern that we share about the fiscal imbalance that now exists between the federal government and the provinces. Here would be an opportunity, at one level, to address that fiscal imbalance and the government seems unwilling to do the right thing.

I am sure that at some point a Liberal will argue that the government is putting an additional \$33 billion into the equalization program with the October 2004 deal. The provinces consider this number to be wildly exaggerated in terms of the actual increase in funding, especially in the medium and long terms, because before that increase in October 2004 funding for the program was at an all time low, both as a per cent of GDP and as a per cent of federal revenue, and would have rebounded in any case over time as the Ontario economy recovered along with the economies of the other provinces.

So the \$33 billion improvement that the Minister of Finance likes to talk about is the sum of all additional funds and is based on the naive assumption, or certainly the convenient assumption, that equalization would have remained unchanged at its 2003-04 low point for the entire 10 year period. This is the kind of manipulation of figures and statistics that the federal government is famous for in its dealings with the provinces.

The federal deal actually provides less than what provinces would have received if the federal government had listened to the premiers and moved to the all-province standard with full revenue coverage, something that was also recommended by the Senate standing committee.

These are some of the things that I think need to be put on the record as we move into the closing stages of this second reading debate on Bill C-24.

● (1620)

I hope that the federal government will listen to these arguments and see that it has an opportunity to really live by the spirit of equalization that was enshrined in our Constitution in 1982, and which has been a feature of the Canadian social fabric ever since I was knee-high to a grasshopper.

We look forward to being able to make these arguments along the way and hope that the recent accord reached between the federal government and Newfoundland and Labrador and Nova Scotia will also provide an opportunity for the concerns of Saskatchewan, and perhaps even other provinces to be revisited in a way that leaves no Canadian, no matter where they live, feeling that somehow they have been treated unfairly by the equalization formula or treated unfairly because it just so happened that the Prime Minister did not go to their province and make a last minute promise in the desperate last days of an election campaign that was almost lost by that Prime Minister.

● (1625)

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

Government Orders

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

The recorded division on the motion stands deferred until 5:30 this day.

[*Translation*]

It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Kildonan—St. Paul, Justice; the hon. member for British Columbia Southern Interior, Air Transportation Security; the hon. member for Kamloops—Thompson—Cariboo, Canadian Heritage.

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[*English*]

BUDGET IMPLEMENTATION ACT, 2004, NO. 2

The House resumed from December 14, 2004 consideration of the motion that Bill C-33, a second act to implement certain provisions of the budget tabled in Parliament on March 23, 2004, be read the second time and referred to a committee.

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, we are at second reading of the Budget Implementation Act, but it is not for this year's budget. It is for last year's budget. The speed with which the government operates sometimes is simply astounding. It really is unbelievable. We have had an election, but with the empty agenda that we have seen in the House, it is amazing that we are still only now on second reading of one of the budget implementation acts for the 2004 budget.

We will be talking about the 2005 budget, which is expected to come down in a couple of weeks from now, probably three weeks from now. However, it is important before we get into the 2005 budget that we look at what was and was not put in to the 2004 budget.

Canadians were clearly looking for tax relief in the 2004 budget. Certainly, they knew that we had huge surpluses in this country. As a result Canadians, I am sure, were expecting some kind of tax relief. They had been overtaxed. That is what a surplus is.

There was more than adequate money to deal with the important issues and services that Canadians expect government to provide. There is ample money for that and some substantial tax reductions.

Yet, what were the tax reductions? The government says that it is doing wonderful things on tax reduction. It is going to reduce the air security tax. It was just a year or two ago when it implemented the air security tax. It was clear from the beginning that it was putting this tax in place to help deal with air security issues.

Over time, the opposition found out that in fact the amount being raised in this huge air tax was way beyond what was needed for security. Therefore, our transport critic, the member from British Columbia, hammered away at the government day after day, month

after month to eliminate that tax because clearly it was not needed for security measures.

The government first of all completely resisted. It said that it was going to keep the tax in place. It just refused to lower the tax as our former transport critic encouraged.

However, now in this budget, it is no longer possible for the government to deny that this tax should be removed. Instead of removing the tax, it has reduced it somewhat. It is a step in the right direction, but it is not exactly a wonderful thing the government is doing. All it is doing is reducing partially a tax it put in place, a new tax from a couple years back. It is interesting the way the Liberals spin these things.

The bill makes timid attempts at dealing with measures to assist small business. It is not the time for timid attempts in dealing with the tax involved in small business. It is time for some bold measures.

However, there is one thing we have seen that is undeniable. This government is not a government of bold measures. It is a government that is really trying to do nothing or as little as possible and stay in power. The main reason for it existing is being in power.

The current Prime Minister, as we have seen, is really timid. He is weak. He has no apparent agenda and the business of the House shows that.

We had very little in terms of business in the House in 2004. I encourage Canadians to look at the bills that have been on the agenda and to look at their content. It is very thin gruel indeed. Still we are working on second reading of implementing the 2004 budget. That tells us a lot about the government.

When it comes to really important issues like some tax reduction for business, what has it done? Just very weak and timid measures in this budget. There is so much to be done.

• (1630)

There are a lot of indications that the economy in the United States and Canada will start to weaken. It is exactly at that time that we expect bold measures from government to stimulate business. Regrettably, we simply have not seen that.

We were hoping there would be some serious attacks and measures taken to help families across this country. This is an agenda that our party has taken on for many years, trying to have taxes reduced, especially for low and middle income families. Our party wants some bold measures taken when it comes to making it easier for families to look after their children.

What did the government do in response to the issue of child care? During the last election campaign the government made great announcements of a national child care program. However, that is not what is being asked by Canadians. This was the fourth election that the Liberals promised this national day care program. It has not been delivered yet. In my opinion that is a good thing. We expect the government to break its promises because it does it routinely. However, in this case it is a good thing because it is not what Canadians are looking for.

Government Orders

Canadians do not want a big national day care program, where somehow government believes it can look after children better than parents. Canadians want some measures to be taken to make it easier for parents to look after their children, as they see fit.

If parents choose to look after their children themselves at home, then they should get the same benefit as a family where a parent chooses to put children into the day care system somewhere. That is a reasonable measure to make. Leave the decision in the hands of the individual families and parents.

This is what the Conservative Party feels is an appropriate measure. We do not feel it is appropriate to do as this government is talking about once again for the fourth time and that is to put in place some grandiose national child care program. That is not what we want. This is not what we are looking for at all. It is not what Canadians are looking for.

Sadly again there is nothing in the 2004 budget on day care. I know the finance minister finally after some cajoling has talked to our finance critic. He has been reminded that he is in a minority government, not a majority. The finance minister should listen to the opposition parties. Our critic has sent the message pretty clearly that we expect some serious tax reductions in this budget, including something for families.

Hopefully, in the 2005 budget we will see a little bit of action taken and not the big void that we saw in the 2004 budget.

When we look at the 2004 budget and we go through this implementation bill, we would expect some serious measures that were taken. At the time of the 2004 budget the government knew it was going into an election. The government knew they were going to have an election. The election occurred about four months after the budget.

Most people would expect it would be a strong budget, putting forth the best effort. That is what governments tend to do when they are going into an election campaign. If this is the government's best effort, then it is indeed a sad commentary on the weakness, the lack of direction, the unacceptable focus of the Prime Minister and the government. The focus does not seem to be there.

What are the two issues that the government lays before the Canadian people? The two issues are a national day care program and same sex marriage. In both cases these are not issues that Canadians asked the government to bring to our Parliament as the major focus. The government has lost its focus. These are simply not things that most Canadians wanted the government to bring before the country.

The government and the Prime Minister have totally lost focus. They have totally lost touch with what Canadians want. This is a sad commentary. We see it in the 2004 budget and I am afraid that the 2005 budget will not be any better. My greatest concern is that not only have we not seen the tax reduction in 2004, but that we will not see it in 2005.

If we look at the one thing that Canadians need out of this 2005 budget, it has to be some serious tax relief, especially for low and middle income families. That is what we want. That is what families have told us they want. We will see in the upcoming budget, but I

doubt very much that it will be a big part of the government's agenda for the country, and that is a sad thing.

● (1635)

The government has been ripping off taxpayers by an extra \$10 billion a year, fudging the numbers on the surplus year after year, hiding the \$10 billion so it can blow it on things like the sponsorship program, the billion dollar boondoggle and the gun registry which is now at \$1.5 billion or \$2 billion, who even knows. That is completely unacceptable.

The surplus should be reported honestly and openly but that has not been done. We have been calling for some independent analysts to examine the books of the government and forecast what the surpluses will be so Canadians will know how much of their tax money is being spent, how much is coming in and how much the surplus is. If we see surpluses of \$10 billion, why can that not go to tax relief instead of to some grandiose national day care program or some of the other wasted programs that we have seen from the government? We keep asking those questions but I am afraid we do not get the answers from across the floor.

Not only does the 2004 budget, which we are still talking about a year later, the implementation legislation, weak and show a lack of leadership, but here we are going into the 2005 budget. We have a minority government. The new Conservative Party has 99 members of Parliament in the House. The government, I think, has 133. There is not a lot of difference. We should certainly have some serious say on what is in the budget.

I am actually quite disturbed by the lack of consultation between the government and the official opposition. It is not because we have not tried. I think Liberal members owe it to Canadians to recognize that we have a minority government in place. A minority government means opposition parties should be consulted, in particular the official opposition party which is what the new Conservative Party is.

Why has that meaningful consultation not taken place? Why am I so afraid that once again in the 2005 budget we will see more of this lack of leadership and more of the government trying to hide these surpluses? It is an overtaxation of \$10 billion a year. How about returning that to the Canadian taxpayers so that they can spend that hard-earned money the way they see fit? That is the approach that we take to this.

Our approach should be recognized in the budget brought down by the government but here we are, unbelievably, three weeks before the 2005 budget is about to come and what are we talking about in the House? There is very little of substance. We are still talking about the implementation bill for the 2004 budget. Where is the leadership?

Government Orders

We have seen the lack of leadership on so many other issues from the government. The foreign affairs agenda is astounding. Our member from Calgary has done a more important and meaningful job in China than the Prime Minister did on a foreign affairs trip. I think that demonstrates the lack of ability, the lack of will or the lack of understanding on the part of the Prime Minister as to what his job is. His job is to provide some real leadership on issues that really matter to Canadians, issues like health care. Very little has been done on that issue. An agreement was reached with the provinces but nothing meaningful has been done on how we are going to sustain the health care system.

The next issue that comes to mind is taxation, especially when we see families that are having difficulty just getting by.

● (1640)

A recent study, which was reported widely, showed that if families feel like they have not been making progress during these so-called good years, it is because they have not been making progress. The study showed clearly that the disposable income for families actually has not been increasing through what the government calls good times.

These are good times for the government because it is raking in more and more tax money from taxpayers, but does that mean these are good times for Canadian families? No, they are not. Taxpayers have lost ground in the time the Liberal government has been in office. Through all these good economic times, they have actually lost ground. They have not made the gains.

The government's coffers are loaded with money. It has a \$10 billion surplus every year but that has not helped Canadian families. All that means is that too much money is being taken from Canadian families. Canadian families are overtaxed. I know I have been repeating myself on this issue but it seems like it will take a lot more repetition for the government to get the message. It is just not listening on this issue.

If the government says that I am wrong, it can prove me wrong. What I hope to see in the upcoming budget are some serious tax reduction measures for low and middle income families. Many Canadian families simply cannot deal with their situations not improving and, in fact, situations that are actually worsening in spite of an economy that is supposed to be so strong.

What did the study I was referring to show in that regard? It showed that the government was taxing too much. It has increased taxes too much. It talks about tax reduction and makes some tax reductions on the one hand, but on the other hand it increases taxes and the take increases every year. Every year the tax take of the government from hard-working Canadian families increases. It has to end. It has to be slowed down and reversed. We can start with a tax reduction to low and middle income families.

We are in the House today looking at the budget implementation bill for the 2004 budget. The government is a year behind with no apparent direction. The Prime Minister seems completely rudderless, with no focus. We have a government that, quite frankly, does not deserve to be in office.

I am trusting that with the very positive proposals we have put forth for Canadian families, we will be on the government side after

the next election, that we will provide a lot more meaningful budgets than the Prime Minister and finance minister have provided and that we will make things better for Canadian families. It is long overdue.

● (1645)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, we are dealing with a budget implementation bill. I know the member is always enthusiastic when he is talking about not only the last budget, but what should be in the next budget.

I want to briefly comment on the child care matter he dealt with. In my own view, I do not think Canadians are homogenous and can be pigeonholed into one or the other. People who do not go to work will be on welfare and if they have children they do need to have some support.

The member will well know that I have worked hard to support families that have one parent who stays at home to provide direct parental care to their preschool children. We do have to be balanced and be reflective of the reality of families.

The points that I want to put to the member have to do with taxation. In a 2004 report it was summarized and reported that in the year 2002, 15 million Canadians filed income tax returns and paid taxes. Another 7 million taxpayers who filed returns paid no taxes, but they filed returns for other purposes. We are really talking about 15 million Canadians filing tax returns and paying taxes.

If we were to give \$100 to each one of those 15 million people, we would be talking about \$1.5 billion. If we were to give \$500, all of a sudden we would be up to the level of the last surplus. A \$500 tax cut for Canadians would wipe out last year's surplus.

The member is saying that he wants serious tax cuts. How much in tax cuts is he proposing if \$500 would cost almost \$9 billion? What does the member mean when he says serious tax cuts? Let us get a dollar figure. Let us get the magnitude so that we can understand what commitment his party is trying to make, not only to one year when there is a surplus, but which will be with us as an obligation of reduced revenue each and every year forever?

Mr. Leon Benoit: Mr. Speaker, I do believe the hon. member understands how refundable tax credits work and understands that we can have, through the tax system, a tax credit that would go to individuals who do not pay taxes.

Therefore, rather than ignoring low income families, the system we are talking about, which has been done before, tends to target the low and middle income families. What we are talking about is focusing on low and middle income families, which is not difficult to do. We can do that through the tax system. Even where families do not pay tax up to the amount of the credit, then that money will go to that family.

We are talking about targeting. We are talking about balance. The member is talking about these numbers, \$500 per individual and that kind of thing. We are talking about targeted tax reduction. We are talking about amounts a lot larger than the member seems to understand. It can be done very comfortably while still ensuring that we do not go into a deficit position.

Government Orders

We should not forget that our party is the party that came to Ottawa as the Reform Party in 1993. It has since merged with the Progressive Conservative Party. When we came here in 1993, what was our main platform? It was balancing the budget. We had a plan to do it in three years. We called it the zero in three plan. We are the party that has always said that we would have no more deficits, that we will never get into a deficit position again.

In the 1993 election the Liberal Party said that a deficit was not important. However when it got into power it saw that it was quite a different situation. The Liberals were forced, because of our agenda, to balance the budget. The hon. member should have, over the last 11 years, learned a little bit more about what is really possible in this country.

• (1650)

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, I would like to thank my colleague from Vegreville—Wainwright.

Hon. Bill Blaikie: Mr. Speaker, on a point of order, I was here when the question and comment period was first brought into being. Although it may not be in the Standing Orders, my understanding is that the Chair is expected to recognize people from other parties who want to question the member. It is only when no one else is rising that people are entitled to softball questions from their own colleagues.

The Deputy Speaker: I thank the member for Elmwood—Transcona for that. I was anticipating this other member getting up and perhaps I should not have. I certainly have noticed the member for Elmwood—Transcona and he will be next on questions and comments.

Mr. Richard Harris: Mr. Speaker, my colleague from Vegreville—Wainwright delivered a pretty good presentation of the mismanagement by the Liberal government.

The Liberal member opposite does not understand when my colleague is talking about tax relief that there is a direct relationship between a low level tax regime and a buoyant economy. The member asked what it would cost the government. This money will not be put away under the bed. It will be spent. It will spur the economy and bring in additional tax revenue to the government. The member has to get that point clearly in focus in order to understand what the Conservative Party and my colleague were talking about.

I want to ask my colleague about a couple of things that were not mentioned in the budget. The fact is that for about 15 years the disposable income of the average Canadian family has remained stagnant despite raises in pay. While the Liberals crow about tax relief for Canadians, that just is not so. It is false crowing.

Would the member comment on that?

Mr. Leon Benoit: Mr. Speaker, it is an interesting point that the member has made.

We hear a lot of things said by members of the government about the wonderful things they are doing. My question is that if they are doing such a wonderful job through all these good economic times, then why on earth has disposable income not increased? That is the point I made during my speech. The answer is they are taxing our

small businesses in particular to death and they are taxing families to death. It is simply that the level of taxation is much too high.

Let us focus on reducing taxes to small businesses, which would generate more revenue, although I would hope that would be left in their pockets. That is a possibility too. It is certainly what I would like to see. Also let us focus the child care measures on the individual parents and individual families.

• (1655)

Hon. Bill Blaikie (Elmwood—Transcona, NDP): Mr. Speaker, the member talked about the fact that over the last 15 years, and I am not sure what studies he is citing, families do not have the same disposable income that they used to have, and I agree. Where I find myself at variance with the hon. member is that I think it is a very limited argument to suggest that this is only because of, or even because of for that matter, the taxation policies that have been in place over that period of time.

I wonder why the hon. member ignores study after study that shows that one of the reasons Canadian families do not have the disposable income they used to have is that we now have a low wage economy compared to what we had 10 or 15 years ago. This was deliberately created with the knowledge and consent of the member's own party, the predecessor party, the Progressive Conservative Party. The free trade agreement was designed to bring down wages in this country.

It does not matter what kind of tax regime we have. If people are making half as much an hour as they used to make because their old manufacturing jobs have disappeared and they are now working for a telemarketing company for seven bucks an hour instead of making something for 16 bucks an hour, we could have as low a tax regime as we liked, but we would still have people with no disposable income because they are not getting paid a decent wage.

Why do we never ever hear that from the Conservative Party, the Reform Party, the Progressive Conservative Party, or whatever that party will morph into next?

The fact is that party never gets the message that Canadians who are poor are poor because they are not being paid enough by their employers because there is too big a surplus going into profit margins. It is not taxes; it is the fact that people are not being paid enough in the first place.

Mr. Leon Benoit: Mr. Speaker, I agree with the member that the type of government provided by the Liberal Party over the past 11 years has pushed wage earners away from the higher earning jobs to the McJobs, as they are called, the really low end jobs. That has happened all too much. The fact is that if taxes were lowered there would be a lot more disposable income automatically. That is the way it works.

I have a lot of respect for the member but I would like to say that he thinks the solutions come from social programs. He is a socialist and he is proud of that. The problem is that socialism has not worked in any country in the world. The kinds of proposals that we are putting forward will make things better for Canadian families, especially low and middle income families. They have been proven to work around the world. That is the difference between the member's philosophy and mine.

Government Orders

[*Translation*]

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, we in the Bloc Québécois are very conscientious vis-à-vis our role within this Parliament. We always deal with each issue with rigour. As we have indicated on many occasions, we will support any government bill which we feel is good for the citizens of Quebec, but not those which we feel do not respond to the demands and concerns of Quebecers.

Bill C-33 implements certain provisions of budget 2004. Allow me to mention in passing that, to a new member, it seems rather odd to be addressing this House on a budget tabled a year ago in order for some of its provisions to be implemented.

We will be voting in favour of this bill because, while not perfect, it does contain a number of provisions that meet our approval.

Bill C-33 is comprised of three parts. The first part implements amendments to the Air Travellers Security Charge Act to reduce the amounts charged to airline passengers under this act.

Although the terrible events of September 2001 unfortunately made it necessary to allocate additional funds to ensure traveller safety, the need is obviously not nearly as great at this time. This bill therefore represents a first step, lower security charges.

The second part of the bill implements the amendments to the First Nations Goods and Services Tax to facilitate the establishment of taxation arrangements between the Government of Quebec and interested Indian bands situated in Quebec. Quebec has often played a lead role, been an initiator in its relations with the various aboriginal nations within its territory. We therefore feel that such a measure will be beneficial to the aboriginal nations, among others.

The third part of the bill implements amendments to the Income Tax Act and related acts which are generally fiscal in nature. I will list some of these.

For instance, the bill mentions a new disability supports deduction. This is a good thing.

Part 3 also refers to improving the recognition of medical expenses for caregivers. Once again, since caregivers do have expenses, improving the recognition of these expenses is a good thing.

There is also reference to eliminating the deductibility of fines and penalties. This is, to my mind, totally logical. An individual or business that pays fines, tickets or penalties, regardless of what regulation governs them, ought not to be able to deduct them as a general rule.

Another point is the introduction of tax relief for Canadian Forces personnel and police deployed to international high-risk operational missions.

I very much like this measure, because Base Val-Cartier is located in the riding of Portneuf—Jacques-Cartier. Moreover, one of my good friends, who is in the Canadian Armed Forces, has in recent years been deployed outside Canada regularly and sometimes to some pretty risky places. If he can benefit from tax relief, along with some of his colleagues, that is an excellent measure.

As I have said, although we will be voting in favour of this bill, it is still incomplete in certain aspects. You know the saying about many a slip 'twixt cup and lip.

● (1700)

In 2004, the Prime Minister had the opportunity to change the way his government did things. He was preparing to go to the polls. He knew that there would be an election soon. He could have taken a new tack in order to properly respond to the concerns of Quebecers. Unfortunately, once again, the Prime Minister missed the boat.

At that time, he was talking about a new era of cooperation with the provinces. We are still waiting for the smallest sign of this era of cooperation. Unfortunately, there is nothing in sight.

Despite reaching an acceptable agreement on funding health care, the federal government has totally ignored another responsibility, that of funding education. Currently, the federal government's share of education funding is around 12%. This is unacceptable. Unfortunately, this was not included in the last budget. We can only hope that the government will rectify this mistake in its next budget.

During the conference on equalization, the Prime Minister imposed his own priorities at the expense of the needs of the provinces and Quebec. He imposed his own choices despite an appearance of consultation, a speech in which he said he was consulting with his provincial counterparts. That is not the reality. The reality is that he imposed his choices; he imposed his calculations on the provinces at the October 26 conference.

The Prime Minister imposed his priorities, his choices and his calculations. He has totally ignored the reality and the needs of Quebec and the provinces. We are talking here about the fact that equalization remained unchanged during the last conference despite his offer in September. There is no talk about any changes to the formula, although this formula penalizes Quebec. It leads to unstable and unpredictable payments that will do nothing to improve the well-being of our fellow citizens.

Above all, there is something else. We regularly talk about this in the House and we will continue to talk about it as long as this government fails to understand the message being sent by the public, by the constituents. The Prime Minister has done absolutely nothing to resolve the fiscal imbalance. Worse still, he refuses to recognize it.

Let us make no mistake; the fiscal imbalance is a reality that Ottawa must recognize. The fiscal imbalance denotes a situation that is quite easy to understand. My son is nine and he understands it. What is this reality? It is that Ottawa has too much revenue for its responsibilities, while the provinces do not have sufficient revenues for theirs.

Government Orders

As we have seen year in and year out since 1997, Ottawa has been running astronomical surpluses. It is swimming in surpluses; it does not know what to do with them. It has run out of ideas on how to spend all that money, that is the \$60 billion accumulated since 1997-98. During that time, the vast majority of provinces have had to manage potential deficits and, in some cases, actual deficits. That is completely absurd.

For Quebec, the shortfall caused by the fiscal imbalance totals \$31.4 billion over six years. I would not want to be in the shoes of Quebec's finance minister and have to continually come up against this government which is not responsive at all to the needs of Quebecers.

The most recent evaluation of the shortfall caused by the fiscal imbalance, along with Quebec's latest demands, including dollar figures, is presented in a document entitled "Correcting Fiscal Imbalance", which was released when Quebec's most recent budget was presented, in March 2004. Reference is indeed made in this document to a total of \$31.4 billion over six years.

The demands with respect to equalization and social transfers are essentially the same as those of the Séguin commission.

•(1705)

However, while advocating the transfer of tax fields as a basic solution to the fiscal imbalance, Quebec's finance minister proposed, as an interim measure—since one has to face reality—to significantly increase transfer payments for health and education, as well as equalization payments.

In total, Quebec's finance department proposed a \$7.2 billion increase in federal transfers across Canada. In equalization alone, the federal government should invest over \$5 billion, as a result of the 10 province rule and a number of other amendments to the formula. This would restore some tax fairness between Quebec and the various provinces.

For Quebec, these proposals amounted to an additional \$3.3 billion for 2004-05 alone. This is, in essence, the shortfall caused by the fiscal imbalance in Quebec, as calculated by its government.

Unfortunately, we have to recognize that we are falling way short, in spite of the health accord and the forced agreement on equalization. This government just does not meet the demands of the Government of Quebec.

This year, the Government of Quebec will receive approximately \$300 million more in equalization payments, following the conference that was held on October 26, 2004. It will also receive an additional \$502 million for health, as a result of the same conference.

Therefore, instead of having a \$3.3 billion shortfall in 2004-05, the Quebec government, its premier and its finance minister must deal with a \$2.5 billion shortfall, while the federal government has generated surpluses in excess of \$9.1 billion. Such is the fiscal imbalance. It is that simple. The provinces have all the trouble in the world to generate the revenues that they need to fulfill their mandate. Meanwhile, the federal government is boasting, despite its very approximate surplus forecasts, despite turning \$1.9 billion into

\$9.1 billion, and it seems very pleased by this situation. It is outrageous.

The global solution to fiscal imbalance is simple. It involves a transfer of tax fields from the federal government to Quebec and the provinces, giving them not only greater budget resources, but also greater fiscal autonomy in the management of their own decisions. As the Séguin Commission pointed out, the solution to the fiscal imbalance is based on an increase in the level of federal transfers and, above all, on a new distribution of the tax fields between the federal government, Quebec and the provinces.

I want to go back briefly and specifically to Bill C-33. Earlier, I mentioned a number of things about which the Bloc Québécois is pleased. However, there is a specific issue to which I want to go back.

Part 3 talks about ensuring that the general anti-avoidance rules in the Income Tax Act apply to transactions effected through a misuse or abuse of the Income Tax Regulations, a tax treaty or other federal legislation. This sounds like a very good idea to us. It is a good measure. The problem is that it misses the target.

The general anti-avoidance rules were adopted in 1988, after tax authorities discovered the limits of the jurisprudence available to fight invasive tax planning. These general anti-avoidance rules can only be used if no other anti-avoidance provision in the Income Tax Act applies.

When the anti-avoidance rules apply, the penalty provided is the rejection by tax authorities of the tax advantage sought through the transaction. These general rules can apply to countless situations, provided the three conditions set in the section on the Income Tax Act are fulfilled.

The first condition is that the taxpayer gains some tax benefit. So far, so good. The second condition is the existence of an avoidance operation, that is an operation that is directly part of a series of operations leading directly or indirectly to a tax benefit.

However, the act provides an exception when the transaction is primarily conducted for genuine purposes other than gaining a tax benefit.

•(1710)

The third condition requires that the transaction result in the misuse of a specific provision of the Income Tax Act or an abuse of these provisions as a whole.

An amendment specifying that the abuse of a provision in a tax treaty or a section of the regulations is covered by the General Anti-Avoidance Rules in section 245 of the Income Tax Act can only be a good thing. The amendment would provide that when the legislation, the treaty or the regulations fail to cover or improperly cover a situation, the General Anti-Avoidance Rules would apply.

Government Orders

The concern is when the problem lies elsewhere. The real problem is not with the cases that are not covered, but with those that are clearly covered by sections drafted specifically to encourage tax evasion. Under such circumstances, the General Anti-Avoidance Rules do not apply. As luck would have it, Barbados is a flagrant example. Almost all Canadian subsidiaries in Barbados are what are called international business companies, incorporated in a way that limits considerably the amount of taxes they pay.

Since the Canada-Barbados tax treaty excludes international business companies, it does not apply to Canadian subsidiaries and they should therefore be subject to Canadian tax. No problem so far.

The government happened to draft the Income Tax Act regulations so that, even if the tax convention does not apply to such companies, even if section 148.1 of the Income Tax Act excludes only the companies clearly covered by the tax convention, Canadian subsidiaries in Barbados are considered to be covered. Obviously, this encourages evasion and investments in Barbados. Since it is clearly specified in the regulations, we cannot say that this type of situation is not covered. So, the General Anti-Avoidance Rules do not apply, even if an amendment has broadened their scope.

In closing, once again, of course, without there being any direct link with any company, especially not a shipping company, we have here a flagrant case of tax evasion in Barbados, oddly enough.

That said, we will vote in favour of Bill C-33, which contains a number of items we find satisfactory.

• (1715)

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I am pleased to rise and say hello to the foreign affairs minister who is here to hear this barn burner.

We are talking about the budget implementation bill. When we had this budget a few months ago, some important things were in it. I know one of the members said that the government had done nothing for small business. Therefore, I reviewed what was in the budget as it related to small business.

I want to share with the House some of the things that happened in 2004, which the budget implementation bill is working through the all the details and implementing, in this important sector, the small business sector, a key creator of innovative ideas which creates jobs in Canada.

Here is what happened.

We accelerated by one year the planned increase in the small business deduction limit to \$300,000 by 2005. We removed the impediment to small business fully accessing the 35% refundable scientific research and experimental development investment tax credit on expenditures up to \$2 million. We extended the non-capital loss carry forward period of all taxpayers to 10 years. We implemented a new government electronic tendering system to provide fair equal access and less expensive access for all businesses in applying to the government for procurement opportunities. Finally, we committed the federal government to work with small business groups to reduce the paper burden.

I have often found that if we do a little homework on the matter before the House, it generally answers the questions that members might rhetorically raise.

There are a number of initiatives in terms of building the economy: research and innovation, commercialization of research, strengthening Canada's business advantage and the list goes on.

Each budget has a theme and each budget has some important contributions to make to the next stage in building on prior budgets. I want to raise that because I have often thought that it is difficult to assess a budget in isolation. What we really have to do is look at a series of budgets in the context of where we have been.

There has been some discussion that we have very little or no growth in the net paycheques of Canadians. The government not only introduced but implemented and extended to Canadians a \$100 billion tax reduction program. One of the most expensive elements of that was also the indexation of the income tax system. That means that every year the exemptions, the credits, are indexed. It means every year there is a tax reduction for Canadians, and this is a forever thing.

I wanted to raise this because there is an interesting discussion ongoing. The hypothesis is that if there is a surplus at the end of a fiscal period, that represents an overtaxation of Canadians and that it should go back to the people. I wish it were that easy. I am a chartered accountant by profession and I have dealt with this. As businesses move through a fiscal period, they do not have the opportunity to hit the target right on the button because there are things that are not in their control.

We were fortunate to balance the budget back in 1997, and have continued to balance the budget. We have had surpluses of varying amounts since that time. It is accumulated. It is over \$50 billion which has been used to repay debt in Canada.

The debt issue was a very serious issue in Parliament back then. Debt had grown to \$576 billion. Thirty-seven cents out of every dollar was going to pay interest to service the debt. Today it is down to 22¢ on the dollar. It means that we have paid down approximately \$500 billion of the national debt. The debt to GDP ration is coming down into the areas in which the senior economists across the country have said that these are levels which are more acceptable.

• (1720)

Once Canada was called a third world country because of the size of our debt. We brought it down. It was fiscally responsible to bring it down to a range of reasonableness. It also has caused a permanent savings to the people of Canada. The relief on the debt interest is creating about \$3 billion in interest saved. That is \$3 billion we can count on being there which otherwise would not have been there. It means we can dedicate the surplus and the interest savings to new programs and services for Canadians.

When the Liberals assumed the government from the Conservative Party in 1993, the deficit was \$42 billion. The government was spending \$42 billion more than it was taking in and a great proportion of that happened to be debt interest. It is very fortunate that through prudent fiscal management the deficit was eliminated within three years, and in 1997 we had a balanced budget. Yes, there have been some surpluses.

Government Orders

However, when it was projected that the budget would be balanced, there was a great discussion in Canada about the fiscal dividend to Canadians and how would Canadians benefit from that dividend in terms of the savings achieved. Some people would say that to the extent we balanced the budget, we trimmed all those programs and we saved the spending on interest expenses. Now we have the surplus, we should give back to Canadians. However, that is not quite so.

The fiscal dividend is not the surplus that is generated. It is the savings on interest expense when that surplus is applied against the debt. That is the true fiscal dividend when there is a permanent savings. Surpluses and deficits can vary from time to time. In the last budget we had the incidence where in the fourth quarter the performance in the corporate sector was outstanding and way beyond the expectations of all the forecasters. More revenues were coming in because of the more robust economy which meant more revenue for the federal treasury in terms of taxation. That is not a bad thing.

Ironically, all of a sudden the whole discussion shifted from our debt being too high and paying too much interest to we had a surplus and that was a bad thing. The government is being criticized for fiscal prudence, for a balanced approach in budgeting, to creating a surplus, to paying down some debt, to earning interest savings, to investing in new programs, particularly health care, because there are surpluses.

The Conservative member who spoke first in this debate today said that we needed serious tax cuts. I said to the member that there were 15 million Canadians who filed tax returns and paid taxes and another 5 million Canadians who filed tax returns who paid no taxes but they filed to get their GST credit and the other benefits available through filing a return.

Assume we are talking about 15 million Canadians filing a return in which they declare and pay taxes. If we were to give each one of those people \$100, that would mean \$1.5 billion of spending. It would mean \$1.5 billion of revenue reduction for the government, which would mean it would go right to the bottom line. In a year \$100 is \$2 a week. It is not a meaningful amount to the vast majority of Canadians. To the low income and poorer Canadians \$100 is \$100, and it is very important. However, \$100 to taxpayers costs \$1.5 billion. If we were to raise that to \$500, all of a sudden it is \$6 billion of revenue reduction. If we were to grant that \$6 billion of reduced revenue, it would be \$6 billion the next year and so on. It is a forever thing.

The Conservatives say if we have a \$9 billion dollar surplus, we should give \$9 billion worth of tax breaks. It does not work that way because the surplus occurred only one year. There is no guarantee that we will not hit a recession next year or the year after that. We have been very fortunate for the last 10 or 11 years. However, one year of a deep recession can cost Canada about \$15 billion in EI benefit payments alone

● (1725)

Let us be very careful not to equate a one year surplus to the ability to grant tax cuts every year. It is a bit ingenuous to suggest we have to return the money. The government cannot give tax cuts this year and then take them back next year. That is not the way the

system works. The system could not possibly respond to the uncertainties in the economy.

Yes, the moneys belong to Canadians. Every member should say that the Government of Canada does not have any money of its own. The money belongs to all the citizens of Canada. However, when the government manages fiscal affairs of the nation, it has to be fiscally prudent. It has to ensure that the debt is in a manageable state. It has to ensure that it will stay out of deficit. Canadians want to stay out of deficit. The government has ensure that important legislative programs are properly supported and funded. These are promises to Canadians that will be kept. They have to do with the fundamentals of the health care system, of pensions for seniors, of help for families, the GST credits and all the other tenet things about which we have spoken.

I asked the Conservative member to tell me what serious tax cuts the Conservatives wanted. If they understood that \$100 is \$1.5 billion, what would the Conservatives do and what was the number? I was puzzled to hear the answer. The answer was that we had refundable tax credits. Virtually every tax credit in the income tax system is a non-refundable credit. Once people's incomes are reduced to zero, they do not receive a refund. A political donation is a refundable credit.

I do not think I have heard the answer yet. Meaningful tax cuts are important. However, they have to be done in a prudent way to ensure that we balance the budget, pay down debt, sustain our mandated and legislated programs and keep our priorities straight and in line with those of Canadians.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT

The House resumed consideration of the motion that Bill C-24, an act to amend the Federal-Provincial Fiscal Arrangements Act and to make consequential amendments to other acts (fiscal equalization payments to the provinces and funding to the territories), be read the second time and referred to a committee.

The Acting Speaker (Hon. Jean Augustine): It being 5:30 p.m., the House will now proceed to the taking of the deferred recorded division on the motion at second reading stage of Bill C-24.

Call in the members.

● (1800)

[Translation]

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 31)

YEAS

Members

Abbott
Alcock
Ambrose
Angus
Bains
Barnes
Beaumier
Bell
Benoit

Ablonczy
Allison
Anderson (Victoria)
Bagnell
Bakopanos
Batters
Bélanger
Bennett
Bevilacqua

Government Orders

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|--|------------------------------------|------------------------------------|----------------------|
| Bezan | Blaikie | Skelton | Smith (Pontiac) |
| Blondin-Andrew | Boivin | Smith (Kildonan—St. Paul) | Solberg |
| Bonin | Boshcoff | Sorenson | St. Amand |
| Boudria | Bradshaw | St. Denis | Steckle |
| Breitkreuz | Brison | Stoffer | Stronach |
| Broadbent | Brown (Leeds—Grenville) | Szabo | Telegdi |
| Bulte | Cannis | Temelkovski | Thibault (West Nova) |
| Carr | Carrie | Thompson (New Brunswick Southwest) | Thompson (Wild Rose) |
| Carroll | Casey | Tilson | Toews |
| Casson | Catterall | Tonks | Torsney |
| Chan | Chong | Trost | Tweed |
| Christopherson | Coderre | Ur | Valeri |
| Comartin | Comuzzi | Valley | Van Loan |
| Cotler | Crowder | Vellacott | Volpe |
| Cullen (Skeena—Bulkley Valley) | Cullen (Etobicoke North) | Wappel | Warawa |
| Cummins | Cuzner | Wasylcia-Leis | Watson |
| D'Amours | Davies | Wilfert | Williams |
| Desjarlais | DeVillers | Wrzesnewskij | Yelich — 220 |
| Devolin | Dion | | |
| Dosanjh | Doyle | | |
| Drouin | Dryden | | |
| Duncan | Easter | | |
| Emerson | Epp | | |
| Eyking | Finley | | |
| Fitzpatrick | Fletcher | | |
| Folco | Forseth | | |
| Frulla | Fry | | |
| Gallant | Galloway | | |
| Godbout | Godfrey | | |
| Godin | Goodale | | |
| Goodyear | Gouk | | |
| Graham | Grewal (Newton—North Delta) | | |
| Grewal (Fleetwood—Port Kells) | Guergis | | |
| Hanger | Harper | | |
| Harris | Harrison | | |
| Hearn | Hill | | |
| Hinton | Holland | | |
| Hubbard | Ianno | | |
| Jaffer | Jean | | |
| Jennings | Johnston | | |
| Julian | Kadis | | |
| Kamp (Pitt Meadows—Maple Ridge—Mission) | Karetak-Lindell | | |
| Karygiannis | Keddy (South Shore—St. Margaret's) | | |
| Kenney (Calgary Southeast) | Khan | | |
| Komarnicki | Lapierre (Outremont) | | |
| Lastewka | Lauzon | | |
| Layton | LeBlanc | | |
| Lee | Longfield | | |
| MacAulay | Mackay (Central Nova) | | |
| MacKenzie | Macklin | | |
| Maloney | Mark | | |
| Marleau | Martin (Esquimalt—Juan de Fuca) | | |
| Martin (LaSalle—Émard) | Martin (Sault Ste. Marie) | | |
| Masse | Matthews | | |
| McCallum | McDonough | | |
| McGuinty | McGuire | | |
| McKay (Scarborough—Guildwood) | McLellan | | |
| McTeague | Menzies | | |
| Merrifield | Mills | | |
| Minna | Mitchell | | |
| Moore (Port Moody—Westwood—Port Coquitlam) | | | |
| Moore (Fundy Royal) | | | |
| Murphy | Myers | | |
| Neville | Nicholson | | |
| O'Brien | O'Connor | | |
| Obhrai | Oda | | |
| Owen | Pacetti | | |
| Pallister | Paradis | | |
| Patry | Peterson | | |
| Pettigrew | Phinney | | |
| Pickard (Chatham-Kent—Essex) | Powers | | |
| Prentice | Preston | | |
| Proulx | Rajotte | | |
| Ratansi | Redman | | |
| Regan | Reid | | |
| Reynolds | Richardson | | |
| Ritz | Robillard | | |
| Rodriguez | Rota | | |
| Saada | Savage | | |
| Savoy | Scarpaleggia | | |
| Scheer | Schellenberger | | |
| Scott | Sgro | | |
| Siksay | Silva | | |
| Simard (Saint Boniface) | Simms | | |

NAYS

Members

| | |
|---|----------------------------------|
| André | Bachand |
| Bellavance | Bergeron |
| Bigras | Blais |
| Bonsant | Bouchard |
| Boulianne | Bourgeois |
| Brunelle | Cardin |
| Carrier | Clavet |
| Cleary | Côté |
| Crête | Demers |
| Deschamps | Faille |
| Gagnon (Québec) | Gagnon (Saint-Maurice—Champlain) |
| Gagnon (Jonquière—Alma) | Gaudet |
| Gauthier | Guay |
| Guimond | Kotto |
| Laframboise | Lalonde |
| Lavallée | Lemay |
| Lessard | Lévesque |
| Loubier | Marceau |
| Ménard (Hochelaga) | Ménard (Marc-Aurèle-Fortin) |
| Paquette | Picard (Drummond) |
| Plamondon | Poirier-Rivard |
| Roy | Sauvageau |
| Simard (Beauport—Limoilou) | St-Hilaire |
| Thibault (Rimouski-Neigette—Témiscouata—Les Basques) — 47 | |

PAIRED

Members

| | |
|------------------|-------------|
| Asselin | Boire |
| Brown (Oakville) | Chamberlain |
| Desrochers | Duceppe |
| Efford | Guarnieri |
| Vincent | Zed — 10 |

The Acting Speaker (Hon. Jean Augustine): I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Finance.

(Bill read the second time and referred to a committee)

● (1805)

[*English*]

The Acting Speaker (Hon. Jean Augustine): It being 6:09 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

*Private Members' Business***PRIVATE MEMBERS' BUSINESS***[English]***IMMIGRATION AND REFUGEE PROTECTION ACT**

Mr. Gurmant Grewal (Newton—North Delta, CPC) moved, seconded by the Hon. Andrew Telegdi, that Bill C-283, an act to amend the Immigration and Refugee Protection Act and the Immigration and Refugee Protection Regulations, be read the second time and referred to a committee.

He said: Madam Speaker, I am pleased to rise today on behalf of the constituents of Newton—North Delta to lead off the debate on my private member's bill, Bill C-283, an act to amend the Immigration and Refugee Protection Act and the regulations.

I would like to commend the Liberal member for Kitchener—Waterloo for seconding my bill as well as the official opposition senior immigration critic, the hon. member for Calgary—Nose Hill, for her support, guidance and advice on this issue. She will be speaking later on the bill.

This enactment amends the act and regulations to provide for the sponsorship of foreign nationals who apply for temporary resident visas, commonly referred to as visitor visas. This bill would provide options and extra measures to allow higher acceptance rates for family visits while protecting the integrity of the system from queue jumping.

The sponsorship will enable visitor applicants who have difficulty establishing their bona fides to provide immigration officials with stronger evidence of their intention to return home before their visas expire.

Under my bill, a foreign national who has been issued a temporary resident visa as a member of the visitor class pursuant to sponsorship under proposed section 193.1 shall not: work or study while in Canada; apply for an extension of their authorization to remain in Canada; apply for permanent resident status while in Canada; or remain in Canada beyond the period authorized by their stay, even if the foreign national marries or applies for refugee status while in Canada.

Bill C-283 does not override the other requirements of the act. Let me make it clear that this suggested enforceable guarantee or the posting of a bond is not a prerequisite for a visitor visa. It is only an option or a last hope once a visa under the normal process has been denied. It is a solution to the current dead end which potential visitors face.

A Canadian citizen or a landed immigrant may apply to sponsor a foreign national to visit Canada if in the previous 12 months the foreign national made an application for a visa which was denied. Since we do not have any exit recording system in Canada, the visitor, upon returning to the country of origin, must, according to proposed subsection 193.1(5), report to an immigration officer or other representative of the Government of Canada within 30 days after leaving Canada in order to prove that he or she has left the country and so the guarantee or bond is nullified and void.

If the visitor fails to report, he or she will not be permitted to re-enter Canada and the sum of money deposited shall be forfeited or the guarantee posted shall become enforceable. The amount of the

deposit or guarantee shall be fixed on the basis of the criteria set out in subsection 45(2), or it can be a percentage of the assets or net worth, for example, so that the amount is not punitive to the sponsors, who may be financially weak. This will prevent discrimination against poor sponsors and yet will be effective in preventing the abuse of the system.

Such a system is in place and working effectively elsewhere. Australia, for example, introduced a sponsored visitor visa class in July 2000. The new visa, in lieu of MPs' support letters, et cetera, provides decision makers with stronger evidence of a visitor's intention to return home before the visa expires.

The Australian government claims its sponsored visitor visa category allows the country to receive more family and business visitors while at the same time enhancing border integrity. Australia's global approval rates have increased and they are now roughly 20% higher than Canada's rates.

The increased international flow of goods, services and people means Canada must have an efficient and effective visa system able to handle millions of temporary visitors.

• (1810)

Each year the Department of Citizenship and Immigration issues over 600,000 visitor visas to people in over 130 countries. Under the Immigration Act, the burden of proof, or the onus, rests entirely on the applicant to satisfy the visa officer that he or she is coming for a temporary purpose as a visitor.

An immigration officer must make decisions quickly and be fair and careful. We know the challenges are well understood. Before deciding, immigration officers look at many factors, such as: the purpose of the visit; the applicant's ties to his or her home country; family ties; employment, financial and economic situation; and political stability of the home country, et cetera. The invitations or assurances from Canadian hosts or letters from their members of Parliament carry little weight.

The black and white rules of the immigration act result in a lack of compassion shown for applicants who may want to travel to Canada for legitimate reasons but who are barred due to the heartless consideration of the law.

For example, the only son of a seriously sick Canadian mother was denied a visa to visit her, but upon his mother's death after two weeks, he was given a visa to attend her funeral. How good it would have been if he would have seen his mother when she was alive.

In many cases, visitor visas are refused even to very close immediate family members or relatives wishing to attend funerals, marriages or social events in the family. Recently a young lady died in an accident. She did not have any close relatives in Canada. Her widowed mother was refused a visitor visa to attend her funeral.

Businessman Darmohan Gill in my riding needed a live-saving kidney transplant. A matching donor could not be found in Canada, but one was found in India. Mr. Gill was advised by doctors not to travel because of health considerations and the donor was repeatedly denied a visa.

Private Members' Business

There are cases of grandparents dying without ever being able to see their grandchildren. This leads to a permanent separation of families.

An applicant qualifies under the investor or entrepreneur categories but does not qualify for an exploratory visit for just two weeks due to lack of funds. That was the reason given. Can members believe that?

Almost every week numerous cases of frustrated constituents come across my desk. I am sure most members experience this too, where relatives of constituents are refused visitor visas. The truly sad part is that these applicants have little recourse once a decision has been made, and MPs can do nothing to help their constituents.

There is no appeal mechanism as there is in other countries like Australia. Sure, they can reapply, but seldom does the decision differ. In the end they just become a cash cow for the immigration department and the application fee goes directly into general revenues as an illegal tax.

According to CIC data, only about 23% of the people who apply for visitor visas are turned down, but I doubt those figures. Although the department boasts the success rate to be over 75%, one can just stand outside our High Commission in New Delhi any single day and check for oneself. No more than 20% are successful. I have seen this myself and our constituents repeatedly tell us that this is the case.

The reality facing applicants in countries like India, Pakistan, Bangladesh, Fiji or the Philippines, and many more, is much worse. The immigration officers are overburdened. They need to be better trained and more culturally sensitive to environment in which they work. To be fair and non-discriminatory, the case processing time should be the same at all our foreign missions.

The Conservative Party of Canada supports a well-managed immigration system to serve the best interests of Canada: a system that is fair, transparent, effective, efficient, compassionate, and sensitive to the needs of family reunification, skilled workers, economic migrants, genuine refugees and visitors.

Canada is a country built by immigrants. Immigration was and continues to be, at the heart of what Canada is all about and is accordingly of central importance to all Canadian citizens.

In the last few years, however, our immigration system has become sick. It is rife with systemic problems. It is a Gordian knot. And there is mounting evidence of abuse, fraud, corruption and incompetence in the immigration department.

• (1815)

There is currently a widespread consensus on both sides of the House and among the general public that our ailing immigration system must be reformed. My party, the Conservative Party of Canada, will be conducting round table discussions with people across the country and making recommendations on how to improve the immigration system and ensure that it is open, fair, efficient, effective and beyond political interference.

The Liberals over a period of time have given Canadians and immigrants bitter medicine by sugar-coating it. They have been

fearmongering about my party and have literally abused the immigration system for political and electoral gains, but Canadians and immigrants will not be fooled anymore.

Due to major resource cuts by this government, there is not enough personnel to process the backlog of applications, and let us keep in mind that the first line of Canada's security is our immigration system. Sponsors' income checks and applicants' medical and security checks are not done in a coordinated manner. Sometimes one expires and the other is valid; the other expires and the first one is valid. These are people's lives the government is playing with and quite frankly it is treating them shabbily.

When I was first elected in June 1997, it took 22 months to process a family class immigrant from New Delhi. The former minister testified before the citizenship and immigration committee last fall that it now takes 58 months for family reunification, that is, 22 months then versus 58 months now. It is unbelievable. How dare the Liberals claim to be "immigrant-friendly"?

Immigration targets for Canadian missions do not come close to meeting the demand in high volume countries like China and India. The resulting bottlenecks lead to unnecessary delays, not only causing inconvenience but also creating incentives for people to cheat the system. By closing the front door, the government is encouraging people to try the back door.

Corruption at our overseas missions seems to be an inevitable result. I have personally uncovered three instances of corruption in our foreign missions and this is only the tip of the iceberg. Despite my pleas for action in this chamber, the systemic problem continues. There is evidence of immigration being used as a political tool for the government. Minister's permits often appear to be used for partisan purposes. In the immigration system it should not matter who one knows or whose campaign one volunteers for.

Arbitrary criteria are used to evaluate immigration cases. Staff receive inadequate training in local customs and traditions and they reject spousal cases based on outdated traditions and norms. Many of those cases go to the courts, where they win on appeal, but there are some unscrupulous lawyers and unregulated consultants who milk potential immigrants and visitors of their money without offering real service or value and thus add to the mess.

The Liberal government is absolutely disillusioned. I do not blame people who are frustrated as a result and go to MPs' offices. My office is overwhelmed with immigration cases. Eighty-five per cent of my resources and time is used for immigration work. I commend my staff for working so hard, particularly Sasha G, who works very hard on immigration cases. Her work is exhaustive and it is very stressful, but she still gives excellent service to my constituents. I applaud her efforts as well as those of other staff.

Private Members' Business

It is equally frustrating for constituents as well as members of Parliament when MPs can do nothing to secure visitor visas or to deal with the delay when we cannot do anything. Potential visitors who have not even visited this country always get a negative impression about it.

In conclusion, my bill will not cure all the problems that ail the immigration system. It will, however, be a positive step. Rather than only criticizing, I have come up with a solution-oriented approach, as I have done in the past for recognizing foreign credentials. Now everyone is on board to get the credentials recognized.

Foreign visitors are our emissaries. They help to create goodwill and they strengthen family bonds. Encouraging visitors to come to our country strengthens people to people ties.

• (1820)

In conclusion, Bill C-283 is certainly solution oriented. It is an improved approach that would minimize minister's permits and other political interferences and manipulations. It would make the system accessible, transparent and fair. It would tackle arbitrary subjective judgment, discrimination or weakness in the system. It would help to check the abuse of the system.

I will be interested in listening to the comments by other members. I hope that members will support my bill.

Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.): Madam Speaker, I listened with great interest to my friend across the way.

I have to say that the idea of asking people to put a bond or come forth with some security is not something that is new. I am sure that many times members of Parliament from all parties go to the minister and/or call the consulates abroad and say that they are going to guarantee it. It is not a new idea. As a matter of fact my colleague from Scarborough—Rouge River brought forward something similar back in 1994.

I want to give the member credit for coming forward with some positive ideas. One thing he said was that he personally knows of three cases where corruption certainly was uncovered by his office or by him. I am wondering if these three cases are not in front of some investigating body. Would the hon. member table them in the House right now and/or give them to the RCMP? We on this side of the House want to get to the bottom of any investigation. Will my hon. colleague table these three cases today?

Mr. Gurmant Grewal: Madam Speaker, the member's question shows how ignorant he is about the case. It was reported in the national media when I had tipped off the RCMP commissioner as well as the minister. It was a Tuesday afternoon. Wednesday I was contacted by the RCMP and I provided them with the evidence. Thursday they left Canada for two different missions, one in New Delhi and the other in Islamabad. Based on my information seven locally hired employees were fired in New Delhi and three were fired in Islamabad.

That was not the end of it. I had another piece of information. I informed the RCMP. RCMP officers were sent to investigate. Based on the information I provided they caught red-handed two people who were locally hired in New Delhi exchanging the money for issuing the visas.

The third time I gave the information to the minister and to the RCMP commissioner and again action was taken.

I am very proud that I not only talked about it but some solid action was taken. Despite that, the government members have failed to act. Corruption is still going on in many missions abroad.

The member mentioned that this is not a new idea. I agree it is not a new idea but I ask the member, where is the action? Has his government taken any action? Absolutely not. The Liberals talk but there is no action.

I am at least coming up with a solution oriented approach. I have come up with an action oriented approach. I want the government to take action and accept my bill and make it a law so that we do something worthwhile which would be useful to help the potential visitors and stop the abuse in the system.

• (1825)

Mr. Mario Silva (Davenport, Lib.): Madam Speaker, I agree with my hon. colleague that Canada was built by immigrants and immigration is very important to this country. I also agree with the direction in the bill.

I still have not received an answer to a question I posed to the member in private. I think it is important that I pose it publicly. It is on the whole issue of the amount. The amount has not been considered in this bill. As well, could the hon. member clarify for us, is he not worried that the bill might lead to only those who could afford it would be able to get a residency visa?

Mr. Gurmant Grewal: Madam Speaker, the member's question is a very reasonable one.

I thought about the issue but I did not indicate a specific amount in the bill. There is already a provision in the immigration and refugee protection regulations. Subsection 45(2) stipulates how the amount for a particular bond or a guarantee is to be determined.

Moreover, I would not want the amount to be punitive. The amount can be determined based on the financial situation of the sponsor. It could be a percentage of the sponsor's net worth or assets. It could be a specific amount depending on the legislative inclusion which is already there. It has to be flexible.

I thank the member for extending his support. There are many members on the Liberal back benches who have congratulated me and have extended their support for the bill. I take this opportunity to thank all members across all party lines who have thanked me for introducing this bill.

As well, Bill C-283 was seconded by a Liberal member. I am sure that all members will support the bill and make this solution work for Canada. We are so proud that Canada is a country of immigrants. Immigrants are the backbone of this country. The diversity of their effort is not a liability. I would expect that members would support this bill.

[Translation]

Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.): Madam Speaker, I am pleased to have this opportunity to be here in the House to discuss Bill C-283, an act to amend the Immigration and Refugee Protection Act and the Immigration and Refugee Protection Regulations.

Private Members' Business

[English]

I accept the spirit of creative problem solving which the member says is his intent. His bill would essentially allow any Canadian or permanent resident over the age of 18 to apply to sponsor a visitor from overseas by posting a bond or guarantee provided he or she has not sponsored an individual within the last five years who has failed to abide by the terms of his or her visa. That sounds reasonable.

The idea of making it easier for more people to visit this country on the surface is something I think all of us could support. Many of us have friends or relatives in far-flung parts of the globe whom we often think about and wish to see, especially at times of crisis or celebration. The same is true for many of our constituents who are often forced to leave behind loved ones, close friends and business associates when they choose to put down roots in Canada.

Today the mechanisms we have in place that allow foreign nationals to visit, allow Canadians to be reunited with their loved ones, or allow people to welcome business associates or other visitors works well, but we know that there are problems. Canada's visa offices routinely issue more than 500,000 temporary resident visas each year in addition to processing many other types of applications. By comparison 150,000 applications on average are rejected each year, suggesting that there are in fact compelling reasons to do so. Therefore I am deeply troubled by several aspects of this bill.

Canada's experience with the use of bonds to ensure individuals comply with the terms of their visas is spotty at best. Many of us remember the disappearance of an entire boatload of illegal migrants in 1999 after bonds were posted to ensure that they would report for the hearing process, yet they disappeared.

Investigators from Citizenship and Immigration Canada subsequently said that many of the individuals who posted these bonds had connections to smuggling organizations and that the migrants made their way to the U.S. It is fairly safe to say that bonds alone in this case provided an ineffective deterrent to flight. Such is the reality of a world where individuals are willing to pay smugglers tens or hundreds of thousands of dollars for the chance to come to Canada to find a better life. For a bond to be effective it would have to be high enough to prevent that counteractive smuggling bond that is posted. In doing that we immediately discriminate against families with low incomes. We do not allow for those families to post that kind of bond that would make it effective.

Under the terms of Bill C-283, today's practice of requiring bonds at ports of entry under certain circumstances and for certain individuals would therefore essentially have to be extended to overseas visa offices. This would result in a much heavier administrative burden and the need for substantially more resources. Currently we have huge inventory backlogs because of those resources, which are not able to deal with the heavy backlogs.

Bill C-283 would require more resources to deal with and investigate each sponsorship application to ensure that the financial resources were not linked to organized crime. It would require more resources to assess a sponsor's credit worthiness and to confirm his or her identity and status in Canada. More resources would have to go toward processing applications. Canada would have to introduce

an exit control system to ensure that persons complied with the bonds. That would take more processing, more paperwork and more resources. Application processing times and delays would therefore increase and not decrease.

Other departments such as the Canada Border Services Agency and Foreign Affairs Canada would also be negatively impacted. All this would happen with very little return in the form of a substantial increase in the number of visitors to Canada since visa offices in most cases would not likely be swayed by the offer of a bond if the application for a visa had been found questionable on other criteria.

One aspect of the bill that I particularly want to point out and which I find very disturbing is its apparent lack of regard for the Canadian Charter of Rights and Freedoms and Canada's international obligations under UN conventions. Clause 5 would add a new subsection to the immigration and refugee protection regulations stipulating that a foreign national who comes to Canada under the terms of a visitor visa bond must leave the country at the end of that period authorized for that stay even if the person applies for refugee status while in Canada.

● (1830)

Such a clause could mean that they would have to leave Canada before their refugee claim has been assessed on the merits of a fair and impartial tribunal.

Such a provision appears contrary to section 7 of the charter which talks about the risk of harm to the person if they go back and, therefore, the need to follow through on a refugee application. Moreover, it could lead to violations of Canada's obligations under UN conventions not to return anyone to a country where they face torture or where they have a well-founded fear of persecution. That is because that section stipulates that once the period of their stay has ended they must return. That is a stipulation under the bond. We would therefore be in complete contravention of the Charter of Rights and Freedoms.

Canada has the appropriate mechanisms in place today to allow individuals from all over the world to visit. We also have a system that allows for ministerial discretion in cases where there might be a compelling personal reason for someone to be allowed to visit who would not normally qualify and under extenuating circumstances.

Our present system works well and processes requests in an expeditious, fair and reasonable way, but all of us still say it could do better. We know we could do better. The way to solve a problem with a system in which we are not only looking at visitor's visas but also looking at permanent resident status, is not to cherry-pick pieces and fix it by fixing the cracks. The way to solve the problem is to look at how we can make the whole immigration system, and the parallel system of refugee processing, work better. We have to look at the whole system and make that system more effective and efficient. Cherry-picking does not allow for that to happen.

Private Members' Business

I cannot nor will the government be able to support Bill C-283 or any other such proposal that contains these kinds of serious flaws and that has the potential to do more harm than good to undermine the stability and sustainability of Canada's current visa program and that also violates our domestic laws as well as our international obligations.

• (1835)

[Translation]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Madam Speaker, the Bloc Québécois welcomes Bill C-283 presented by my colleague from Newton—North Delta with pleasure.

The text amending the Immigration and Refugee Protection Act and Regulations is intended essentially to facilitate the issuing of visas through a sponsorship system and to bring about improvements to a system that was greatly in need of them. The Bloc Québécois agrees with the principle of facilitating visits by family members of permanent residents in this country.

I would remind hon. members that this measure is based on close family ties, and is intended to facilitate family visits and not new immigrants. Those who would be eligible under this measure, close family members, are already able to take advantage of other, existing measures in order to establish themselves in Canada under the family reunification immigration category.

Let us look at the details of the proposal. As far as the guarantee of return is concerned, this measure is intended solely for the relatives of visitors who have had an application for visa denied. What is proposed in Bill C-283 is that a close relative established in Canada will be able to sponsor a visa applicant and provide a guarantee, thereby allowing the applicant to obtain a visa and come to visit his or her relatives.

Bill C-283 applies only to close relatives: husbands, wives, children, sisters and brothers, parents, grandparents, uncles and aunts, nieces and nephews, and no one else.

It provides that the guarantee posted will be refunded only after foreign nationals report to a Canadian officer upon returning to their country. The officer or other representative of the Government of Canada absolutely has to be outside Canada for the visitor's return to be confirmed and the guarantee reimbursed to the sponsor. This deposit or guarantee forces foreign nationals to leave Canada once their visa has expired. It ensures that those benefiting from this measure will leave.

Note that, under CIC's current voluntary return policy, there are no mechanisms to monitor the departure of individuals who are issued visas. This is therefore an improvement on the existing system. Later on, CIC will have to look into the issue of managing departures.

These visas may not be extended at all. They do not allow foreign nationals to work or study in Canada. They are clearly intended only for travelling. Moreover, the foreign nationals will not be permitted to apply for permanent resident status while in Canada and will have to leave even if they married or applied for refugee status. They absolutely have to leave the country and apply from their home country.

The fact that the bill ensures the return to the country of origin reduces the risk of compromising the primary intention of the legislation. It seems to create an incentive to reduce the amount of abuse and to discourage people from trying to enter the country permanently this way.

I want to commend my colleague for his interest in nurturing the family values of Canadians and Quebecers by relaxing the rules for visits by close relatives.

As I was saying earlier, currently only officials have the authority to issue visas. Bill C-283 aims at giving visa applicants more chances by reducing the discretionary power of CIC personnel. It gives power and responsibility to the citizen.

This legislation fights the democratic deficit that exists in all aspects of our society. It is a small measure, a drop in the bucket, but its symbolic significance is much greater than it may seem at first.

The Prime Minister cannot be against this principle, he who is constantly trying to find ways to bring citizens closer to the decision-making process. Well, this is a fine example of how to do just that.

The bill states that applications can only be made if an application was previously denied by Citizenship and Immigration Canada. In other words, not every citizen will automatically resort to Bill C-283. Otherwise, the department would be left with a door wide open. Instead, the bill offers the possibility of appeal where there is none.

I still have a few questions on certain points such as the workload and processing deadlines. I wonder about the proposal to issue visas individually, without grouping applications. As has been pointed out, the bill is very specifically aimed at visitors of the family class. It is common for people to travel with someone else. There has to be a way to make it easier to submit these types of applications.

Likewise, children should be allowed to accompany their parents, if that is the wish of the visiting family. Since this legislation is directed at relatives visiting from far away, it seems relevant to process a single application for all parties rather than individual applications.

It is also important to ensure that the issue of the deposit of security is fair for everyone.

• (1840)

It would be deplorable if only those who were better off could take advantage of this measure. The plan is for the officer to determine the amount according to a number of factors, including the individual's financial resources. But there must still be assurance that this is not a way of placing overly onerous conditions on certain applicants. Refugees must still be entitled to make application.

The intended purpose is to make it easier for families in Quebec and Canada who are far away from their loved ones to have them visit. It would be deplorable if some of them could not afford to take advantage of this. There is a control measure already in place for people who sponsored someone who did not fulfill his or her obligations. If this is the case, the applicant cannot apply again for five years. I would like this to be looked into. We need to be sure that this is indeed the best way to protect against abuse of this measure.

Private Members' Business

More than 72,000 visitor visas were issued in 2003. That is just the total that were granted. I am sure that some of the ones denied were refused on good grounds, according to the administrative criteria. That does not, however, mean that, if they had been issued, national security would have been endangered.

Bill C-283 will make life much easier for many families. The Bloc Québécois is happy to encourage such a thing.

Bill C-283 is clearly not in draft form. The bill has been polished since its first version and can now be referred to the Standing Committee on Citizenship and Immigration. It is legislation the country can use and that is why I encourage all my colleagues to join me in voting to refer this bill to the committee for consideration.

[*English*]

Mr. Bill Siksay (Burnaby—Douglas, NDP): Madam Speaker, I appreciate the opportunity to speak tonight to Bill C-283, an act to amend the Immigration and Refugee Protection Act and Immigration and Refugee Protection Regulations. As we have heard, this bill proposes certain changes to the visitor visa process.

Specifically, it allows for the sponsorship of foreign nationals who wish to come to Canada on a temporary resident visa under the visitor class. This bill would add section 193.1 which stipulates that a person who meets the criteria for a sponsor, as already defined in the Immigration and Refugee Protection Act, can apply to the minister for the authorization to sponsor a foreign national as a visitor.

This foreign national must be coming to Canada under the visitor class on a temporary resident visa. This foreign national who is being sponsored must not work or study while in Canada, may not apply for an extension of the stay in Canada and may not apply for permanent resident status. Finally, he or she must leave Canada by the end of the allotted time. The bill also mentions that if foreign nationals marry or apply for refugee status during their stay in Canada they must also leave.

This bill provides for deposits and guarantees that could be sought by the minister, and the amount of the deposit or guarantee shall be fixed on the basis of the financial resources of the person or group, or on the cost that could be incurred to locate the foreign nationals and deal with them, or to the costs to enforce the guarantee.

The foreign nationals must also report to a representative of the Government of Canada within 30 days after leaving Canada in order to prove that they left the country. The bill proposes consequences if the conditions of the visa are not met. If the foreign nationals fail to comply with the conditions of their stay, then the sponsor's deposit or guarantee is lost. The sponsor cannot sponsor again for another five years, and the foreign national cannot enter Canada again.

As we have heard, this bill seeks to increase the options available with regard to the issuing of visitor visas, especially when an initial application has been turned down.

Bill C-283 is of huge concern to my constituents in Burnaby—Douglas and I am sure constituents of most other members of Parliament. Applying for a visitor visa seems like such a very simple act and simple request. It is to share a visit with family or friends here in Canada. However, this simple hope all too often seems to

become a complicated, totally frustrating process for too many people.

In my many years as a constituency assistant to a member of Parliament, I dealt with many cases of folks who had been denied a visitor's visa for a very simple family visit. In fact, I kept a box of tissues on my desk because invariably the frustration of that denial led to tears and much emotion.

The requests are so very straightforward, for a relative or friend to visit for a wedding, to be present at the birth of a grandchild, to attend the funeral of a family member. These are all key moments of our lives, moments that we all expect to share with family.

Nothing is more difficult than telling someone that a close relative will not make it to a funeral, a wedding or a baptism. However, there is also the hope for others to extend simple hospitality, something that I do not think we can undervalue. This is the hope to return hospitality shown when a Canadian visited overseas, when we visited family members overseas or the hope that a friend or family member might have the chance to see firsthand what our lives are like in Canada and what our country is about.

The refusal of these simple, straightforward requests causes terrible trauma for families. I have often heard from people who have had a relative turned down for a visitor visa that they feel like a second class citizen in Canada because they cannot have their relatives visit them here, whereas other Canadians do not seem to have that problem.

Often it is hard for people here in Canada to explain to relatives overseas why they cannot visit. It can cause problems for families because relatives feel that the Canadian family member did not try hard enough or, for some reason, does not really want them to visit. Some people are refused time and time again and there seems to be no recourse. There is no appeal. Only a new application is a possibility and this leaves families in a state of despair.

I am interested in this bill because it seeks to make it possible for people who would not have been able to visit relatives in Canada, because they were refused a temporary resident visa, the chance to do so. Other aspects of the bill include upgrading the invitation process into a full sponsorship process, which increases the options that people have.

The problems that may have impeded the ability of people to visit Canada include insufficient funds or what are considered not strong links to their home country. If a Canadian citizen could formally sponsor them, then their application may be more successful.

It is important for families to maintain their connections, even over many thousands of miles. I am very concerned about the need for friends and families to be able to reunite for a visit, perhaps to celebrate important family occasions.

Private Members' Business

• (1845)

My concern for the maintenance of these bonds is evident in the bill that I have introduced in the House which would allow for the once in a lifetime expansion of the family class definition so that other relatives can be sponsored in an attempt to bolster family reunification. I am sensitive to the fact that in our increasingly global society we cannot always remain physically close to our families and friends, but these ties remain and must be supported and maintained.

We need to consider how we maintain our edge in a world that now competes for new immigrants. Australia and the United States are also working to attract immigrants to their countries. Canada needs new immigrants. The government's own studies show that by 2011 all growth in our labour force will come from immigration and by the mid-2020s all population growth will come from immigration.

We need to ensure that those who choose to come to Canada believe that our immigration policies will support them and their families, and the hopes for their future. We cannot afford to further a reputation that says Canada will not allow simple family visits from relatives of new immigrants.

While I support the intent of this bill, I have some concerns. I have concerns about the inequality of requiring a deposit or guarantee. I understand that the intention of this rule is to make foreign nationals more likely to comply with the conditions of their visas for fear of losing a sum of money or damaging the reputation of their sponsors. However, this possible monetary requirement limits the people who would be able to take advantage of this opportunity to have a loved one visit Canada. It may favour those who are affluent. Not everyone will be able to make the necessary guarantee.

By emphasizing this option, we could be making it even more difficult for families that are not wealthy or that are of more modest means from enjoying a visit from a family member. I am concerned that this may make it harder for those families to enjoy a visit from a family member if the option of putting up a guarantee always becomes operational.

We need to look more closely at clause 7(d) of the proposed bill, which indicates that persons may not stay if they apply for refugee status while in Canada. There is a possibility that something will transpire in their country of origin, such as a change of government or a civil unrest, that will affect them directly and make it important for them to make a refugee claim while they are in Canada.

I do not believe we can stipulate that such a refugee claim cannot be heard. I am very concerned about that and would certainly seek that kind of change should this bill come before the committee. I do not believe we can in good conscience require someone to return in that kind of situation.

There is a stipulation that requires visitors to report to an officer or other representative of the Government of Canada within 30 days after leaving in order to prove they have left. I have a slight concern about that in terms of the overload that we already face in the immigration system. The system is overloaded. We see that everyday. We need to address the funding that the department receives and the organization of the department in order to deal with that issue.

I do not want to see us in a situation where MPs are acting as the go-between for their constituents and the minister. We cannot afford another level of bureaucracy in the government. I think we need to address this issue in the context of the overall functioning of the department.

On the whole, I am very interested in this debate. I am interested in hearing from constituents and organizations about this proposal. On balance, any proposal which seeks to address the situation of visitor visas, the refusal of visitor visas, and the barriers that families see to making simple visits with their family members in Canada, I believe deserves serious consideration.

I would be pleased to continue this discussion at the Standing Committee on Citizenship and Immigration and I hope this bill is referred to the committee.

• (1850)

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Madam Speaker, I am pleased to stand and support my colleague's bill. The bill is very simple. It is an effort to address a very outstanding, difficult and serious problem for many Canadians, and people who have come to Canada as new Canadians and as immigrants.

The problem is that they cannot have the pleasure and opportunity to have visits from those who are dear to them from their country of origin. My colleague has put his mind to work and has discussed this problem with a number of people. He has come up with a pretty simple solution which would allow potential visitors to have their compliance with the terms of their visitor visa be assured by the posting of a bond.

The bond could be flexible. It could be more money depending on the circumstances of the sponsoring individual and the visitor, or it could be less but it could be and would be proportionate to the ability of the visitor and the sponsor to pay.

My other colleagues in the House have pointed out how terrible, frustrating and heartbreaking it can be not to be able to share lives with family in a meaningful way. Suppose for example, that one had a new child, a little baby and there was a lot of excitement about that, but one's own parents could not come to see the little one or the time could not be shared with one's sisters or brothers.

In the case of weddings, where one wants to gather the whole family together to celebrate and support each other, visitor visas can be denied. There are so many heartbreaking stories that we as MPs hear and it is unfair. A lot of times sponsors are Canadian citizens. Why should some Canadian citizens be able to share their lives and celebrations in their lives with those who are dear to them while other Canadians are denied that opportunity? The government tells potential visitors they cannot come in and share the wedding, the celebration of the birth of a child or grieve with their Canadian family members on the death of a family member. What kind of inequality is that?

Private Members' Business

However, the Liberals defend that inequality. They defend having two classes of citizens, some who can share their lives with their friends and family, and others who are denied that opportunity. Yet, the parliamentary secretary defends that kind of inequality. Shame on the Liberals.

The Liberals say that organized crime could put up the money or the system may be abused. Well, there is a news flash for us. The system is being abused by the Liberals and they are doing precious little about it. We just had this terrible case of Mr. Singh who came in on a visitor's visa permitted by the government. It took 16.5 years to get him out of the country, even though he failed every single time on his applications and appeals.

The Liberal government has no business pretending that it is concerned about abuse of the system. My colleague has put forward a very sensible suggestion. Safeguards could easily be built around this. Bonds are provided every day for any number of activities. The parliamentary secretary got up and said that we cannot have that. That is just ridiculous. She then said the charter could protect people who come in and the government could not ensure they leave. There is another news flash for us.

Just today there was a report of a fellow where a judge ruled he could not be sent back to another country because he might be tortured. This happens every day. This is no excuse to bar the door to visitors of legitimate Canadians and permanent residents of this country. I cannot imagine how these arguments could possibly hold any water over there. It is said that it is a problem that such visitors would not be able to apply for refugee status. Maybe we need to discuss that, but is that a reason to keep people from being able to visit their families? It is not.

• (1855)

The government pretends to be the friend of immigrants. It is always accusing Conservatives of having some anti-immigrant agenda, quite falsely and ridiculously. Look at what it does. The Liberal government is hurting many immigrants and permanent residents and their families by the fact that it has completely and utterly mismanaged the system.

What happens when a Conservative bill comes forward to fix one of the worst problems that separates families at important times of their lives? The Liberals trash it. That is the Liberal way. Nothing else can work, but the system they are running does not work. They are the administrators of the system that does not work.

Surely there should be some openness to sensible, well thought out proposals like that put forward by my colleague to fix the problems in the system. However, the Liberals do not want the system fixed. They do not want people to have family visits in a way that satisfies the concerns about whether visitors' visas will be honoured. Yet visitors' visas are not being honoured now. Helping to fix that problem should win the approval, the support, the enthusiasm and the gratitude of the government. However, it does not.

The parliamentary secretary says that there are just too many problems. The problems are with the government and with a department that is not being managed properly. It is time now that we work together in the House. I know members from all parties

support my colleague's bill because it makes sense. It is a simple, doable, reasonable proposal that would allow families to come together without jeopardizing the safety of our system and some of the rules that have been put into place for visitors.

I applaud my colleague for his initiative, his intelligence and his good judgment in coming forward with a solution. We have all wrestled with this. We have talked to our constituents. My colleague across the way says that he has a box of tissues in his office because it is so heartbreaking for constituents when they cannot get together with their families because they cannot invite them to visit from other countries. It is a terrible situation for people. To be hard-hearted enough to turn down a sensible proposal to fix this makes no sense.

I appeal to the Liberal government and the parliamentary secretary who spoke earlier to rescind this rejection of something that could benefit so many people and families. I appeal to them to work with the Conservatives and with my colleagues in the Bloc and the NDP who have supported the proposal. Let us work together to help people. Instead of just seeing problems, let us see solutions. Let us support my colleague's bill.

• (1900)

Hon. Andrew Telegdi (Kitchener—Waterloo, Lib.): Madam Speaker, I am glad to join in the debate. This is an issue that has been supported by members of Parliament from all parties. One of the strongest proponents we have in the Liberal caucus is the Parliamentary Secretary to the Minister of Transport who wants to open up the process.

Who are we talking about? What is at issue here so Canadians can put this in proper perspective? We have six million Canadians in the country who were not born in Canada. My colleague, the critic of the New Democratic Party, has mentioned that he has a Kleenex box in his office for when he has those heart-rending cases that come to his office and he cannot assist them. That situation exists with all members of Parliament.

So people understand what we are talking about, I will use the example of a young couple in their early thirties with two young children who came to Canada from India. They came to my constituency office. They had just purchased a house and were working at jobs that did not pay a whole lot of money, but they were managing. The wife was diagnosed with brain cancer and she had a very short time to live. As her last wish, she applied to have her mother and sister come over from India for a visit. She died within a month, and the visas for those people were turned down.

Imagine a young family with no extended family in Canada. The wife, husband and the children were going through a very tragic time. What did she want for her last wish? It was for her mother and sister to come and visit her before she passed on. That is the issue about which we are talking. I mentioned that the issue has been raised by all members of Parliament.

Bill C-219, which was introduced in the House on March 17 by the member for Scarborough—Rouge River, spoke to this issue. The member for Surrey North had a motion on the issue. I look at the minutes of the parliamentary committee of December 2, 1998, Madam Speaker, when you spoke on opening up the visa process because too many people were rejected.

Adjournment Proceedings

Let me conclude by saying that in 1993 we had a rejection rate of 12.9%. In 1997, according to officials, we had a rejection rate of 10%. In 2003, according to the notes from officials, we had a rejection rate of 21.4%, 143,058 people.

What is being proposed in the bill will not fix the system. It is not in its final form. However, I have listened to all the critics in this chamber. Let me make it clear to all members that the opposition combined on a committee has seven members, the government has five members. Therefore, the will of the House expressed by all the critics from the opposition parties is the majority will of the House.

There are many members on the Liberal side who have fought for some kind of improvement in the system which can be so heartless that it can deny the final wish of a young woman who is dying. That is in my riding. I also have a box of kleenex in my office and I have it particularly for cases like this. When the system fails, some Canadian gets hurt.

• (1905)

In terms of the justice system, a surety process is in place where provincial courts and other courts deal with this situation every day. It is time for the Department of Citizenship and Immigration to start to come up with solutions that will serve Canadians.

The Acting Speaker (Hon. Jean Augustine): 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.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

JUSTICE

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Madam Speaker, I wanted to have some time in the House to speak to Bill C-17, the marijuana bill. I asked a couple of questions in question period, but the answers were less than adequate. Bill C-17 is coming up in due course and there are serious ramifications with it.

The government has introduced the bill to address the needs of young people who are caught with very small amounts of marijuana in their possession. They would not receive a criminal record for that possession. There are different things that also need to be addressed with respect to the possession of small amounts of marijuana.

Something characteristic has happened here. There has been a gross mismanagement of Bill C-17. It is inadequate, and there is no national drug strategy around the legislation.

Bill C-17 would allow for the decriminalization of up to 30 grams of pot, which translates into 45 to 60 joints. A few years ago a bill was passed allowing people who were ill to use marijuana if they really needed it. It has been used by cancer patients and in other instances in controlled environments.

At this point in time it is easier to get drugs on a school yard than it is to get alcohol and cigarettes. Thirty grams of pot for recreational purposes is equal to 45 to 60 joints.

There has been no concrete research with respect to health and safety issues. In the area of health, it has been proven that there is 50% more tar on the lungs with the use of marijuana than there is with the use of cigarettes. Yet we hear across the nation talk about banning cigarettes and the serious health consequences of smoking.

Bill C-17 would allow 30 grams of pot, or 45 to 60 joints, to be used by young people without any ramifications. They also get a discount when it comes to fines as compared to adults. Young people who are caught with one to 15 grams of marijuana in their possession receive a fine of \$100. Adults who are caught with the same amount receive a fine of \$150.

I implore members opposite to take a second look at Bill C-17 before it goes any further. I implore them to take a serious look at the health consequences, at the law enforcement consequences and at the safety issues with respect to driving. Drunk drivers are fined more than someone who drives after taking drugs.

Bill C-17 is a flawed bill. It has not answered the questions about this problem, as asked by the public.

• (1910)

Hon. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Madam Speaker, in looking at this question, I think we do need to look very seriously at the component parts of Bill C-17 and at what Bill C-17 represents.

I think it represents overall the widespread view that the full criminal process is not the best way to combat the use of small amounts of marijuana for personal consumption.

The potential consequences, including the loss of job opportunities and the inability to travel to some destinations, is, quite frankly, disproportionate to the offence.

The bill responds to the report of the Special Committee on the Non-medical Use of Drugs in the last Parliament. Rather than easing the restrictions on simple possession of marijuana, however, the approach in Bill C-17 should lead to a more effective and more consistent enforcement regarding marijuana possession which, I must remind the member, will still remain illegal.

In any event, while media attention has been focused on the possession offence, I think we need to look at Bill C-17 for its significant change in the sentencing of those who are involved in the cultivation of marijuana, which clearly the public is very concerned about.

Adjournment Proceedings

In the bill, it proposes that if one is cultivating between one and three plants it would be punishable by a fine of \$500 or \$250 for a young person. This is probably more than one would pay if the police and prosecutors bothered to lay a charge for an amount that small. More important though, if a person is growing between four and twenty-five plants, the bill proposes a maximum penalty on indictment of five years less a day and eighteen months and/or up to a \$25,000 fine on summary conviction. In the case of 26 to 50 plants, the offender faces a maximum of 10 years. Where a person cultivates more than 50 plants the maximum sentence will be 14 years or double the current maximum.

The government is well aware of the problems that marijuana grow ops have been creating in our Canadian communities. For that reason, Bill C-13 contains significant guidance to the courts as to when they should impose a term of imprisonment on marijuana grow operators.

If more than three plants are involved, the court will have to give reasons for not sending the offender to jail where: first, the person used real property that belongs to a third party to commit the offence, for example a grow op is located either in a farmer's field or in a rented house; second, the offence constituted a potential security, health or safety hazard to children in or near the area where the offence was committed. We know that some houses have been extensively modified to become grow ops and children are living in these homes. Third, the offence constituted a potential public safety hazard in a residential area; and last, the person set or placed or allowed to be set or placed a trap, device or other thing that was likely to cause death or bodily harm where the offence was committed.

Clearly the bill addresses both the origins of the marijuana and the use of marijuana. We think it is a very important bill. We think it will go a long way toward dealing with the problem that needs to be addressed and hopefully meeting some of the hon. member's concerns.

• (1915)

Mrs. Joy Smith: Madam Speaker, I heard a dialogue from a set of notes; the canned answer to any question we might have about Bill C-17.

We on this side agree to stiffer fines and jail terms for marijuana grow ops, but the penalties are still at the discretion of the judges. We want to push for set mandatory minimum sentences.

I will give an example. A guy was caught with a \$440,000 grow op with the estimated value of growing equipment seized at \$4,000. He was convicted and received a 30 day conditional sentence in the community with a fine of \$5,000. He made an awful lot of money out of that deal.

From what is on paper I have to say that there has not been enough research nor has there been enough talk among police associations. I just visited my police association in Winnipeg, Manitoba and it thinks this bill is a joke. There were recommendations that were asked to be put in the bill by law enforcement. This is a flawed bill and it needs to be looked at. The intent may be good but the fact is the research and the substance is not there.

Hon. Paul Harold Macklin: Madam Speaker, I think I was giving the straight talk on what in fact is in Bill C-13. I do not believe we are talking about anything that was canned.

It is very important that the member go back and look at that bill and look at the implications. Fourteen years as a maximum penalty is a significant penalty in terms of the criminal law and it really should have a deterrent effect. However until we have the opportunity to put it into play and where in fact people can react to this, I do not think that one can form the conclusion that the hon. member is forming.

Earlier the hon. member said that she did not believe that we had an effective program dealing with a drug strategy. When the cannabis reform legislation was first introduced, the government committed to spending an additional \$245 million on Canada's drug strategy and a significant portion of those funds will go to the police to enhance their ability to detect and take down marijuana grow ops.

I think this is a good bill and the member ought to take another look at it.

AIR TRANSPORTATION SECURITY

Mr. Jim Gouk (British Columbia Southern Interior, CPC): Madam Speaker, I am very happy to raise this issue. I know the parliamentary secretary, who will be responding to me, is very eloquent so I hope he will put his podium and canned notes away because I am going to turn it just slightly. I do not want to talk about the badges and the stolen clothes but if he recalls the question that we are dealing with, I talked about random checking, and that is the issue that I am particularly concerned about.

Random checking is where we have airport employees, everyone from concession operators on air side to the window washers, baggage handlers and everyone, who do not get regular security checks. They get random checks. They come and go, back and forth, and they are subject to random checks, which means a lot of the time they go through without any check at all.

We have talked to CATSA at Transport Canada about operating some kind of system for pre-security clearance for high frequency travellers, suggesting that this is probably a good way to cut down on CATSA's workload, to move the travellers more efficiently, to get more value for the money for Canadian travellers and to cut the cost down, seeing as how the government imposed 100% of the cost of this on the travelling public in an airline industry that is already in trouble. So we have random checking already in place.

Now, either the government believes it is safe, in which case it should introduce this for high frequency travellers who have been pre-screened and who have submitted to a full security clearance, or it should admit that this random checking of airport employees is dangerous and unsafe and that it will start doing absolute full security clearance whatever the ramifications might be.

Adjournment Proceedings

The United States is already doing this. Several airports have a test program under way whereby they are doing just exactly this, pre-security clearance for high frequency travellers who have submitted all the information and gone through the complete security screening. Is Canada waiting to follow in the footsteps of the United States, to let the Americans do the work and then make the decision that if it is safe for them then I guess we can do it without going through this, or are we doing something on our own?

The final questions I would ask and hopefully get a response on are these. Is Canada consulting with the United States on its program of pre-clearance of high frequency, low risk travellers? Is Canada developing its own system of doing this and, if so, when can we expect to see something like this put into operation?

● (1920)

Hon. Jim Karygiannis (Parliamentary Secretary to the Minister of Transport, Lib.): Madam Speaker, I am pleased to have the opportunity to respond to the matter raised by the hon. member for British Columbia Southern Interior on December 6, 2004, regarding air transportation security.

I want to assure all members that the Minister of Transport takes issues related to the security of Canada's transportation system very seriously.

Since September 11, 2001, the Government of Canada has committed \$2.2 billion to further enhance Canada's aviation security. Transport Canada continuously monitors and reviews aviation security in Canada to ensure that it is effective in the face of any change to the security environment.

The Government of Canada has taken numerous actions since September 11, 2001, to further enhance the security of Canada's air transportation system, including: enhancing pre-boarding screening at Canadian airports: funding of over \$1 billion over five years for the purchase, deployment and operation of advanced explosive detection systems at airports across the country, covering 99% of all air passengers. This technology for screening of checked luggage has now been implemented at major airports servicing the Canadian public.

The International Civil Aviation Organization has designated January 1, 2006, as the deadline for countries to have in place checked baggage screening for international flights. CATSA is on track with a national deployment plan for baggage screening and is on the way to meeting its baggage screening commitments by December 31, 2005.

Other actions we have taken are: an expanded program of RCMP officers on board selected domestic and international flights; increased funding for security modifications, including the reinforcement of cockpit doors; new limits on carry-on checked luggage and requirements for random secondary searches for all passengers travelling on flights bound for the United States of America, as well as their checked luggage; the implementation of an enhanced restricted area pass system for Canadian airports; and, random screening of non-passengers entering restricted areas at airports.

With respect to the issue of misplaced pieces of CATSA uniforms, as the minister requested, CATSA produced a report on this issue in December 2004. CATSA has subsequently engaged the services of

Deloitte & Touche to conduct an internal audit on the current system program to manage and control uniforms. Deloitte & Touche has begun this work and has completed visits to selected airports, as well as to uniform suppliers. Once completed, CATSA will review the Deloitte & Touche report and prepare a response and action to be provided to the minister for his review.

In addition to the above, CATSA has also notified all its screeners to be extra vigilant at screening points and to immediately report any irregularities to their supervisors.

Although a special security pass is required to have access to restricted areas in an airport, Transport Canada has also issued a notice to all concerned Canadian airport operators requesting that they remind airport employees of the need to be vigilant both at airport entry points and on an ongoing basis in their workplace.

The government is satisfied that all necessary actions on this issue are being taken to maintain an appropriate level of security at Canadian airports.

I want to assure Canadians that airport security remains a top priority. We are constantly monitoring and reviewing our procedures to respond to emerging concerns and we will take further actions to protect the security of Canadians as required.

Mr. Jim Gouk: Madam Speaker, this is why we have a problem. I ask the Liberals a question dealing with pre-security clearance for high frequency travellers and they give me a canned answer that has absolutely nothing to do with what I just asked. However let us look at what he did say.

He said that the government spent \$2.2 billion. Are we getting value for the money? There is a way that we could provide faster, less costly clearance in the same manner in which the Americans are doing it and yet for some reason it is not good enough.

They are talking about enhanced checked baggage and yet they let employees go through who are not subject to checks at all, except randomly. They talk about secured cockpit doors, which has nothing to do with having people go through who are pre-cleared so we can speed up these lines and cut down the costs and the overall operation for CATSA.

In terms of secured cockpit doors, seeing as how the parliamentary secretary brought it up, I fly pretty regularly and every single flight that I have been on, at some point in the flight that cockpit door has been open. So much for secured cockpit doors.

He talked about airport employees being vigilant. They are the ones who are getting through with only random clearance. Who is being vigilant about the vigilant answers? That is the thing the government has to deal with.

● (1925)

Hon. Jim Karygiannis: Madam Speaker, security is paramount to all Canadians when they travel.

Adjournment Proceedings

I have travelled extensively. I have to reassure my hon. colleague, and as he said, being involved with the airline system he knows that Canada has one of the best security systems in the world to look after its passengers. There have been times when I have travelled abroad and have seen cockpit doors being opened, pilots going back and forth, having a smoke, talking to their wives in the back. Canada would not allow that.

I have talked extensively to pilots. I can say that if there is one system in the world that is secure, it is right here in Canada. May I remind my hon. colleague that if we were to take lessons from our good friends to the south on how they do things, we would certainly learn a few things. The reverse is that if they were to take some lessons from us, I am sure this system would go a long way.

CATSA has held international forums that people attend. Americans were invited. I am sure they will participate again in order for all of us to learn from each other and make the world a safer place.

CANADIAN HERITAGE

Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC): Madam Speaker, I was disappointed to learn a moment ago that the Minister of Canadian Heritage will not be replying to my question tonight regarding Victoria Crosses and their importance to Canadian history and that the answer will come from the Parliamentary Secretary to the Minister of the Environment. My disappointment is no reflection on the parliamentary secretary, but I am very disappointed that the Minister of Canadian Heritage seems to believe that this is such an unimportant issue that she would not respond to me.

I asked very respectfully on December 3, 2004 how the minister intended to ensure that the medals that are important to the history of this country are not sold. She very bluntly told me that she totally rejected the premise of my question. It was an honourable question and a serious question.

The Victoria Cross is the realm's highest award for gallantry in the face of the enemy. It has precedence over any other of the sovereign's awards. The cross itself is cast from the bronze of cannons captured at Sebastopol during the Crimean War. The design chosen by Queen Victoria consists of a cross pattée ensigned over a royal crest.

There were only 1,351 Victoria Crosses awarded worldwide since 1856 and 94 Victoria Crosses have gone to Canadians. It is my intent through a private member's bill to ensure that we not only uphold the rights of private property and give people the right to sell these medals if they choose to, but I want to ensure that Canada as a country has the right of first refusal to buy those medals.

We have had cases where medals have been sold out of the country. If it were not for a very distinguished member of this society, we would have lost the John McCrae medal. I do not believe that we should be in a position where we are depending on independent business people in this country to save these medals. It is the responsibility and the job of our government.

My private member's bill I hope will make it to the floor before the end of this session because this is something that I do not want to see repeated again. These are very important medals. They are a part

of our history. If we allow them to be sold without having any checks and balances in place, I think we have made a serious mistake.

If it were not for the *National Post's* Chris Wattie writing a story that went across the country and caused the outrage of legion members and citizens alike, we may not have even known someone was going to try to sell this particular cross. That is something that needs to be stopped, and it needs to be stopped now.

I want to ask for the cooperation of the Minister of Canadian Heritage and the Minister of Veterans Affairs to work with me to try to put something together that would ensure that Canada's history stays in Canada. Many men have given their lives. In many cases they have been wounded and have suffered from those wounds for the rest of their living days. I think the Victoria Cross and other crosses awarded for valour are something worth fighting for.

● (1930)

Hon. Bryon Wilfert (Parliamentary Secretary to the Minister of the Environment, Lib.): Madam Speaker, I want to assure the member that as a former educator for 20 years particularly in the area of Canadian history, I share her concern and her passion with regard to saving Canadian heritage.

There is nothing more precious than to be able to show future generations the symbols of the history of this country. I want to point out to the member that over 25 years ago, in 1977 the Government of Canada responded to the need to protect Canada's heritage by introducing the Cultural Property Export and Import Act.

The act controls the export of nationally significant heritage objects, including medals. It encourages through tax incentives the sale and donation of such material to public collectors where they may be preserved and made accessible to present and future generations of Canadians.

It is important when cultural property is threatened with export to give the government the ability to aid the cultural institutions, if necessary, with grant funds to help them acquire these objects.

Each year the act is responsible for the sale and donation of important cultural objects worth more than \$100 million in Canadian collections. Since its inception the act has ensured the retention or return to Canada of over 600 nationally significant objects and entire collections that otherwise would have been lost to Canadians.

It is through this extremely effective legislation that the government acted, as it has on countless other occasions, to ensure that Canada's heritage institutions were able to acquire a medal such as Corporal Topham's Victoria Cross.

It was the export permit process under the act which first alerted Canada's heritage community to the possible loss of the medal. It was the act that allowed the government to demonstrate to the medal's owners the tax advantages of selling it to a Canadian rather than a foreign collector.

The member clearly is concerned. I want to point out to the member that if something can be improved upon, it is incumbent upon all of us to look at that. However, I would not want the member to have the impression that the Government of Canada did nothing. That is why this act is in place.

Adjournment Proceedings

If the member has a way that can be helpful obviously in strengthening it, I am not the Parliamentary Secretary to the Minister of Canadian Heritage, but I certainly will advise both the minister and the parliamentary secretary, that we have this private member's bill.

Clearly the object is no different from what the member is saying and what we are saying, which is that we need to preserve and maintain Canadian historical memorabilia in this country.

The United States would not have sold Sir John A. Macdonald's bed, as happened many years ago. We need to keep these things. They are a part of what makes us Canadian.

I assure the member that the act is there. If there are ways to improve it, then I think we are obviously open to that. However, I would not want to give the impression that the Government of Canada in this case or any other case was in fact asleep at the wheel. Clearly we alerted the community and that was very important.

Mrs. Betty Hinton: Madam Speaker, I am very pleased to hear that the parliamentary secretary is on side with me. I would be even more pleased if I could hear the heritage minister say those exact same words.

The member talked about the Cultural Property Export and Import Act. If there is, and I know there is, a Cultural Property Export and Import Act, why did the government not use it to save this medal? This is not the first time we have gone through this.

An immigrant to Canada, Arthur Lee, produced the winning bid of \$400,000 to purchase the medals when we were in jeopardy of losing the Colonel John McCrae medal collection. He immediately donated them to the McCrae Museum in Guelph, Ontario. The McCrae medals did not include a Victoria Cross; however, their value lay with their owner, the author of *In Flanders Fields*.

If we almost lost the McCrae medals and we have now almost lost the Topham medals, and the member is standing here tonight telling me that we have something in place called the Cultural Property Export and Import Act that would stop this from happening, would the member please explain to me why Canadian children were forced to have penny drives, why legion members were forced to run out and try and solicit funds wherever they could, and why members of the First Canadian Parachute Battalion were forced to go out and try and earn money to save these medals?

● (1935)

Hon. Bryon Wilfert: Madam Speaker, on the specific case the member asked about, my understanding is that Canadians overwhelmingly rallied in defence of the retention of the medal. The government signalled through this act and made sure that there was a delay process so that it would not be able to leave. We were told by the public, particularly by fundraisers, that they wanted to proceed with their efforts in terms of raising money and that government funds were not needed. Therefore the government was obviously prepared to let those go forward.

We have to work with all partners and clearly, the government through this act is the lead partner. There is no question in my mind that we have to ensure by whatever means that we keep them here.

I take very seriously the comments of the member and I hope the member takes very seriously my comments.

The Acting Speaker (Hon. Jean Augustine): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 10 a. m. pursuant to Standing Order 24(1).

(The House adjourned at 7:38 p.m.)

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