



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, February 23, 2005**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Wednesday, February 23, 2005

The House met at 2 p.m.

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*Prayers*

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• (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 Glengarry—Prescott—Russell.

[Members sang the national anthem]

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## STATEMENTS BY MEMBERS

[English]

### INSURANCE INDUSTRY

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, I rise today to talk about an issue that is being discussed in almost every household in Ontario, and I am sure across the country. It has to do with insurance rates, auto, business, et cetera.

Although the parliamentary secretary earlier on very eloquently talked about it being a provincial jurisdiction, nevertheless, as the Insurance Bureau of Canada and other insurance companies, for example, come here to talk to us about their issues, I feel compelled to represent the voices and concerns of my constituents, and to express those concerns.

It has nothing to do with profits, but everything to do with the exorbitant rates that have been going up and up. Many people are saying, with this so-called reduction, that they are seeing nothing. We have to come to grips with this industry because it has a trickle down effect in terms of purchases, whether it be cars, expanding businesses, homes, et cetera.

I ask the insurance industry as a whole to get smart, wake up and do the right thing.

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• (1405)

### RENEWABLE ENERGY

**Mr. David Tilson (Dufferin—Caledon, CPC):** Mr. Speaker, this past November, Centre Dufferin District High School in Shelburne

became the first high school in Ontario to install a solar and wind powered renewable energy system.

Phase one of the project is now complete. Phase two of the project is to be completed for Earth Day, April 22, with the wind tower increasing the capacity to two kilowatts.

Canada's future must involve the rapid growth to renewable forms of energy generation and significant reductions in our energy use. The green power project offers us as citizens a fantastic opportunity to learn about our future energy technologies, energy choices and methods of energy conservation.

Teacher Jeff Wellman and the students and teachers at the school have assisted in a partnership with the Power Up Renewable Energy Co-Operative, the Fairfield Group, the Upper Grand District School Board, Canadian Hydro Developers and Hydro One.

Please join me in commending this group on a project that is sure to be a big success for the future in our environment.

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### AIRCRAFT INDUSTRY

**Ms. Nancy Karetak-Lindell (Nunavut, Lib.):** Mr. Speaker, I am pleased to inform the House that Nunavut hosted a successful cold weather flight testing of a new EC-725 helicopter in January, an Airbus A-318 and a Hawker Horizon in February.

The flight test program of the EC-725 commenced in early January and lasted for over three weeks.

The Airbus A-318 aircraft, with its new generation engines, was tested at Iqaluit International Airport earlier this month. A team of twenty personnel travelled to Iqaluit to support this mission.

This is the third consecutive year that new generation helicopters have been flight tested in Nunavut. NATO Helicopter Industries flight tested the NH-90 military helicopter in 2003 and Eurocopter tested the EC-155 police helicopter in 2004.

Nunavut is the premier cold weather testing centre for the European aircraft manufacturing industry. There is a considerable economic spin-off generated for Nunavut as a whole by virtue of these testing missions taking place in the territory. Planned expansion of the Iqaluit International Airport will help promote these unique economic opportunities in my constituency.

*S. O. 31*

[*Translation*]

#### EMPLOYMENT INSURANCE

**Ms. France Bonsant (Compton—Stanstead, BQ):** Mr. Speaker, Statistics Canada recently told us that the number of jobs in the Eastern Townships decreased during 2004. This drop is, in large part, due to the difficulties experienced in the manufacturing sector.

Manufacturing jobs are being lost in all regions of Quebec, and the current government's inaction is largely to blame. The closure of mills in Huntingdon is a sad example of this.

If the government does not want to support these jobs, I hope it will at least have the decency to help these workers, once their jobs are gone. The government must improve access to employment insurance. I am asking all my colleagues in the House to support the bills introduced by the Bloc Québécois to improve employment insurance.

I call on the Prime Minister to change his approach in today's budget and finally do something nice for the unemployed by creating an independent employment insurance fund and by paying back the money it raided from the EI fund.

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[*English*]

#### ROTARY INTERNATIONAL

**Mr. Raymond Bonin (Nickel Belt, Lib.):** Mr. Speaker, today members of the Rotary Club of Sudbury and the Rotary Club of Sudbury Sunrisers will join thousands of Rotarians in clubs around the world to celebrate the 100th anniversary of Rotary International.

Founded on February 23, 1905, in Chicago, Illinois, Rotary International is the first and one of the largest non-profit service organizations in the world, with over 1.2 million Rotarians from 31,000 clubs providing service above self in more than 165 countries.

Mayor David Courtemanche has proclaimed February 23, 2005, as Rotary International Day in the City of Greater Sudbury in recognition of Rotary International's 100 years of service to improving the human condition in local communities around the world.

I invite all members of the House to applaud the valuable contribution of Rotary International.

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• (1410)

#### ROTARY INTERNATIONAL

**Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC):** Mr. Speaker, I rise in the House today to pay tribute to Rotary International

Rotary began 100 years ago today when Paul Harris met with three colleagues to create a professional club that would serve their community. They called it the Rotary Club of Chicago after the early practice of rotating weekly meetings among members' offices.

To say that Harris' idea took off is quite an understatement. Today's celebration will be marked by more than 1.2 million men

and women, belonging to more than 31,000 clubs worldwide. What a success story.

My family has experienced the benefits of Rotary firsthand.

My father, Doug, participated in a Rotary group study exchange to India in 1974 and was a member of the Haliburton Rotary for many years, serving as its president in 1982-83.

As for myself, I spent a year of high school in the Netherlands as a Rotary exchange student. For this experience I am profoundly grateful. I have also been a member of the Haliburton club.

To Rotarians in this House and across Canada, I wish them all the best on this celebration of their 100th anniversary.

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#### EAST COAST MUSIC AWARDS

**Hon. Mark Eyking (Sydney—Victoria, Lib.):** Mr. Speaker, the member for Cape Breton—Canso and I, along with other members in the House, had the pleasure of attending the East Coast Music Awards held on Cape Breton Island last weekend.

Cape Breton was all fired up with musical talent from all parts of the east thanks to the organizers and volunteers who helped make it possible.

With options of country, aboriginal, new age and Celtic, there was not a dull moment as Cape Breton rocked the waters. Cape Breton topped the charts with winners such as Natalie MacMaster and J.P. Cormier. Big Pond native, Gordie Sampson, has always been known for his musical versatility but sure proved his talent, walking away with a whopping five ECMAs. I congratulate Gordie.

The highlight of the evening was the Helen Creighton award in recognition of Cape Breton's ambassador, Rita MacNeil. She has put Cape Breton and Big Pond on the map and we, members of Cape Breton, feel the tribute is well deserved.

We welcome all Canadians to stop by her tearoom in Big Pond for a good old Cape Breton cup of tea.

\* \* \*

[*Translation*]

#### GOVERNMENT OF CANADA

**Mr. Robert Vincent (Shefford, BQ):** Mr. Speaker, I have not been a member of the House for one year yet and, now more than ever, I am ashamed of the federal government, ashamed of the image it is projecting abroad.

I am ashamed of this government, which signed the Kyoto protocol in 1998 without having, even now, an effective plan for its implementation.

I am ashamed of this government, which is abandoning our textile companies, to the point where they are deserting Quebec and Canada.

I am ashamed of this government, which is trying to reinvest in the armed forces and security by purchasing old and dangerous submarines.

I am ashamed of this government, which is unable to ensure the unconditional transfer of funds to the day care program in Quebec.

This afternoon, the Minister of Finance will table his budget. Will it contain anything for the traditional demands of Quebec?

More than ever, I want Quebec to have its own voice at the table of nations.

More than ever, I am proud to be a Quebecker and proud to be a sovereignist.

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[English]

#### ASSOCIATION OF FAMILY ECONOMY OF THE NORTH

**Hon. Eleni Bakopanos (Ahuntsic, Lib.):** Mr. Speaker, this year the Cooperative Association of Family Economy of the North celebrates its 30th anniversary.

[Translation]

Montreal's Cooperative Association of Family Economy of the North is a not for profit agency that helps consumers with problems related to budgeting, credit, debt, and other consumer related issues.

Over its 30-year existence, Montreal's CAFEN has helped many families and individuals in financial distress. Thirty years of action, education and intervention with the public, thirty years of budgeting advice, training workshops and consumer advocacy.

[English]

On my behalf and on behalf of my colleagues, I want to thank them for their work, encourage them to continue and wish them happy 30th anniversary.

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#### BUDGET DAY

**Mr. Bradley Trost (Saskatoon—Humboldt, CPC):** Mr. Speaker, today the finance minister will tell Canadians what he wants for them. He will give Canadians what his priorities are but what are the priorities of Canadians?

Let me tell members about the priorities of one Canadian, my good friend Andrew.

Andrew is 30 years old, farms for a living and also works at a feedlot. He has two small children who his wife Vikki stays at home to look after. His priority is a child tax credit so Vikki can afford to stay home to look after the kids.

His priority is a tax cut on his EI premiums, income taxes and fuel taxes so he can afford to finish the house he is building.

His priority is a realistic agriculture disaster relief plan so he can afford to seed his crop this year.

Those are not unrealistic priorities and they are the priorities which I, as the member for Saskatoon—Humboldt, support because they are the priorities of the people of my riding, my province and my country.

S. O. 31

● (1415)

#### CANADA POST

**Mr. Paul Zed (Saint John, Lib.):** Mr. Speaker, I rise today to express my extreme frustration with Canada Post's plan to close postal station B on the west side of Saint John on March 4.

I have been working with Mayor Norm McFarlane, councillor court of Saint John, and west side MLA, Abel LeBlanc, and the city's west side business association to keep our post office open.

Large crowds have turned out for public meetings and more than 3,000 people have signed petitions. This much is clear: The citizens of Saint John are united in their opposition to the closing of postal station B. At the very least, we are asking for a moratorium on the closure which would provide the community with a chance to present Canada Post with a business plan.

Canada Post should be investing in our community, not cutting back services. I am not going to stand by and watch our community lose more federal government services. This is simply unacceptable.

I ask today the minister responsible for Canada Post to show some leadership on this file and demonstrate that the Government of Canada is committed to investing in Saint John.

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#### STATUS OF WOMEN

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, the recent report, "Canada's Commitment to Equality: A gender analysis of the last ten federal budgets", reveals that the budget measures over the past decade have disproportionately hurt women.

Whether it was employment insurance cuts that made it hard for new mothers to qualify for benefits or CPP regulations that left senior women in poverty, the government has been blind to how policies have affected women.

The Minister of Finance recently stated in the House, "I will do my very best to respect the principles of gender equity in the preparation of this budget and indeed every budget going forward".

Respecting the principles of gender equity requires more than words. It requires action.

After 10 years of waiting, Canadian women are expecting in today's budget an allocation of resources that will actually make a difference to programs for women and children.

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#### CORRECTIONAL SERVICE CANADA

**Mr. Darrel Stinson (Okanagan—Shuswap, CPC):** Mr. Speaker, the community of Vernon in my riding and the men's shelter known as Howard House go back many years together.

### Oral Questions

After an earlier shelter burned, community members bought an old hospital, cut it into five pieces and moved it on to a new first floor at the present site. That took widespread support.

But then the Liberal government and Correctional Service Canada changed policies about who could be released from prison. Parole boards let offenders out after serving a fraction of their sentence, even when one of the board members judged an inmate likely to re-offend.

Several murders were committed by Vernon Howard House residents. The public learned too late when offenders disappeared. Too few police were hired to protect the innocent and many people got scared and angry.

Now, on February 28, at 7 p.m., local people are invited to the Vernon rec centre to learn more and finally have their say about Howard House. I urge Correctional Service Canada to finally listen.

\* \* \*

[Translation]

#### INGRID BETANCOURT

**Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ):** Mr. Speaker, today is the third anniversary of the kidnapping of Ingrid Betancourt, senator and former presidential candidate in Colombia. This woman of courage and conviction is a source of inspiration and hope to all those who aspire to live in a peaceful and open world.

Ingrid Betancourt risked her life and family to challenge the corruption and violence that plague her country, where more than 4,200 citizens are being held or arbitrarily denied their freedom.

In the name of these democratic values that are so dear to us, I again urge the federal government to pressure the Colombian authorities to use a peaceful approach in settling this conflict. A humanitarian accord, the first step in freeing all the detainees, is the only acceptable choice.

I call on all hon. members in this House to do something significant in order to ensure that this anniversary is the last. If everyone works together, peace, justice and freedom will triumph.

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## ORAL QUESTION PERIOD

• (1420)

[English]

#### NATIONAL DEFENCE

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, today we have the unprecedented spectacle of senior Liberals disagreeing, not on whether the government should join the missile defence plan, but on whether it actually has joined the missile defence plan.

Will the Prime Minister admit that he is now claiming that he will not join missile defence because Frank McKenna has blown his cover?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the government has stated all along that it will make the decision

when it is in Canada's interest to do so. That has been our position all along and it remains our position today.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, it is not only Frank McKenna I am quoting. A spokesman for the American Missile Defense Agency said the following in December:

Canada ...worked out a deal so that information that came to NORAD would be shared for missile defence purposes....

The Prime Minister himself, during the Christmas break when Parliament was not sitting, said:

—we made the amendment to the NORAD agreement. ...that was part of this overall missile defence concept.

Is it not a bit late for the Prime Minister to decide he is not part of it?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, is it not a bit late for the Leader of the Opposition to realize what was said in a communiqué by the government last August 5?

The amendment authorizes Norad to make its missile warning function, a role it has been performing for the last 30 years, available to the U.S. commands conducting ballistic missile defence. This amendment safeguards and sustains Norad regardless of what decision the Government of Canada eventually takes on ballistic missile defence.

**Hon. Stephen Harper (Calgary Southwest, CPC):** Mr. Speaker, the Prime Minister and Canadians will remember and I certainly remember our conversation at that time. He said that it did not make us part of missile defence. Now they are saying that it does make us part of missile defence.

On December 2, I asked the Prime Minister here in the House on the status of missile defence negotiations. The Prime Minister said, "The fact is that the United States government has not provided us with a specific proposal".

If the Prime Minister says that there has not been a proposal, how can he now reject it?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the Canadian government's position is exactly what I stated in response to the first question. It is exactly what I stated in response to the second question.

Perhaps the hon. member ought to go back and take a look at what was said on August 5 and then perhaps he would not be so surprised on February 23.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, during the Liberal leadership race in 2003, the Prime Minister was singing from a different song book about Canada's participation in missile defence. He said:

If someone is going to be sending missiles over Canadian airspace, we want to be at the table.

U.S. Ambassador McKenna's frankness yesterday confirmed that instead of gathering facts on missile defence, having a debate as promised and having a vote in the House, the Prime Minister did a deal under the table, but denies it.

*Oral Questions*

The defence minister is clearly impaled on a picket fence of indecision. My question is simple. Are we in, are we out or is the Prime Minister dithering still?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** The Prime Minister, Mr. Speaker, has just read the very communiqué that we showed on August 5 that describes exactly the policy that this government has adopted.

Canada values its relationship with the United States a great deal. It is our neighbour, our friend and our ally. It is a great economic and trade partner.

We have negotiated and worked very closely with the U.S. on the security of our continent for a very long time. We amended Norad last August because we believe that Norad is great and should continue to perform very well in the future.

**Mr. Peter MacKay (Central Nova, CPC):** There is a revelation, Mr. Speaker. The United States is an ally.

The Prime Minister was very clear last November when he said that we will certainly have discussions and consultations with Canadians. He agreed to a throne speech amendment that would enable a debate and a vote in the House.

Now we know the Prime Minister took the back door to signing missile defence. He bypassed Parliament. He committed Canada without a detailed proposal or a public debate about the costs or the benefits. He has diminished Canada's influence in the program.

Why did the Prime Minister fumble this file so badly and why has he not come clean with Canadians about this important issue? When did he intend to do so?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, we entered into agreements to amend Norad to allow it to use Norad information to appreciate the threats to North America. However we have not entered into any agreement with Washington over ballistic missile defence whatsoever.

• (1425)

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, Frank McKenna has said that Canada was already involved in the missile defence program. According to media reports, the Prime Minister has at last backed down and is preparing to announce that Canada will not be part of the American missile defence project.

Can we find out the government's true intentions once and for all? Will Canada be officially involved in the missile defence program or not? Or are things already all settled with Norad?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, Canada will make its announcement in due course. That has always been our position, when it is in Canada's best interest to do so.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, it would be a good idea to make the announcement in the House, in Canada's best interest, rather than in the press, in the Liberal Party's best interest.

Whether Canada takes part officially or not would appear to be secondary, since Canada has, by amending the Norad agreement, already done what needed to be done, according to Frank McKenna.

It would appear that the Prime Minister reached that decision without consulting the House.

Will the Prime Minister be announcing before his party convention that Canada will not be officially participating in the missile defence program, because it is in fact already participating backhandedly?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I will, if I may, reread the communiqué issued ages ago, on August 5. It states: "The amendment authorizes Norad to make its missile warning function—a role it has been performing for the last 30 years—available to the U.S. commands conducting ballistic missile defence." It goes on: "This amendment safeguards and sustains Norad regardless of what decision the Government of Canada eventually takes on ballistic missile defence."

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, the Prime Minister promised that any decision on the missile defence shield would be debated and voted on here in the House. But that has not happened, and the Prime Minister is about to announce—according to all the media—that Canada will not take part in the missile defence shield project.

Will the Prime Minister explain why he expressed his decision on the missile defence shield through a spokesperson, without the decision being debated in this House, as he promised?

[*English*]

**Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, as the Prime Minister has said, when the government is ready to make an announcement, it will do so in an appropriate and timely manner.

Also, as the hon. member has asked the question, should the government have an agreement to bring forward, we will respect our commitment, hold that debate and have that vote.

[*Translation*]

**Ms. Francine Lalonde (La Pointe-de-l'Île, BQ):** Mr. Speaker, will the Prime Minister admit that his recent flip-flop—which he is trying to camouflage today in the House although it is all over the media—can be explained by the fact that public opinion and his own supporters are against the missile defence shield, which leads him to make decisions, as he often does, at the last minute?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the hon. member does not seem satisfied that our government is working on a matter as important as the missile defence shield, taking into account Canadian public opinion and the opinions expressed in this House. The decision will be made in the best interests of Canadians and as quickly as possible.

[*English*]

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, there is a point at which dithering morphs into deception and duplicity.

### Oral Questions

First, we have not been asked. Then the president asks us. Then we have not made a decision. Then Frank McKenna says we are part of it. Now the Prime Minister seems to be announcing that we are not part of it. The government's position has not changed. It is still trying to have it both ways.

I ask the Prime Minister, when is he going to put himself out of his misery, announce what he is going to do about this and show some respect for Parliament and the Canadian people?

• (1430)

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I will certainly make the requisite announcement when it is in Canada's interest to do so.

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### DRUGS AND PHARMACEUTICALS

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, it is important that Canadians hear from their Prime Minister. The Liberals have a rogue ambassador and it is the Prime Minister's duty to pull him back in.

My question is for the Minister of Health. It deals with the drug Vioxx which has been pulled from Canadian markets because it is not safe. The minister and the department knew about this and they did nothing to stop Canadians who are suffering from the effects of this medication from taking it. This drug is creating lab rats out of Canadians.

Will the minister pull it off the market and make sure it stays off the market? Will he make sure that we put safety first instead of drug pushers first?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, the hon. member's question is about a week late.

I announced last week that we are going to have the most open and transparent method of approving drugs, and then the most open and transparent method of surveillance of drugs after they have been approved for market. It is important that we do that. It is important for the health of each and every Canadian who takes those drugs.

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### NATIONAL DEFENCE

**Mr. Dave MacKenzie (Oxford, CPC):** Mr. Speaker, it appears the Minister of National Defence's case of the dithers is spreading rapidly. He has moved from dithering on releasing the defence policy review to now dithering on telling Canadians the truth about ballistic missile defence.

Last fall the minister assured Canadians that we had a choice whether or not to participate with a vote in Parliament. Now we know Canada has been participating all along.

Why does the minister insist on treating Canada's position on missile defence like a political football that can be tossed to the public or withheld at will?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, we spent a great deal of time in the House yesterday on this issue.

The Prime Minister has been extraordinarily clear. The foreign affairs minister and I have been clear. Canadian policy has been clear. We entered into a Norad agreement for the defence of North America in collaboration with our great ally the United States of America. We share information with it in many ways in terms of the threats that are coming to North America. We have done that.

As the Prime Minister has said, we will make a decision in respect of participating in any ballistic missile defence when it is appropriate for Canada and in Canada's interest to do so.

**Mr. Dave MacKenzie (Oxford, CPC):** Mr. Speaker, last fall the minister promised an open, vigorous debate on missile defence. Apparently the minister's version of an open debate is telling Canadians one thing while cabinet does another. This is like a déjà vu of the submarine barter deal; one day it is on and the next day it is off.

Will the minister take responsibility for misleading Canadians and the House and do the honourable thing and offer his resignation?

**Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, as I said earlier, when the government is ready to make an announcement, it will do so in an appropriate and timely manner. Should the government have an agreement to bring forward, we will respect our commitment, hold a debate and a vote.

[Translation]

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, 60 years ago a Liberal Prime Minister promised the United States that Canada would never let an enemy attack the United States through our airspace or coastal waters. This promise has been kept for 60 years.

Why is this Prime Minister trying to change this promise 60 years later? Why?

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, we value the Americans tremendously. They are our friends, neighbours, and partners on this continent. We signed the Norad amendment precisely for this reason, in order to express our solidarity in defending North America.

[English]

**Mr. Stockwell Day (Okanagan—Coquihalla, CPC):** Mr. Speaker, our ambassador to the United States must be able to stand in Washington knowing he has the confidence and the support of his Prime Minister. Now that is in doubt, especially in the minds of the Americans. The ambassador to be has been undercut by the Prime Minister's statements. This makes us understand why John Manley maybe did not want the job.

Is the Prime Minister now considering a replacement for this capable man whom he has thoroughly discredited?

• (1435)

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, what Mr. McKenna said yesterday in committee was that the issue of ballistic missile defence would be decided by the Government of Canada. That is what the potential ambassador said. He has my total confidence and the total confidence of the government.

*Oral Questions*

[Translation]

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, Frank McKenna was not mistaken yesterday in saying that Canada did not have to take any further action for the missile defence shield since the amendments were made to Norad.

Does the government intend to provide us with information on these amendments to Norad and tell us exactly what this means for Canada? We need this interpretation. Once we have this information, perhaps everyone will be able to understand what Frank McKenna said. We need the government's interpretation of the Norad amendment.

**Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the Prime Minister read the press release we issued on August 5. This release was extremely clear on what the Norad amendment allowed in terms of sharing information. In that same release, we very clearly established that, regardless of this sharing of information, which was the reason for the amendment to Norad, Canada would one day make its decision on the missile defence shield.

That is exactly what we said quite openly, totally transparently, in the government's August 5 press release.

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, totally transparently, the Canadian ambassador to the United States said the exact opposite of what the minister is now telling us.

If, against all expectations, Canada's involvement in the missile defence shield is limited to Norad, will the Prime Minister commit to tabling in the House all information about the true nature of amendments made to Norad, once and for all?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I have here the press release of November 5, and, with the House's leave, I would be pleased to table it. May I have the leave of the House to table this document?

**The Speaker:** The Right Hon. Prime Minister does not require unanimous consent to table a document. He can do so whenever he pleases. The document is therefore tabled.

The hon. member for Argenteuil—Papineau—Mirabel.

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## CANADIAN TOURISM COMMISSION

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, during the latest election campaign, the Liberal MPs from British Columbia promised that the Canadian Tourism Commission would be set up in B.C.

Can the Minister of Industry confirm that the commission's headquarters will remain in the Ottawa area?

[English]

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I think if you look at the numbers you will find that there has been an increasing percentage of federal government employees in the Ottawa area over the last 10 years. I am one of the members of the House who thinks that it has probably gone too far, that Ottawa is not Canada and we need more Canadian public servants outside of Ottawa.

[Translation]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, will the Minister of Industry agree that there is no valid reason, for either the commission or the tourism industry, for the move to the west coast, other than strictly political considerations, as the Professional Institute of the Public Service of Canada has rightly pointed out?

[English]

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, I think there are powerful logical reasons, powerful public policy reasons, and service delivery efficiency reasons to get more institutions out of Ottawa.

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## NATIONAL DEFENCE

**Mr. Kevin Sorenson (Crowfoot, CPC):** Mr. Speaker, there is no dithering with Frank McKenna. According to Canada's ambassador to the United States, it is a done deal. Canada has signed on to the U.S. missile defence plan.

In the throne speech the Prime Minister promised a full and open debate on the issue of ballistic missile defence followed by a vote in the House of Commons. Why has the Prime Minister reneged on that promise?

**Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, as the Leader of the Opposition correctly stated yesterday, "All parties in the House agreed that there would be a vote before we became part of missile defence".

Should the government have an agreement to bring forward, we will respect our commitment, hold a debate and have a vote.

• (1440)

**Mr. Kevin Sorenson (Crowfoot, CPC):** Mr. Speaker, Canadians are asking what is this Prime Minister's word worth? On numerous occasions and in one very public forum, a CBC *Town Hall*, the Prime Minister promised that there would certainly be debate, a national debate, before any final agreement was signed on ballistic missile defence.

Why has he misled Canadians again?

**Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I hope you take into account some of the words that the hon. member is using in your ruling.

Should the government have an agreement to bring forward, we will respect our commitment, which is to hold a debate and to have a vote.

**Mr. Rick Casson (Lethbridge, CPC):** Mr. Speaker, yesterday when referring to the missile defence system, Canada's next ambassador to the U.S. clearly stated:

We're part of it now and the question is what more do we need?

Then the defence minister told us we are already involved because of our commitment to Norad.

Will the Prime Minister tell Canadians what benefit we can now expect to receive from his backdoor deal on missile defence after the disastrous way he has been dealing with it?

*Oral Questions*

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, the benefit we will get out of entering into a Norad agreement is the benefit of participating with our strongest ally in understanding the threats to North America and doing what this government has always done, which is to be a loyal partner in the defence of North America, working with the Americans and ensuring that.

That is not the same as bringing forward an agreement respecting a different ballistic missile defence system. As the House leader has said, in the event of an agreement, of course the House will discuss it and of course we can have a vote.

The principal reason is we are loyal allies with the United States and will remain so in spite of the opposition's effort to divide us.

**Mr. Rick Casson (Lethbridge, CPC):** Mr. Speaker, a commitment was made by the Prime Minister to debate the missile defence issue in this House, so Canadians would have a clear understanding of what we are getting into.

Now it is apparent that he has once again flip-flopped on this commitment and secretly agreed to take part in the missile defence system, while still misleading Canadians on what that commitment is. Canada's international credibility is being seriously damaged by this deliberate slight of hand.

With his credibility ruined by the Prime Minister, will the minister of defence now resign?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, I must tell the House and I hope hon. members will support me on this, they would not want me to resign before the budget this afternoon.

I am looking forward to that far too much. I know all hon. members will rejoice with me in knowing that today is going to be a great day for national defence in Canada, a great day for the security of Canada for Canadians, and a great day for the Liberal government.

\* \* \*

**CANADA POST**

**Mr. Paul Steckle (Huron—Bruce, Lib.):** Mr. Speaker, the post office is a highly visible federal service and functions as a centrepiece to many rural and northern communities across Canada. With that the minister will understand the public concern over rumours that the moratorium on rural post office closures is to be ended.

Will the minister today assure this House that he will protect rural post offices from being abandoned or closed?

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, I am certainly acutely aware of the great importance of the 5,000 post offices to rural and small town Canada. I am also aware of these rumours in the press to the effect that there was some kind of plan or list to close 750 rural post offices. Having spoken to Canada Post, I am delighted to inform the House in the most unequivocal way that there is no such plan. There is no such list.

• (1445)

**AIR TRANSPORTATION**

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, the Minister of Transport has declared a move toward an open skies agreement with the U.S. based on a seven page document that was clearly written for, if not by, Air Canada.

The minister has no real interest in maintaining services for all Canadians. He disregards cuts to NAV CANADA's services and safety at small airports, while making opening Canada's skies to foreign carriers his priority.

Better service for all of Canada cannot be created by having foreign carriers cherry-pick the most profitable routes. His Liberal government needs to work for Canadians, not for the Americans running Canada's airlines. When—

**The Speaker:** The hon. Minister of Transport.

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Mr. Speaker, I am happy to tell the hon. member that stakeholders across the country in the aviation sector all want us to move forward and start talking with the Americans, the Indians and the Europeans on an open sky policy.

We want to develop that. Air Canada, WestJet, and all the players say they can compete worldwide. That is why we are ready to open discussions and to ensure that we develop this air industry for the betterment of Canada and all travellers.

\* \* \*

**CITIZENSHIP AND IMMIGRATION**

**Mr. Bill Siksay (Burnaby—Douglas, NDP):** Mr. Speaker, a report card issued by Simon Fraser University gave B.C. a failing grade, the worst in Canada, when it came to language training for immigrants. Immigrants to B.C. end up with only mediocre language skills, blocking them from good jobs and community participation.

The B.C. government takes a whopping 47% of federal money earmarked for settlement services and diverts it to general revenue. There is no accountability for this spending and no national standard.

What steps will the minister take to ensure accountability for federal dollars and national standards for immigrant services?

**Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I thank the hon. member for recognizing that the federal government is doing its share and more in the integration of potential citizens that it invites into this country. It is an important point to make. Not very many make that point as it is merited.

With respect to what our provincial partners would do on some of these issues, we have an ongoing review of our arrangement and they have to deliver on the services. They asked for our accord. British Columbia is one of those provinces with which we have an accord and therefore concomitant obligations that we will—

*Oral Questions*

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

\* \* \*

**SOFTWOOD LUMBER**

**Mr. John Duncan (Vancouver Island North, CPC):** Mr. Speaker, the Canadian lumber industry has paid by far the largest legal bills during the four year softwood dispute with almost no assistance from the Canadian government. This is despite the fact NAFTA itself is under attack by U.S. softwood interests. The Canadian lumber industry has requested help. The official opposition has called for it and the previous trade minister promised it.

When can we expect this kind of help from the minister?

**Hon. Jim Peterson (Minister of International Trade, Lib.):** Mr. Speaker, the hon. member is right, our softwood lumber industry has been under assault in terms of trade actions by the United States, which have been held unlawful by the panels of the WTO and NAFTA.

That was one of the reasons that we brought forward a \$356 million package to support the workers, the communities and the industries. We are looking at further proposals in this area.

\* \* \*

**CANADIAN WHEAT BOARD**

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** Mr. Speaker, the Canadian Wheat Board is a government mandated agency. It exists because of federal legislation. It has its own minister who has ultimate responsibility for the board.

After the last election, the board hired the minister's campaign manager as its lobbyist. Now the minister is becoming hypersensitive, trying to sue opposition members who pointed out the obvious conflict of interest.

How can the minister justify this hundred thousand dollar plus patronage position for his close friend?

**Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, as the hon. member knows and as all members who have paid attention to this know, this process was undertaken by an arm's-length recruiter. I played no role in this. I was not part of it. The Wheat Board has testified to that. I had no knowledge of the appointment until after it was made.

\* \* \*

**AGRICULTURE**

**Ms. Belinda Stronach (Newmarket—Aurora, CPC):** Mr. Speaker, the re-opening of the U.S. border to Canadian cattle is far from a sure thing. The U.S. secretary of agriculture said that he may change his mind one minute before midnight on March 6. The U.S. government is being sued by a group of its own cattlemen and powerful republican senators are trying to keep the border closed.

The Prime Minister has failed to provide honest leadership to Canadians and has flip-flopped on missile defence with the Americans. His indecision could jeopardize the re-opening of the border.

If the border remains shut on March 7, will the Prime Minister take responsibility for the hardship he is causing the Canadian beef industry?

• (1450)

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, that is utter nonsense. The agricultural secretary of the United States has said that the basis upon which the border will be open is one that will be based on science. We have made it clear that the science indicates that the border should be open and in that respect, the USDA put forward a rule that would in fact allow for the export of live cattle under 30 months to the United States.

[Translation]

**Ms. Diane Finley (Haldimand—Norfolk, CPC):** Mr. Speaker, what kind of help can Canadian producers expect from a government with a schizophrenic attitude toward the United States? There is no guarantee that the border will be reopened to our cattle. Once again, the Prime Minister is showing his inability to make a decision and stick to it.

Is the Prime Minister deliberately deciding to sacrifice our farmers, or is his government merely incompetent?

[English]

**Hon. Andy Mitchell (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, what Canadian producers can expect is record payments in support, \$4.8 billion. What producers can expect is a repositioning strategy of set aside programs that in fact increase the price of both feeder and fed cattle substantially in this country. What is happening is that our producers once again are beginning to get from the marketplace a good return on their products. We have more to do and we are determined to do it.

\* \* \*

[Translation]

**ABORIGINAL AFFAIRS**

**Mr. Bernard Cleary (Louis-Saint-Laurent, BQ):** Mr. Speaker, the program to compensate victims of Indian residential school abuse is a disgrace. We have learned that for every \$35 the federal government invests in alternative dispute resolution under this program, only \$1 goes to the victims.

Can the Deputy Prime Minister explain why so little money goes to the residential school victims?

[English]

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, as I explained yesterday, when I appeared before committee at which the hon. member was present, the vast majority of the dollars committed by the government to the tragedy of Indian residential schools will go directly to the victims. In fact, we created an ADR process so victims do not have to be re-victimized by the court process.

I certainly look forward to working with the committee, the AFN, the claimants and their lawyers to see if we can expedite this process.

*Oral Questions*

[Translation]

**Mr. Bernard Cleary (Louis-Saint-Laurent, BQ):** Mr. Speaker, the Deputy Prime Minister is trying to defend the indefensible. Of the 1,200 applications for alternative dispute resolution since 2003, 27 have been settled so far.

Does the minister recognize that the survivors are getting older and that delay simply heightens the injustice these victims have already suffered?

[English]

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, we are very conscious of and sensitive to the fact that delays in the situation of Indian residential school victims are inappropriate. That is why we have put in place an ADR process. That is why I am working with the AFN and others to ensure that we expedite this process.

I do not want delays in this process. I am fully aware of the trauma that claimants are facing. Therefore, my goal is to expedite this process by working with the claimants, their lawyers and other interested stakeholders.

\* \* \*

**CHILD PORNOGRAPHY**

**Mr. Myron Thompson (Wild Rose, CPC):** Mr. Speaker, as the Minister of Justice well knows, there has been a public outcry to take a tough stand on child pornography. It is asking for zero tolerance.

Would the minister listen to the public's plea and at least provide a mandatory minimum sentence of two years for child pornography violators?

• (1455)

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the whole purpose of our legislation is to protect against the evil of child pornography. The nature of mandatory minimums, as experience and research studies have shown, will secure the exact opposite of what the member on the other side wants and what we wish.

\* \* \*

**ABORIGINAL AFFAIRS**

**Mr. Jim Prentice (Calgary Centre-North, CPC):** Mr. Speaker, why is the Deputy Prime Minister of this government so incapable of managing the residential school abuse file? Some 20 years ago a Conservative government settled 65% of all of the Japanese internment claims within one year and the entire program was completed within five years.

The Deputy Prime Minister has been responsible for this program for a year and a half. She has spent \$125 million on bureaucracy. She has settled less than 3% of the possible claims. When is she going to abandon this disastrous program?

**Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, as the hon. member knows from my appearance at committee yesterday, I suppose it is fair to say I admonished him for throwing around numbers that are completely inaccurate. I will do the same

thing today. Let me again inform the House that we have just over 13,000 claims. Just over 2,000 of those have been settled. We receive on average 17 new applications every week for the ADR process.

In fact, I have said and I will say again that whatever we can do that is sensible to expedite this process, I will do.

\* \* \*

[Translation]

**AEROSPACE INDUSTRY**

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, my question is for the Minister of Transport. Yesterday the minister went to Mirabel with the Premier of Quebec to announce a project worth \$725.6 million at Bell Helicopter.

Can the minister tell us what the federal government's role was in this announcement and exactly what the announcement means to the Mirabel region?

**Hon. Jean Lapierre (Minister of Transport, Lib.):** Mr. Speaker, I am pleased to tell the House that yesterday's announcement confirmed the creation of 600 jobs at Mirabel, with an average salary of \$60,000, in the aerospace industry in Quebec. It was made possible through the technology partnerships Canada program, which the Conservatives wanted to abolish during the last election campaign. We are talking about \$115 million in repayable loans from the federal government and \$115 million from the province. Everyone is a winner: the employees, Quebec and Canada.

\* \* \*

[English]

**NATIONAL REVENUE**

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, there is a need to support the families who have children with a disability. The minister's own advisory panel recommended that he stop forcing parents to remit payroll deductions on tax free grants when they are used to engage caregivers.

Why is the Minister of National Revenue continuing to harass the families of children who have disabilities?

**Hon. John McCallum (Minister of National Revenue, Lib.):** Mr. Speaker, the government is not harassing such people. The government has measures in place and more measures may be on the way. The issue in terms of tax collection is that the law has to be obeyed. There are certain tax laws in place and the agency is simply obeying those laws.

\* \* \*

**HUMAN RESOURCES**

**Mr. Mark Warawa (Langley, CPC):** Mr. Speaker, this Liberal government does not consider siblings to be part of a family. A 43 year old Langley woman is dying. Her sister has left her home and job to care for the sister but has been denied compassionate care benefits. We gave the Minister of Human Resources a chance to do the right thing but she refused. It is shameful.

*Oral Questions*

Before it is too late, will the Prime Minister do the right thing? Will he stop dithering, help keep families together and provide compassionate care for siblings?

• (1500)

**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 think we have to be proud that our government put forward this compassionate care leave for the people in our society. I think it was the first time it had been done in our country. We do believe that after one year of experience it is time to evaluate the program and perhaps bring about some improvements.

\* \* \*

[Translation]

**PAY EQUITY**

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, women who work full time still earn 71% of what men do. This gap is even wider if the woman is aboriginal, from an ethnocultural community or disabled. In June 2001, the government set up a pay equity working group co-chaired by the Ministers of Justice and Labour.

When does the government intend to implement the recommendations of the working group, which submitted its report in May 2004?

**Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.):** Mr. Speaker, obviously the status of women is something that is very important to us. We are currently working on implementing the report on pay equity. Furthermore, we also have a gender analysis that even helped shape today's budget, which is a first.

\* \* \*

[English]

**CITIZENSHIP AND IMMIGRATION**

**Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.):** Mr. Speaker, last week we heard from the Minister of Citizenship and Immigration in regard to the 2,000 Vietnamese boat people who remain in the Philippines.

I know that he mentioned the difficulties involved in remedying this situation, but given the role that Canada plays in welcoming refugees and the great contribution the Vietnamese Canadian community has made to this country, surely something can be done. Just what is the government prepared to do?

**Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I thank the hon. member for his ongoing concern. He and members of the Liberal caucus have done their utmost to make sure that this issue has stayed front and centre.

I am pleased to announce that what the Government of Canada will do is join three other countries in ensuring that these individuals and families who are currently stateless will have the opportunity to join siblings and others who will sponsor them here from Canada. Provided that they pass the usual security clearances, we will have an opportunity to accommodate them together with their families and those who sponsor them from within the Canadian community.

[Translation]

**DEPORTATION OF ACADIANS**

**Mr. Stéphane Bergeron (Verchères—Les Patriotes, BQ):** Mr. Speaker, this year is the 250th anniversary of the beginning of the Acadian deportation. The Queen will find the time to visit Saskatchewan and Alberta to mark the 100th anniversary of their entry into the Canadian federation, but she will not have the time to go to Acadia. Given the British Crown's heavy responsibility in these tragic events, an apology seems only natural.

Does the Minister of Canadian Heritage intend to intervene again with the Queen in order to specifically ask that she go to Acadia to do what needs to be done with regard to the Acadian people?

**Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.):** Mr. Speaker, I think that we have done what needed to be done, particularly to celebrate the 400th anniversary of Acadia. It is important to understand that even if I wanted to, I do not control the Queen's agenda. If Buckingham Palace says no, unfortunately, my authority does not extend to England.

\* \* \*

[English]

**INDUSTRY**

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, the Minister of Industry has never come across a Canadian job he did not think would be better done overseas.

Meanwhile, the Chinese government continues with its plans to buy up the mines and smelters of Noranda Falconbridge and this Liberal government has no plan for the fact that the Chinese government is nationalizing our resources.

What steps has the Minister of Industry put in place to ensure that the interests of the mining towns in northern Canada are protected if this Minmetals deal goes through?

**Hon. David Emerson (Minister of Industry, Lib.):** Mr. Speaker, under the Investment Canada Act we will review such a transaction and we will ensure that undertakings are in place to protect workers and to protect Canadian interests.

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**PRESENCE IN GALLERY**

**The Speaker:** I would like to draw to the attention of hon. members the presence in the gallery of the Honourable Dennis Fentie, Premier of Yukon.

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

**The Speaker:** I would also like to draw to the attention of hon. members the presence in the gallery of the Honourable Frank H. Murkowski, Governor of the State of Alaska.

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

**The Speaker:** I would also like to draw to the attention of hon. members the presence in the gallery of the Honourable Jim Watson, Minister of Consumer and Business Services of Ontario.

*Routine Proceedings*

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

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## ROUTINE PROCEEDINGS

• (1505)

[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 27th report of the Standing Committee on Procedure and House Affairs regarding its December 9, 2004 order of reference in relation to Bill C-30, an act to amend the Parliament of Canada Act and the Salaries Act and to make consequential amendments to other acts.

The committee reviewed Bill C-30 and tabled its report, with one amendment.

[English]

I also have the honour to present the 28th report of the Standing Committee on Procedure and House Affairs regarding the question of privilege concerning the usurpation of the title of member of Parliament by the Hon. Serge Marcil. If the House gives its consent, I intend to move concurrence in the said 28th report later this day.

\* \* \*

• (1510)

### CANADA ELECTIONS ACT

**Mr. David Chatters (Battle River, CPC)** moved for leave to introduce Bill C-337, an act to amend the Canada Elections Act (telephone, fax and Internet service to campaign offices).

He said: Mr. Speaker, this private member's bill is designed to address a problem that I have faced personally. Many other members I have talked to say they have faced the same problem, that is, the inability to receive telephone and fax service in their campaign offices, sometimes for a number of weeks, after the writ is dropped. I am proposing in the bill that campaigns of individual members should, under statute, receive the same level of service as Elections Canada does in the Elections Canada offices during the writ period.

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

\* \* \*

### NUCLEAR ENERGY ACT

**Mr. David Chatters (Battle River, CPC)** moved for leave to introduce Bill C-338, an act to amend the Nuclear Energy Act (change of responsible minister).

He said: Mr. Speaker, this bill is a modification of a bill that I have had in the House for a good length of time in a number of Parliaments. Its intent is to split the responsibilities for Atomic Energy Canada Limited and the Canadian Nuclear Safety Commission to report to two different ministries.

The bill proposes to split the reporting to a different ministry than the previous bill, Bill C-212. As there have been consultations with

all parties in the House, I would ask if I could receive unanimous consent to withdraw Bill C-212, which this bill will replace.

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

**The Speaker:** Is there unanimous consent to withdraw Bill C-212?

**Some hon. members:** Agreed.

(Bill C-212 withdrawn)

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### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, if the House gives its consent, I move that the 28th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

For the benefit of hon. members, the report is on the question of privilege that our committee recently studied.

(Motion agreed to)

\* \* \*

### PETITIONS

#### MARRIAGE

**Hon. Rob Nicholson (Niagara Falls, CPC):** Mr. Speaker, I have a petition signed by over 100 people from the city of Niagara Falls and the greater Fort Erie area, including Stevensville, Wainfleet, Port Colborne, St. Catharines and Welland.

The petitioners state that marriage is a sacred institution that forms the basis of the family unit and that Parliament overwhelmingly affirmed its understanding of marriage as a union between a single man and a single woman to the exclusion of all others.

They call upon Parliament to reaffirm the heterosexual nature of marriage and to evoke section 33 of the Charter of Rights and Freedoms.

• (1515)

[Translation]

#### MISSILE DEFENCE SYSTEM

**Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ):** Mr. Speaker, I am pleased to present a petition calling upon the Canadian government not to participate, either partially or fully, in the United States' missile defence project.

[English]

#### MARRIAGE

**Mr. Pat O'Brien (London—Fanshawe, Lib.):** Mr. Speaker, I am pleased to present a petition which calls on the Government of Canada to uphold the traditional definition of marriage.

The petitioners decry the fact that in a court-driven process, on what amounts to a radical experiment in social engineering, the government seems bent on changing the definition of marriage. They call upon the government to reverse this course and to reverse it right now.

## THE ENVIRONMENT

**Mr. Greg Thompson (New Brunswick Southwest, CPC):** Mr. Speaker, I am pleased to present a petition from the citizens of Charlotte County, New Brunswick, who are opposed to the construction of an LNG terminal in Eastport, Maine, U.S.A.

The petitioners suggest that the Government of Canada should take the same position it took about 30 years ago when it opposed and would not allow the transport of dangerous materials through Head Harbour Passage. At that time, a U.S. firm was considering building an oil refinery in the same area as the LNG project is proposed today.

These citizens naturally have concerns about the environment. It is a very dangerous passage. As Canadians, they do not want to allow those dangerous ships through those waters, which would put at risk their fisheries, their marine life and their tourism. It would have a huge hit on the environment and their way of life in that area.

These petitioners call upon the Government of Canada to take strong action and say no to the transport of LNG tankers through Head Harbour Passage.

[*Translation*]

## MISSILE DEFENCE SYSTEM

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Mr. Speaker, I am pleased to present a petition on behalf of several hundred residents of my riding who are opposed to the Government of Canada's getting involved in the missile defence program the U.S. would like to put in place.

[*English*]

## MARRIAGE

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, pursuant to Standing Order 36 I wish to present two petitions. The first petitions is on behalf of the parishioners of the Dresden Community Church in my riding of Lambton—Kent—Middlesex. The second petition is from Kitchener-Waterloo region.

The petitioners call upon Parliament to use all possible legislative and administrative measures, including invoking section 33 of the charter if necessary, to preserve and promote the current definition of marriage as between one man and one woman.

**Mr. Daryl Kramp (Prince Edward—Hastings, CPC):** Mr. Speaker, I am honoured today to table a petition on behalf of the fine people of Prince Edward—Hastings whom have signed the document. The petitioners request that Parliament redefine marriage in federal law as being a lifelong union of one man and one woman to the exclusion of all others.

**Hon. Robert Thibault (West Nova, Lib.):** Mr. Speaker, it is my duty to present to Parliament a petition on behalf of the residents of West Nova, particularly in the Bridgetown area of the Annapolis Valley. The petitioners request that Parliament define marriage in federal as being the lifelong union of one man and one woman to the exclusion of all others.

## AUTISM

**Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC):** Mr. Speaker, I am pleased to rise to present a petition pursuant to Standing Order 36 signed by 271 British Columbians,

*Routine Proceedings*

mostly from my riding. The petitioners call upon Parliament to amend the Canada Health Act and corresponding regulations to include IBI and ABA therapy for children with autism as a medically necessary treatment, to require that all provinces provide for this treatment and to contribute to the creation of academic chairs at universities in each province to teach this treatment and therapy.

## IMMIGRATION

**Mr. Navdeep Bains (Mississauga—Brampton South, Lib.):** Mr. Speaker, I would like to present a petition to the House from the constituents of the riding of Mississauga—Brampton South and other concerned Canadians with respect to parental sponsorship applications.

The petition outlines a few concerns that have been addressed. The first is that processing times of parental applications have increased from approximately five to six months to approximately eighteen to twenty months. Second, the admission quotas for parents have been reduced over the past few years.

I would like to submit this petition as well as give recognition to the 870 individuals who signed the petition on the Internet as well.

● (1520)

## DIABETES

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Mr. Speaker, it is my honour to rise and present two petitions before the House. The first petition deals with juvenile type 1 diabetes research which was presented to me by a number of students in my constituency who have identified this critical ailment as being a problem that friends and neighbours of theirs have experienced at a very young age.

These youngsters have put together a splendid petition which calls upon the federal government in the 2005 budget to invest \$25 million per year for the next five years in research targeted specifically for juvenile type 1 diabetes.

## AMBASSADOR TO UNESCO

**Mr. Pierre Poilievre (Nepean—Carleton, CPC):** Second, Mr. Speaker, it is an honour, as a friend of democracies of the world to introduce a petition, which calls upon the government to note the following. The appointment of Yvon Charbonneau as Canada's Ambassador to UNESCO has caused great concerns to Canadians from coast to coast to coast. Mr. Charbonneau has made numerous comments and statements publicly against Jewish Canadians and the state of Israel and has never recanted these anti-Semitic statements or beliefs. The appointment of Yvon Charbonneau as Ambassador of Canada, a man who has expressed anti-Semitic and anti-Israel and even anti-American views, sends a message to Canadians and the global community that such views reflect the policies of the Government of Canada. They state that these views are not acceptable to Canadians.

It is an honour indeed to present both of these petitions.

## MARRIAGE

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I am pleased to present a petition today with respect to the definition of marriage.

*Routine Proceedings*

The petitioners would like to draw to the attention of the House that the majority of Canadians believe that fundamental matters of social policy should be decided by elected parliamentarians and not by unelected judges and that the majority of Canadians support the definition of marriage as being a man and a woman to the exclusion of all others.

The petitioners call upon Parliament to use all legislative and administrative measures, including invocation of the notwithstanding clause, to preserve and protect the current definition of marriage as between one man and one woman to the exclusion of all others.

[*Translation*]

## MISSILE DEFENCE SYSTEM

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I have the honour to present a petition on behalf of 200 persons in my riding who state that partial or total participation by Canada in the missile defence program would be contrary to our interests and values.

These petitioners call upon Parliament to take the necessary steps to oppose Canadian participation in the American missile defence program, thereby reflecting the wishes of the vast majority of Quebecers.

[*English*]

## MARRIAGE

**Mr. Mark Warawa (Langley, CPC):** Mr. Speaker, I rise today to represent the wonderful citizens of Langley, British Columbia. I have two groups of petitions to present today, the first being three petitions on the tradition of marriage.

The petitioners state that the tradition of marriage between a man and a woman is the God ordained building block of the family and the bedrock of a civil society. They therefore urge the House of Commons to protect the traditional definition of marriage as being between one man and one woman.

## AUTISM

**Mr. Mark Warawa (Langley, CPC):** Mr. Speaker, the second set of petitions I wish to present to the House are with respect to autism.

The petitioners request that autism treatment be considered an essential treatment under the Canada Health Act and that each province have a university with an appointed chair to deal with autism training.

## CANADA POST

**Mr. Paul Zed (Saint John, Lib.):** Mr. Speaker, I have the pleasure to present to the House a petition signed by over 3,000 people of Saint John, New Brunswick requesting the government to stop the closure of Postal Station "B" in Saint John.

The residents and business communities of West Saint John have been serviced by Canada Post for over 40 years by this postal station. Last year the postal station exceeded \$350,000 in revenue, over a 14% increase in the previous year.

The petitioners call upon Canada Post and the Government of Canada to immediately cease all actions directed at the closure of

Postal Station "B" and invest the profits in their community post office.

The petitioners were somewhat enlightened to hear the minister talk positively about post office closures today, but it would be nice to hear that post office closures in Canada were preserved as a moratorium.

• (1525)

## MARRIAGE

**Mr. Ken Epp (Edmonton—Sherwood Park, CPC):** Mr. Speaker, I have the honour today to present another 604 names on petitions dealing with the definition of marriage. Most of the petitioners are from my riding but there are some from the previous riding of Elk Island. Many of them still think I am their MP even though I am not any longer due to the boundary changes.

Due to the vote in 1999 and because they take exception to an unelected judiciary making important social changes, the petitioners urge Parliament to take every measure necessary to preserve the definition of marriage as being between one man and one woman to the exclusion of all others.

## CITIZENSHIP

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Mr. Speaker, I have the pleasure to table a petition today from people in Prince Edward Island who call upon the government to return to its previous policy of allowing holy books to be made available to new citizens at citizenship ceremonies around the country.

The petitioners draw attention to the fact that a citizenship judge terminated this policy alleging that the policy discriminated against non-religious immigrants. Up until last year holy books were simply displayed on tables at the back of the hall, free for new citizens to take. The new citizens were not handed the books. They were not forced on them. The judge produced no evidence to justify his inappropriate decision to ban the availability of holy books.

The petitioners ask for the citizenship commission to return to the previous policy which has served our multicultural nation so very well.

## MARRIAGE

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Mr. Speaker, the second petition I wish to present is from 124 individuals who call on Parliament to use all possible legislative and administrative measures, including invoking the notwithstanding clause if necessary, to preserve the correct definition of marriage as between one man and one woman.

## DANGEROUS OFFENDERS

**Mr. Darrel Stinson (Okanagan—Shuswap, CPC):** Mr. Speaker, I am pleased to present two petitions today.

The first petition is signed by over 170 residents of Vernon in my riding of Okanagan—Shuswap. They are concerned about serious violent crimes by repeat offenders living at the Vernon halfway house.

*Government Orders*

The petitioners call upon Parliament to require that the Correctional Service of Canada take stronger steps to protect law abiding citizens by ending statutory release, informing the public immediately when a violent offender does not report back on time from day parole or other release into the community, and immediately investigate why the Vernon halfway house has the worst record in Canada for its inmates committing violent crimes.

## AUTISM

**Mr. Darrel Stinson (Okanagan—Shuswap, CPC):** Mr. Speaker, the second petition, also from constituents of Okanagan—Shuswap, with a total of 120 signatures, asks that the Canada Health Act be amended to include intensive behavioural intervention therapy treatment based on the principles of applied behavioural analysis as an essential treatment for autism. The petitioners ask that university academic chairs be appointed at each university to teach autism treatment. They also request that all provinces be required to help people with autism by providing funding for this essential treatment.

## MARRIAGE

**Mr. Andrew Scheer (Regina—Qu'Appelle, CPC):** Mr. Speaker, I would like to present petitions from hundreds of constituents in my riding of Regina—Qu'Appelle, and also several people from as far away as Sidney, Manitoba. The petitioners want their voices added to the huge outcry of concerned Canadians against the government's attempt to change the traditional definition of marriage.

The petitioners call upon the House to protect the traditional definition of marriage as one man and one woman to the exclusion of all others as recognized by centuries of tradition.

**Mr. Jay Hill (Prince George—Peace River, CPC):** Mr. Speaker, it is indeed a pleasure for me to rise, as I have been doing almost daily, to present petitions on behalf of my constituents in Prince George—Peace River, specifically this time from residents of the city of Prince George itself and the smaller community of Tumbler Ridge, on the issue of marriage.

The petitioners wish to draw to the attention of the House of Commons that the majority of Canadians believe that fundamental matters of social policy should be decided by elected members of Parliament and not the unelected judiciary. They also believe the majority of Canadians support the current legal definition of marriage.

Therefore, the petitioners call upon Parliament to use all possible legislative means, including invoking section 33 of the charter, the notwithstanding clause, if necessary, to preserve and protect the current definition of marriage as between one man and one woman.

\* \* \*

● (1530)

## QUESTIONS ON THE ORDER PAPER

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

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

[Translation]

## MOTIONS FOR PAPERS

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

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

## GOVERNMENT ORDERS

[English]

## BUDGET IMPLEMENTATION ACT, 2004, NO. 2

The House proceeded to the consideration of Bill C-33, a second act to implement certain provisions of the budget tabled in Parliament on March 23, 2004, as reported (without amendment) from the committee.

**Hon. Ethel Blondin-Andrew (for the Minister of Finance)** moved that the bill be concurred in.

(Motion agreed to)

**Hon. Ethel Blondin-Andrew (for the Minister of Finance)** moved that the bill be read the third time and passed.

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, the main part of Bill C-33 proposes a number of amendments to the Income Tax Act that were proposed in budget 2004. It also contains proposals introduced in last year's budget concerning the air travellers security charge, as well as legislation enabling interested Indian bands in Quebec to enter into sales tax agreements with the Government of Quebec.

This is the implementation bill for budget 2004. The measures contained in the bill reflect the agenda set out by the government in budget 2004.

At the core of the 2004 budget was the recognition that to achieve our goal of better lives for all Canadians, our social and economic policies must be mutually reinforcing. Hon. members would no doubt agree that there can be no strong economy without a secure society, and no secure society without a strong economy to support it.

The measures in budget 2004 were designed to meet the test of what Canadians believe are our priorities as a nation, priorities such as health, learning, communities, the economy, and our place in the world. I would like to take a moment to illustrate how each of these priorities are reflected in the measures in this bill.

The first is health. Canadians are justly proud of their social programs and are determined to see them maintained and improved. Canada's universal public health care system gives concrete expression to the principles of fairness and equality of opportunity that are the very essence of who we are as Canadians.

*Government Orders*

Budget 2004 reaffirmed the government's commitment to work with the provinces and territories to reform and sustain Canada's health care system. To that end, budget 2004 proposed key investments in our health care system, including tax measures designed to help persons with disabilities.

Hon. members will recall the Technical Advisory Committee on Tax Measures for Persons with Disabilities which was announced in the 2003 federal budget. The committee was formed to advise the Minister of Finance and the Minister of National Revenue on how the federal government could make the tax treatment of persons with disabilities fairer.

Building on previous budget measures to strengthen greater inclusion of Canadians with disabilities, Bill C-33 responds to an early proposal by the committee to provide better tax recognition of disability supports expenses, and improve the tax recognition of medical expenses incurred by caregivers on behalf of dependent relatives.

Specifically, starting with the 2004 taxation year, this bill proposes a new deduction for disability supports, for example, sign language interpreters and talking textbooks. This deduction will allow disability supports expenses to be deducted from income if they are incurred for education and employment purposes. As a result, income used to pay for these expenses will not be taxed and will not affect income tested benefits.

Bill C-33 also contains a measure of recognition of the expenses incurred by people who care for disabled family members. The proposed legislation will allow caregivers to claim more of the medical and disability related expenses they incur on behalf of dependent relatives.

• (1535)

I will now turn to learning. Canadians recognize the importance of education and helping individuals reach their full potential. Learning is the cornerstone of Canada's economic and social foundations.

Investments in learning are key to a social economy. Learning produces a workforce qualified to meet the demands of a growing economy and fosters advances in knowledge, the development of new technologies, new products and improved production processes. These in turn increase productivity, generate economic growth and promote Canada's international competitiveness.

The education tax credit recognizes the non-tuition costs of post-secondary education and training, such as textbooks. Currently the credit applies only for full time or part time students. However, employed individuals are not eligible to claim the credit in relation to the costs of the programs directly connected to their current employment, even if they pay the out of pocket expenses for these courses. As can be readily seen, there is an anomaly in the income tax system. One would almost have to quit one's job in order to get the credit, which of course does not make any sense.

In order to help more students undertake lifelong learning connected to their employment, the bill proposes effective January 1, 2004 to allow students to claim the education tax credit for education related to their current employment when the costs are not reimbursed by their employer. This will give Canadians who are

upgrading their skills in their field of work access to the same tax benefits that are available to other post-secondary students.

I will now turn to community based non-profit organizations. They are an integral part of Canadian communities. We rely on them for delivery of many services. These organizations are in the fields of education, culture, the arts, delivery of social services, the think based communities, international aid deliverers, health, and the environment. In recognition of their contribution to the well-being of Canadians, budget 2004 contains a number of initiatives benefiting the voluntary sector and social economy.

For example, with respect to registered charities, the bill proposes significant changes to clarify the tax rules and ensure that they are administered fairly. It is important to mention that the initiatives proposed in the bill respond to the recommendations of the joint regulatory table which is a key component of the voluntary sector initiative that was launched in 2000 by the Government of Canada.

The other side of the equation is the economy. The government recognizes the significance of small business and entrepreneurship in securing a solid economy. Moreover, these enterprises are a key source of innovative ideas that are transformed into jobs. In past budgets the government has introduced important numerous measures to help small business and entrepreneurs. Budget 2004 is no exception. It builds on previous initiatives to help Canadian small business. I will explain three.

First, Bill C-33 provides for additional support for Canada's small business sector by helping small businesses retain more of their income for reinvestment and growth. Specifically the bill accelerates the planned increase of the small business deduction limit to \$300,000 by one year to the year 2005. It moves forward that first threshold of small business income to \$300,000 effective this year.

Second, Bill C-33 extends the non-capital loss carry forward period to 10 years. This initiative will be particularly beneficial to innovative start-up businesses that may experience losses while developing new products and technologies.

Third, Bill C-33 proposes to remove an impediment to ensure that small businesses conducting scientific research and experimental development can raise sufficient funding from common investors not acting as a group and still have full access to a 35% tax credit. This clarifies an anomaly in the interpretation of the tax act which is of great benefit to a certain class of investors.

• (1540)

As we know, the worth of a nation is judged not only by how it treats its citizens, but by its willingness to lend a hand to countries that are in need of assistance. Of course, Canadians responded very generously to the tsunami relief fund and the government matched that generosity going forward over the next five years.

*Government Orders*

Canada is recognized on the world stage in its role as a ready contributor to ensuring international peace and security. The government recognizes Canada's international obligations in a challenging world environment. Budget 2004 supported this priority by introducing a series of targeted initiatives in defence and foreign aid.

This government also acknowledges the sacrifices made by the men and women in our armed forces and police who take part in dangerous yet important missions. In recognition of these sacrifices, Bill C-33 proposes an exemption from tax on income earned by Canadian Forces personnel and police while serving on international high risk operations.

I mentioned at the outset that Bill C-33 contains other proposed tax measures, one relating to the air traveller security charge and another to aboriginal sales tax.

As hon. members will recall, the air traveller security charge was introduced to fund the enhanced travel security system on a cost recovery basis with a commitment from the government to review the charge to ensure that revenue remains in line with planned expenditures over a five year period.

The government has followed up on this commitment in a timely manner with successive budgets taking into account the impact of revised forecasts for air passenger traffic and updated expenditures for air travel security.

In budget 2003 the rate of the charge for domestic air travel within Canada was reduced by 40%. To ensure air travellers continue to pay only what is required to fund enhanced security for air travel and keep the security on a sustainable basis, budget 2004 proposed further reductions in the charge.

Specifically, the measures in this bill propose to reduce the charge for domestic air travel within Canada from \$7 to \$6 for one way travel and from \$14 to \$12 for round trip.

For transborder travel between Canada and the U.S. the reduction is from \$12 to \$10, and for international travel it is reduced from \$24 to \$20. Those reduced charges would apply to tickets purchased after April 1, 2004.

The next tax initiative is with respect to first nations people. In the February 2004 Speech from the Throne, the government highlighted the importance of building strong first nations governance. Both the Government of Canada and the aboriginal leaders agree that this can best be achieved by emphasizing the various elements of sound and effective governance.

One of these elements would give the first nations people the authority to operate, on their land, a sales tax system harmonized with the goods and services tax. Bill C-33 contains proposed amendments to the first nations goods and services tax act to facilitate the establishment of such a taxation arrangement between the Government of Quebec and interested first nations situated in Quebec.

I would like to assure hon. members that the government remains willing to work with interested first nations on establishing similar arrangements.

• (1545)

The significance of some of these initiatives are quantified in the budget plan 2004: for the fiscal year 2003-04, \$2.5 billion for health; for the fiscal year 2004-2005, on the learning agenda, a further \$251 million and a further \$466 million in 2005-06; a further \$293 million for building on the commercialization of research, investing in offshore development, investing in small business and entrepreneurship, and for strengthening Canada's tax advantage, going forward to a further commitment of \$367 million.

Another initiative is the new deal for communities with a commitment of \$100 million in 2003-04, ramping that up to \$903 million in 2004-05 and going forward in 2005-06 to \$776 million.

With respect to our relationship to the world, that initiative was costed out at \$397 million for the 2004-05 year and \$458 million in 2005-06.

In agriculture, we committed a further \$1 billion in 2003-04, going forward to \$233 million and then to \$302 million. The total spending initiatives in 2003-04 were \$3.6 billion; in 2004-05, \$2.2 billion; and in 2005-06, \$2.5 billion.

As members can see, the Government of Canada has in the past been committed and continues to be committed to the well-being of Canadians in the areas in which Canadians are most interested. I, like all members, am looking forward to the Minister of Finance delivering budget 2005, which I hope will take a realistic but far-reaching forward action into the next number of years and point the way forward for Canadians.

**Mr. Ken Epp (Edmonton—Sherwood Park, CPC):** Mr. Speaker, I would like to ask the parliamentary secretary an important question.

He talked about the fund that was used for the provision of security in airports. We all recognized over time that the fee was way too high for the amount of money that was actually spent. There are still huge gaps in security, especially in a number of airports across the country that have no security at all, and yet those passengers still have to pay the fee.

I wonder whether he would anticipate that the implementation of this almost one year old budget that would reduce the fee slightly would have a further and very necessary adjustment in the budget we are about to hear in about 10 minutes.

• (1550)

**Hon. John McKay:** Mr. Speaker, I certainly would not be prepared to comment on what will be in the budget in the next 10 minutes, but I would indicate to the hon. member that in budget 2003 we had a 40% reduction in the charges associated with the air travellers security charge.

*Government Orders*

To be fair to the hon. member, it was true that the initial expenses were substantially higher than the expenditures. In recognition of those overcharges, the government immediately started to reduce the fee. It took off 40% in 2003 and, with this budget, reduces another substantial sum of money from the air travellers security charge. The government does recognize that the revenues have exceeded the expenditures.

It was always the intention that it would be in a stasis position, that the air travellers would pay for their security and their security only and that there be no windfall or Robin Hood amounts of money for the Government of Canada.

**Mrs. Betty Hinton (Kamloops—Thompson—Cariboo, CPC):** Mr. Speaker, I have a very brief question. I am not sure the minister will be comfortable commenting on this, but could he give me any idea of the amount of money that was spent changing the uniforms and the insignia on the sleeves of the security workers in the airports?

I cannot, for the life of me, figure out how that could possibly have made us more secure. However I do know that it was an enormous expense and I am sure it would have entailed letterhead, envelopes and all the rest of it. Does the member have any idea of the cost of that?

**Hon. John McKay:** Mr. Speaker, the short answer is, no. I know initiatives are undertaken from time to time that appear to be strange from an outside observer's viewpoint but I do not have a direct answer for the hon. member's question.

**Mr. Ken Epp:** Mr. Speaker, Bill C-33, among other things, implements some changes to taxation vis-à-vis the care of people who are disabled.

One of the huge areas of inadequacy in our tax system and in our budgets is the fact that there are many families who have disabled or aged parents living with them and yet cannot properly deduct from their taxable income the additional costs they incur in order to care for these people. Basically they are taking them out of the health care system and looking after them themselves but get beans for it from the Liberal government.

I wonder whether we can ever expect to see some recognition of families who take care of disabled people or aged parents in their own homes, that they would be able to, say for example, apply the basic exemption of those individuals to their own, and an additional exemption to represent and to reflect the actual costs that they incur in looking after these people.

**Hon. John McKay:** Mr. Speaker, I can only speak to the budget bill that is presently before us. This bill builds on previous government initiatives for a greater inclusion of Canadians with disabilities and in fact addressed the very concern that the hon. member raises.

I agree with him that Canadians do in fact take care of people who have disabilities at great personal expense to themselves and the government does recognize that in this budget and has recognized it in previous budgets. The member will have to wait for another few minutes to see whether that will continue.

● (1555)

**Mr. David Chatters (Battle River, CPC):** Mr. Speaker, while my time is short I did want to participate in this debate on Bill C-33 because it demonstrates in a vivid way the irrelevancy of this Parliament and what is wrong with the system.

In spite of my lifelong respect for the institution of Parliament and the honour bestowed upon me by the people who have elected me in two different ridings and four general elections, this Liberal government and previous Liberal governments going back as far as Pierre Trudeau have done more to make Parliament and this process irrelevant to Canadians than ever should be tolerated.

The example that we are here standing in the House five minutes before we listen to budget 2005 debating at third reading the enabling legislation for budget 2004 is just insane. It makes no sense at all.

If in fact it was required to have enabling legislation for the 2004 budget, then it should have been put into place, passed through Parliament and had parliamentary approval before the 2004 measures were implemented. Of course that is not the case and it is not the only example.

In question period we heard some back and forth debate on missile defence. This chamber spoke loud and clear during the throne speech and the government agreed that before it would negotiate an agreement on missile defence, the Prime Minister would bring the issue to the House for a full debate and a vote so that Parliament could have input into whatever the U.S. government was asking us to participate in. Clearly he went ahead and did that without living up to that commitment.

If we look at the situation just the other day in the House, we defeated two government bills that were brought to Parliament. Within minutes of us doing that in this place, the government notified the public that it did not matter because it was going to carry on with the initiative and go ahead with splitting the Department of Foreign Affairs regardless of what this Parliament thought. That is just reprehensible.

If Parliament is going to mean anything to Canadians, and if Canadians in any significant numbers are going to go out, vote at election time, and elect members of Parliament to come and represent them, they should at least have to believe that members of Parliament and the job they are doing in Ottawa should be respected and should mean something.

We are passing out budget 2005 documents while here I am standing and speaking, when nobody is listening of course, on budget 2004. I quite frankly give up and I am going to let it go at that. We will listen to the 2005 budget and we will all forget what the 2004 budget was meant to do.

**The Speaker:** It being 4 p.m. the House will now proceed to the consideration of Ways and Means Proceedings No. 3 concerning the budget presentation.

*The Budget*

● (1600)

**THE BUDGET**

FINANCIAL STATEMENT OF MINISTER OF FINANCE

**Hon. Ralph Goodale (Minister of Finance, Lib.)** moved:

That this House approves in general the budgetary policy of the government.

He said: Mr. Speaker, I wish to table the budget documents for 2005, including notices of ways and means motions. The details of the measures are contained in the documents. I am asking that an order of the day be designated for consideration of these motions.

[Translation]

I also announce that, at the earliest opportunity, the government will introduce bills to implement the measures in this budget.

[English]

Let me begin by expressing my appreciation to all those who have helped in the preparation of this 2005 federal budget, from the many organizations and professional groups that presented expert briefs, to Canadians from every corner of the country who submitted individual letters and ideas.

[Translation]

Their contributions, their counsel and their concerns have helped shape the budget I am tabling today. I would also like to thank the members of this House—from all sides—who have provided their advice and insights.

[English]

In particular, I want to acknowledge the vigorous representations of a number of government caucus committees and the specific input of opposition finance critics, the hon. members for Medicine Hat, Saint-Hyacinthe—Bagot and Winnipeg North.

Recent events have reminded all of us of the increasingly interconnected world in which we live. Just two months ago, people in Ukraine launched a peaceful but profound “orange revolution”. They demonstrated for democratic reform and then they cast their ballots in a genuinely free election on December 26.

Our former Prime Minister, the Right Hon. John Turner, led more than 500 Canadians who volunteered to help ensure that the process was ultimately fair and lawful. All of us, including thousands of Ukrainian Canadians and parliamentarians like the hon. member for St. Catharines and the hon. member for Etobicoke Centre, are proud of the role Canada was able to play at a crucial moment in the life of that great nation, half a world away.

Sadly, the same day Ukrainians went to the polls, our attention was wrenched from the celebration of democracy to the tragedy of the tsunami in South Asia. On that day, as one eyewitness described it, “the sea stood up and walked to earth”. With every passing hour and every passing day, the list of casualties grew, the extent of the damage increased, and the enormity of the tragedy became painfully better known.

In its aftermath, Canadians responded with remarkable generosity. And in their actions, we saw the character of our country: young children going door to door in their neighbourhoods, and Canadians

from every province and territory making donations, large and small, to support people they do not know in places they might never see.

Relief organizations and faith based groups mobilized resources and translated noble intentions into practical help on the ground. We applaud all the volunteers, in all those agencies, who, in doing so much good abroad, honoured the values that we cherish here at home.

In this budget, Canada's comprehensive \$425 million assistance package for tsunami relief is confirmed, as promised, and as Canadians would fully expect.

● (1605)

[Translation]

In the first two months of this year, Canada has also assisted in the conduct of difficult elections in Iraq and among the Palestinians. We have continued our humanitarian engagements in places like Haiti and across Africa. We have helped to keep the peace in Afghanistan and Kosovo. We have provided the poorest countries of the world with greater debt relief and the resources to eradicate polio.

Actions that make a difference. Actions that reflect Canadian values at work globally.

All these international events of recent weeks remind us not only that we are all connected, in this world, but that we also have responsibilities in this world. For Canada, it is clear we have a special role to play and a unique contribution to make. But we also know that we can only play that role abroad if we are strong and secure at home.

That is why, last summer, we set out an ambitious agenda for Canada's future—to maintain our unparalleled fiscal success, to invest in our people, to achieve a more productive and environmentally sustainable economy, and to bolster Canada's role in global affairs.

[English]

Last summer we set out an ambitious agenda for Canada's future: to maintain our unparalleled fiscal success, to invest in our people, to achieve a more productive and environmentally sustainable economy, and to bolster Canada's role in global affairs.

That agenda was carefully paced for implementation over the coming five year period, knowing, as Canadians fully understand, that not every ambition can be fully satisfied in a single year. But at every opportunity, Canadians will expect us to take major steps to deliver on our commitments. That is exactly what this budget does.

For the sake of completeness and transparency and given that many of the government's newest and largest program obligations, like those in federal-provincial and territorial agreements, represent commitments of five years or longer, the framework for this budget is in fact five years rather than the usual two.

*The Budget*

Delivering on our commitments begins with an unrelenting dedication to sound financial management, to balanced budgets or better, year after year. This is not just good economic management. It is good common sense. It creates the discipline of pay as you go, not spend as you like. It ensures that the decisions we make today do not become the debts our children will have to bear.

In that spirit, I am pleased to announce that for 2004-05 Canada will record its eighth consecutive balanced budget. This is the longest unbroken string of surpluses since Confederation. What is more, we expect it to continue year after year.

To keep the federal books solidly in the black, we will continue to set aside an annual contingency reserve of \$3 billion, and we will continue to build a transparent measure of further economic prudence into our budget planning.

If that extra prudence proves to be unneeded in any given year to keep us in balance, it will be invested in the programs and services which Canadians have identified as their priorities. If the contingency reserve is not needed to deal with unforeseen events, it will be used to reduce the debt.

Debt reduction is not something we do to please economists. It is something we do to benefit ordinary Canadians. Reducing debt in a reasonable and measured way relieves a big burden on future generations. It saves billions of dollars in servicing charges. It facilitates a triple-A credit rating, lower interest rates and rising living standards. It enables Canada to prepare for the inevitable pressures of an aging population.

Most important, debt reduction is something that the vast majority of Canadians believe is simply the right thing to do.

That is why, since first balancing the budget in 1997-98, we have reduced federal debt by more than \$60 billion, resulting in savings to Canadians of more than \$3 billion annually. It is not a one- or two-year gain. It is a real dollar benefit every year going forward.

● (1610)

A commitment to sound financial management is never easy and it is never over. It is not something to be done once or just for a while and then set aside. It requires the steady, unrelenting application of rigorous discipline and vigilance, at the macro level of balancing our government books overall, and at the day to day micro level in how programs and services actually get delivered.

[*Translation*]

To further this objective, the Government of Canada created a Cabinet Committee on Expenditure Review (ERC). Its objective was to make sure that every dollar spent is a dollar well spent, with a focus on the contemporary needs of today and tomorrow, not locked into the patterns of yesterday.

Under the able direction of my colleague, the Minister of National Revenue, the Committee has scrutinized every line of government spending. Its goal was to find \$12 billion in existing spending to be reallocated from lower to higher priorities over the coming five years. I am pleased to announce today that our ERC process has already identified nearly \$11 billion of such savings—savings which are incorporated in this budget. Every penny will be reinvested in core federal programs and services that truly matter to Canadians.

And while all departments of government have participated in this effort—and I thank them all—allow me to single out the people in the Department of Public Works and Government Services for their ERC work. They rose to the challenge and made an exceptional contribution to the success of this exercise. I applaud their innovation and their professionalism.

● (1615)

[*English*]

Expenditure review has delivered results. Now we must ensure that it becomes part of the very core and culture of government. For this job to be well done, it must be done continuously. We will, therefore, make expenditure review an ongoing, evergreen element of good governance.

Let me turn now to an overview of the Canadian economy.

As we enter 2005, Canada finds itself in an enviable position, with an economy that is quite simply unmatched in the world-leading G-7 group of countries. Among that group, since we balanced the budget in 1997, Canada has achieved the best debt to GDP ratio; the best job creation record; the fastest growth in living standards; and according to the OECD, we are the only G-7 country expected to be in surplus in both 2005 and 2006.

This performance, this record of achievement, tells us that we are on the right path, but our goal is not to accumulate statistical bragging rights. Our goal is to use the fruits of our success to sow the seeds of future achievement, to employ the dividends of fiscal and economic strength to keep on building a world-leading society with an enviable quality of life for all.

This is the essence of the commitment that we made to Canadians in the June 2004 election.

In 2004 our economy continued to grow at a solid pace. Looking ahead, in establishing the government's economic projections for the coming years, we have again consulted with leading economists and forecasters in the private sector.

Based on those consultations, the average private sector forecast for real growth in Canada in 2005 is 2.9%. For next year, 2006, the average private sector forecast is for growth of 3.1%. This expected growth and our unwavering commitment to balanced budgets or better means that Canada will remain in a positive fiscal position.

Our continuing economic success is most certainly encouraging, but that success has also brought its own challenges, including a much higher Canadian dollar. To date, Canadian companies have done an outstanding job of adjusting to the rise in the value of our currency. However, there is no doubt that future adjustment will be required, especially in light of the speed at which currency rates have changed.

*The Budget*

Canada is a trading nation and 85% of our exports go to the United States. The so-called “twin” U.S. budget and current account deficits remain the principal risk to our economic and fiscal forecasts over the medium term. The American situation could lead to higher interest rates, slower U.S. growth and a further depreciation in the American dollar, any of which could negatively affect us here in Canada.

As we look down the road, we must be conscious of those risks, but we must not be paralyzed by them. Rather, we must plan accordingly and continue to keep ourselves in a position of fiscal strength, the better to handle the risks should they materialize.

So, with consistently balanced budgets, steadily declining debt, low and stable rates of inflation and interest, a triple-A credit rating, the best fiscal record since 1867 and the best fiscal performance in the G-7, this government will deliver.

On health care, equalization, cities and communities, children and seniors, the disabled and their caregivers, aboriginals, the environment, the armed forces, and Canada's place in the world, this government will deliver.

• (1620)

*[Translation]*

We started early. Last September, we concluded a unanimous, long-term \$41 billion agreement on health care with all of Canada's premiers—an agreement which provides predictable and growing federal funding to bring real change and to make a real difference.

As a result, federal cash transfers to provinces and territories in support of health will rise from \$16.3 billion this year to \$19.6 billion next year. Thereafter, cash transfers will escalate by 6% annually, reaching \$30.5 billion in 2013-14.

We have thus met and surpassed every financial benchmark established by the Romanow Commission on Health Care, and we have fully honoured the health commitments we made to Canadians last summer.

With more federal money than ever before and with agreements to report regularly to citizens on the progress being made, we can all now turn our full attention to making our health care system better through shorter waiting times; more health care professionals and equipment; better primary care and home care; greater research and innovation; and better public health and wellness.

The health care agreement also addresses the unique challenges of delivering health care services in the North and it takes important steps to improve the health status of Aboriginal people.

*[English]*

In addition, last October we also introduced a new framework for provincial equalization and territorial financing, providing \$33 billion in incremental funding over the coming decade, with more money and more predictability than ever before, and with the help of an expert panel to advise on the allocation among provinces.

Together, these two commitments on health care and equalization will provide nearly \$75 billion in new federal funding for provinces

and territories over the next 10 years, but they represent only part of what we are committed to do.

Canada's cities and communities are the places where most Canadians live and work, raise their kids and want to retire in dignity and security. They are engines of growth, employment and innovation, centres of art, culture and learning. Most significantly, municipalities are the level of government closest to Canadians. They deal with fundamental issues that touch people's daily lives. In light of that, the Prime Minister proposed a new deal for cities and communities based upon a set of principles to provide new, reliable long term funding, to ensure fairness among regions and among communities of different sizes, to respect the jurisdiction of provinces, set shared objectives and report results to Canadians.

Last March in budget 2004 we took a major step forward by providing municipalities with full relief from the GST, a \$7 billion federal investment in local governments over 10 years. We knew that was only a beginning and we made a commitment to go further. With this budget we deliver.

Beginning in 2005-06, the Government of Canada will share with municipalities a portion of the revenue from the federal excise tax on gasoline to help fund local environmentally sustainable infrastructure. Our commitment specifically was to transfer a total of \$5 billion over five years, beginning with a penny per litre, or \$400 million, in this coming year. We will do better, starting at \$600 million, not just \$400 million, then rising as promised to 5¢ per litre, or \$2 billion, in 2009-10, and continuing thereafter indefinitely.

To bring tangible new benefits literally to the front doorstep of each and every Canadian family, we want the new GST rebate and the new gas tax revenues to be truly incremental, not instead of, but in addition to what municipal and provincial governments would otherwise be planning to do. For our part federally, we will not look to our new revenue transfers as a substitute for our three existing infrastructure programs. They will be in addition to them.

Accordingly, when our municipal and rural strategic and border infrastructure programs are due to expire in the normal course over the next several years, it is our clear intention to renew them and extend them into the future. The same is true for our housing initiatives.

This new deal is also about recognizing the central role of municipalities in our national life, ensuring that their voices are heard in our national policies. That is exactly the kind of new relationship that this government is building.

*The Budget*

•(1625)

Last month in Regina I had the privilege of meeting with municipal leaders from across the country as part of my formal prebudget consultations. They should, and they will, be a permanent part of the federal budget making process going forward.

[*Translation*]

There can be no more important commitments than those we make to our children. A good start in their earliest years can level the playing field, inspire confidence, foster life skills, encourage ambition and make possible greater goals.

Last summer, we made a commitment to work with the provinces and territories to build the foundations for a high-quality, universally inclusive, accessible and developmental early learning and child care initiative.

With this budget, we are delivering on our commitment.

With other important elements like the Canada child tax benefit, the head start program and the 2003 multilateral framework already in place, I am pleased to confirm that we will provide \$5 billion over five years to introduce a national early learning and child care initiative. And we understand with our provincial and territorial partners that federal support will need to be ongoing beyond these initial years.

Of this \$5 billion, \$100 million will be devoted to First Nations on reserve to address the unique challenges those communities face.

•(1630)

[*English*]

Just as this country recognizes the importance of investing in its youngest, it also recognizes the enormous debt that we owe to our seniors. Theirs was the generation that survived the depression, went to war to protect our liberty and built the Canada we now know. The government's women's caucus, under the leadership of the hon. member for Gatineau, has been especially vigorous in keeping seniors' issues front and centre.

To address their evolving needs, this budget makes significant investments across the full range of seniors' programs, from health care to income security, from retirement savings to assistance for their caregivers. The goal is to enhance the quality of life of all seniors, especially those with the most limited means.

It is the guaranteed income supplement, the GIS, that provides low income seniors a fully indexed benefit that ensures a basic level of income throughout their retirement years.

Last summer we made a commitment to increase GIS payments over the next five years. Today we not only honour that commitment, we will do better. We will invest \$2.7 billion, and the promised improvements will be fully in place in less than two years, not five. As a result, 1.6 million seniors, the clear majority of whom are women, will benefit. The maximum GIS will go up by more than \$400 per year for a single senior, and by almost \$700 for a couple.

We will also ramp up our support for the highly successful New Horizons program, more than doubling it by 2007-08 to \$25 million per year. To serve as a focal point for our efforts to address the

challenges facing seniors, this budget also provides \$13 million over five years to establish a new national seniors' secretariat.

Many families across Canada today are struggling to care for elderly parents or for adult children with disabilities. For these families, the hours can be long, the responsibilities large, the demands unrelenting and the costs very significant.

In budget 2004 we enabled those who provide such care to claim up to \$5,000 of medical and disability related expenses. With this budget we go further. I am pleased to announce that we will double that amount to \$10,000 starting this tax year.

I also want to note the recent report of the Technical Advisory Committee on Tax Measures for Persons with Disabilities. Under the expert leadership of Sherri Torjman of the Caledon Institute and Bob Brown, a former chair of the Canadian Institute of Chartered Accountants, the committee has offered solid, thoughtful advice.

I am pleased to announce today that we will act on virtually all of the committee's recommendations to help people with disabilities become more self-reliant and to remove barriers to their fuller participation in Canadian life.

For example, the amount of the child disability benefit, starting this year, will be raised from less than \$1,700 to \$2,000. With this and other tax improvements from the committee's report, federal support for low and modest income families with children with disabilities will be five times higher than it was at the beginning of this decade.

•(1635)

[*Translation*]

For too long and in too many ways, Canada's aboriginal people—our first citizens—have been last in terms of opportunity in this country. The Government of Canada is committed to a new relationship, one based on partnership and respect and rooted in economic self-reliance.

This commitment is being vigorously pursued through the Canada-aboriginal peoples roundtable. Federal ministers, together with aboriginal leaders and provincial and territorial governments, are exploring ways to make progress in such key areas as health, lifelong learning, housing, economic opportunities, land claim settlements and accountability.

This process, which began with a national gathering of federal and aboriginal leaders in Ottawa last spring, will culminate in a first ministers' meeting in the fall of 2005. We look forward to the results of that meeting to make greater progress in closing the unacceptable gaps between aboriginal and non-aboriginal Canadians.

*The Budget*

It is probably safe to say, however, that two particular issues will be high on the agenda for more attention in the period ahead.

[*English*]

One of those is an accelerated and recalibrated healing process, especially for the victims of Indian residential schools. The other is a transformative thrust toward learning and skills among aboriginal youth, not detracting from their traditional knowledge or the wisdom of their elders, but building proudly on that heritage with the strength of 21st century education.

To that end, we are extending our support for the Aboriginal Healing Foundation and the Aboriginal Achievement Foundation as immediate investments in these two priorities.

We will also make immediate investments in early learning, in special education, in child and family services on reserve and in better housing, housing with a view to stimulating aboriginal businesses and jobs in the housing sector all under more effective aboriginal direction and control.

We will also provide funding for the ongoing work of reshaping Canada's relationship with the Métis community and for the Prime Minister's promised Inuit Secretariat.

A nation's ability to achieve higher levels of prosperity is a function of two ingredients: a steadily growing workforce and steadily improving productivity. In this regard Canada faces some particular challenges.

Demographically our population is aging. The baby boomers will soon retire, followed by a much smaller generation of workers and taxpayers. We can no longer rely on automatic labour force growth. While our productivity growth has improved, we cannot be complacent, especially given the recent strength of the Canadian dollar.

Here is what lies ahead. We need to focus on a workforce that is as inclusive as possible to mitigate the impact of demographic change. We need to encourage that workforce to be as smart and as skilled as possible to beat its international competition and to adapt to changing times. We need to develop and utilize the fruits of science and technology and the most modern machinery and equipment. We need efficiency regulatory systems, high quality public infrastructure and a competitive tax regime. These are the keys to success in a global economy and this is the path that we must pursue.

With respect to an inclusive workforce, I have already mentioned the vital importance of aboriginal Canadians. A growing number of young, skilled, confident aboriginals could make a very significant contribution to this nation's future productivity.

Similarly, for both productivity reasons and social reasons, Canada needs to attract and retain skilled immigrants, new Canadians, and ensure that they can reach their full potential within our society.

● (1640)

[*Translation*]

To that end, our last two budgets made significant investments—to support language training and to make progress on the recognition of foreign credentials. And we are investing \$75 million over five

years under the health care agreement to accelerate the integration of health care professionals educated abroad.

Over the past three years, Canada has welcomed an average of 220,000 immigrants every year—fully consistent with our policies and commitments in this area. But we recognize that these numbers are putting pressure on immigrant settlement and integration services across the country. To help relieve that pressure, we will invest an additional \$300 million over the next five years.

Workforce inclusion is also helped by a successful early learning and child care initiative—providing young parents with the confidence that their children are indeed getting the high-quality and developmental care they would want and expect.

With respect to skills, we will provide a further \$125 million over the next three years to advance a more effective workplace skills strategy. And we are increasing support for national literacy initiatives.

[*English*]

With respect to literacy, I want to commend the hon. member for Whitby—Oshawa and the hon. Senator Joyce Fairbairn in the other place for their undying passion on this topic.

To help build the kind of productive economy that will expand opportunity, create good paying jobs and improve living standards for all, in both urban and rural Canada, we need to continue investing in new ideas and innovation, and in the people who will produce them.

To this end, we have invested more than \$11 billion over the past eight years. This has fostered a world class research environment in Canada, including universities that are among the best on the planet, with top-notch faculty and some of the most modern equipment.

We have also invested in commercialization, and we have improved access to the venture capital that is so essential to ensuring that Canadians reap the fruits of Canadian research.

To sustain the important momentum created by our science based investments, to develop the enabling technologies of tomorrow, and to maintain our Canadian lead in publicly funded research among all G7 countries, this budget provides an additional \$1 billion.

Specifically, among other things, this will include increased funding for our granting councils and for the indirect costs of research at post-secondary institutions.

### *The Budget*

Part of the productivity solution is also investing in public infrastructure, including in our cities and at crucial border crossings such as Windsor-Detroit, probably the most valuable transborder shipping point in the world, and also investing in the vital new trading gateways, like those along our Pacific coast.

Enhancing productivity will also depend on remaining firmly committed to sound financial management, more open internal and external trade, and smarter regulatory systems, including those which govern financial services. The current securities regulatory regime, it is widely agreed, is expensive and cumbersome. This government is committed to working with provinces and territories and the private sector to establish a more streamlined, less fragmented and far more efficient system.

Let me turn now specifically to taxation in the context of greater productivity.

We have in fact cut taxes in each and every year since the federal budget was first balanced in 1997. We restored full indexation, lowered tax rates, and increased the amount Canadians can earn tax free. All told, for a family with two children, earning \$60,000, our tax measures will result in savings in 2005 of close to \$2,000, more than 35%.

I am announcing today a set of new measures which will provide further relief to taxpayers, especially low and modest income Canadians, as specifically recommended by the House last fall.

First, to increase the income that Canadians can earn tax free. Starting in 2006, we will progressively raise the basic personal amount to reach \$10,000 by 2009. When fully implemented, this measure will remove from the tax rolls more than 860,000 of Canada's lowest income taxpayers. That total includes almost a quarter of a million senior citizens.

● (1645)

Second, to help Canadians save more for their retirement, we will increase the limits on registered pension plans and registered retirement savings plans to \$22,000 by 2009 and 2010 respectively. That will be of particular benefit to entrepreneurs, the self-employed and small business owners.

RRSPs and pension plans are currently subject to a 30% foreign property limit. To expand the investing universe for Canadians, and to offer them the potential to achieve greater diversification and a more secure future, we will remove the foreign property limit, effective immediately.

To sustain the growth which drives our economy and enables us to meet the needs of our society, we need to ensure a competitive corporate tax system, too, one that will allow us to attract the kind of investment that stimulates growth and creates well paying jobs for Canadian workers. Jobs is what this is all about.

Over the past few years we have given our Canadian businesses a modest but strategic tax rate advantage vis-à-vis the United States. Over that same period, the Canadian private sector generated more than one million new jobs. However, recent tax reductions in the United States will gradually erode our Canadian margin.

To maintain it, this budget proposes to reduce the statutory corporate income rate by two percentage points, from 21% to 19% by 2010.

We also propose to end the corporate surtax, which was introduced in 1987 as a deficit reduction measure. This will help all businesses in Canada, but most especially small and medium sized enterprises.

We will continue to work with grassroots business organizations, like the Canadian Federation of Independent Business, on how to further improve the productivity environment for Canadian SMEs, including the steadily increasing number of women entrepreneurs in the country.

Canadian businesses have also told us that the rates of depreciation in the tax system must be updated to more accurately reflect the useful life of equipment. We agree.

Building on measures in last year's budget, we are announcing further adjustments to the capital cost allowance for certain assets. Appropriate depreciation will encourage companies to invest more, helping the productivity and the competitiveness of our economy.

While "useful life" is the standard test used to determine depreciation rates, this budget will introduce an exception, an environmental exception to the normal rules.

We will encourage companies to invest in more efficient and renewable energy generation equipment. Specifically, we will increase the rate at which capital cost allowance can be claimed for such environmental technologies from the present 30% to a full 50% for equipment acquired within the next seven years, and we are adding to the list of eligible assets.

● (1650)

[*Translation*]

This is a small but important example of economic policy serving environmental objectives. And we must do more!

Canadians want us to demonstrate that smart economic policy and smart environmental policy can go hand in hand. They don't want to have to choose one over the other. They want both and they expect their political leaders to deliver—both!

Our great challenge—and our clear responsibility—is to bring the same focus, the same determination and the same dedication to protecting and enhancing our environment as we did to restoring the health of the nation's finances. Canadians don't want a fiscal mortgage hanging over the futures of their children and they don't want an environmental mortgage to be the legacy of this generation to the next.

Climate change is a multi-dimensional challenge. We must, therefore, use the full range of policy instruments at our disposal. This budget does just that.

It introduces new market mechanisms; proposes new tax measures; creates incentives for businesses and consumers; spurs innovation; and introduces regulatory and voluntary measures.

These are the tools available to us, and we will use them all. Building on our successful expenditure review experience, this budget also launches an examination of all existing climate change programs to reassess and redirect funding to the most effective measures.

● (1655)

[English]

All told, we are committing a minimum of \$4 billion over five years for action on climate change, not including our commitments to green public infrastructure. Specifically, we are creating a clean fund. I am sure my colleague the Minister of the Environment will soon rename it, but we are creating a clean fund which will use the marketplace and competition to pursue the most cost-effective green projects aimed at lowering greenhouse gas emissions.

This fund will invest in high quality environmental projects, provide a market to promote the domestic trading of emission reduction credits, and serve as a catalyst for technology development and application. The clean fund will have an initial capital base of \$1 billion.

Many climate change projects will be most effectively achieved through project specific investments by both the federal government and the provincial and territorial governments. To facilitate this we will create a partnership fund. Beginning with \$250 million, this fund has the potential to grow to more than \$2 billion over time, depending on the timing of projects and the emission reductions they generate.

The combination of the clean fund and the partnership fund will make possible big ticket projects that can achieve big volume cuts in greenhouse gas emissions. For example, CO<sub>2</sub> capture, collection and storage systems, clean coal technology, the large scale use of landfill waste for power generation, and better east-west power grid interconnections are just a few of the promising possibilities.

In terms of tax measures, as I mentioned earlier, we have created a new environmental exception to the depreciation rules, aimed at reducing greenhouse gas emissions by providing a tax preference for cleaner power generation equipment. We will continue to look for many other ways to use the tax system to advance environmental goals.

As part of our efforts to provide greater incentives for the adoption of green power, we are quadrupling Canada's wind power production incentive. This will create enough energy, with zero emissions, to power one million Canadian homes. We are also introducing a new renewable power production incentive to encourage the use of other renewable energy sources such as small hydro, biomass and landfill gas.

To provide individual Canadians with incentives to contribute to a greener economy, I am pleased to announce that we will also quadruple our EnerGuide program for home retrofits. Our goal is to achieve greater energy savings in some 500,000 more homes across the country.

[Translation]

The fight against climate change provides tremendous opportunities for innovation, to develop new technologies, break new

### *The Budget*

ground, and create new jobs. This budget will provide \$200 million over the next five years for a sustainable energy science and technology strategy to ensure that, when it comes to environmental technologies, Canada is the birthplace of the next generation of the best ideas and innovation

To reduce greenhouse gas emissions, we must also use voluntary agreements and, where necessary, regulation in the most effective and appropriate way. Canada will finalize arrangements in the transportation sector and among Canada's largest industrial emitters

● (1700)

[English]

Across our vast northern landscape where energy production and consumption are deeply ingrained in how we exist as Canadians, all Canadians, government, industry and citizens, need to believe and need to demonstrate that energy conservation, energy efficiency, energy innovation, including the greater use of renewable and alternative fuels, are fundamental hallmarks of an intelligent 21st century society.

No decree will solve climate change. There are no short term answers, but to fight it, the government will use every tool available. We will respect our commitments in a way that produces long term and enduring results while maintaining a strong and growing Canadian economy.

Our environmental responsibilities do not stop at climate change. That is why the budget provides a further \$1 billion in new funding for other environmental priorities. This begins by building strong environmentally sustainable communities. To that end, I am announcing some further dimensions to our new deal for cities and communities.

First, at least half of the new revenues to be transferred through the gas tax will be dedicated to sustainable infrastructure. Second, in addition to the gas tax, we are providing \$300 million in new federal support for green municipal funds to enable more local environmental projects to be advanced. Third, half of that new funding through the green municipal funds will be dedicated to the remediation of brownfield sites.

Beyond our cities and communities, we must also take steps to safeguard the great natural heritage which we received from our parents and grandparents and which we are determined to preserve for our children. To that end, the budget will provide support for a number of initiatives.

We will launch the first phase of the oceans action plan. We will increase investments in our national parks. We will extend funding of the Great Lakes action plan. We will help support the fight against invasive species. And here I want to congratulate the member for Huron—Bruce for his determined battle against the sea lamprey.

We will bolster the work of the prairie farm rehabilitation administration as Canada's expert agency in matters related to the environment and agriculture.

*The Budget*

Our country was founded on certain values and basic beliefs: a sense of fairness and justice; a spirit of generosity, compassion, tolerance and inclusion; open hearts and open minds. Those values have shaped our character as a nation and defined our position in the world.

Today a new generation of young Canadians inherits those values and carries them abroad. It is a generation which takes great pride in being Canadian, but which also sees itself as citizens of a wider world with responsibilities to those beyond our borders. Part of that responsibility is demonstrated in global efforts to improve the environment, but it does not end there. In an increasingly uncertain world, Canadians know that we must play our part and shoulder our share.

Canada's military has a long and distinguished history of doing just that: responding to international need and promoting international peace. Our responsibility is to make sure that their capabilities match the new demands of a new era.

●(1705)

The shape of what that role should be is evolving with a new national security policy released last April, and a comprehensive international policy review soon to be presented. We look forward to the results of that review, but in the meantime we will act in several areas.

Last summer we made a commitment to increase Canada's regular defence forces by 5,000 members and its reserves by 3,000, an important first step in implementing any new defence policy. I am pleased to confirm today that this budget delivers on that commitment and in fact we will go much further.

On a cash basis over the coming five years we will provide nearly \$13 billion in new funding to our armed forces. That is the largest increase in defence spending in Canada in the last 20 years: funding for both the new troops and the new reserves; funding for operational sustainability; and funding to acquire new equipment and materiel both before and after the policy reviews.

[*Translation*]

This significant investment in our military means that we will be able to better meet our responsibilities abroad and protect our people at home.

And there is no more fundamental—or important—role for government than protecting its citizens from harm. Over the past three years, our government has invested more than \$8 billion to enhance the safety and security of Canadians.

With this budget we will provide an additional \$1.2 billion for measures relating to air and marine security, border issues, policing, emergency preparedness and response capabilities.

[*English*]

Some events in our world, such as the tsunami, are unpredictable and their impact immediate. Others are longer term, the problems deeply entrenched, their causes and their consequences measured in generations. Poverty is one of those.

The United Nations has set an ambitious agenda of cutting global poverty in half by 2015. To help reach this objective, Canada

pledged in 2002 to double its international assistance within 10 years. So far we have been moving step by step in that direction by individual annual increments. Today I am pleased to confirm a multi-year commitment consistent with our pledge of \$3.4 billion in international assistance over the next five years.

Nowhere is the need greater than in Africa. By almost any measure it is a continent in crisis. It faces enormous economic challenges and health problems, the scope and scale of which defy comprehension. More than 260,000 people die in Africa of AIDS and malaria, the equivalent of a tsunami, every single month.

●(1710)

[*Translation*]

Canada took the lead in raising Africa's profile on the world agenda, starting with our hosting of the G-8 Summit in Kananaskis, Alberta, in 2002. Since then, we have continued to be heavily involved. It has been my great honour to represent Canadians on the Commission for Africa, a recent United Kingdom initiative which builds on what Canada began.

To demonstrate our continuing commitment to the people who need our help most, this budget takes specific action on two important fronts.

[*English*]

First, we are providing \$342 million to accelerate the fight against diseases which are wreaking such havoc in Africa: AIDS, tuberculosis, malaria and polio. Specifically, our contribution with respect to polio should allow the World Health Organization to complete its plan of eradicating that disease by the end of 2005.

Second, we are renewing Canada's international leadership on the issue of debt relief. Through both multilateral and bilateral initiatives, we have eased the debt loads of poor countries struggling to lift themselves up, most recently in Madagascar, Ethiopia, Ghana and Senegal. In this budget, we will set aside \$172 million for a new Canadian debt relief initiative and specifically \$34 million targeted to the world's most heavily indebted countries.

Behind all the words and numbers in this budget are decisions that reflect directions set and commitments made. Taken together, they help shape the course of our national journey.

[*Translation*]

In the longer sweep of our history, each generation has faced daunting challenges and defining moments. Whether it was the creation of this country in the first place, its union by rail, the fighting of world wars, the great social policies of the post-war era, or the elimination of the deficit in our time, Canadians have always risen to the challenges before them.

*The Budget*

[English]

Today, we build on what has gone before and for those who will come after, not by making promises but by making good on promises, by delivering on our commitments, and by having a sense of the future, of where want to go and the country we want to build: a competitive, productive 21st century economy, knowledge based, technology driven, highly skilled and excellent by every measure; an inclusive and caring society in which fairness and equality of opportunity are the measures of our progress; a clean and green country which prizes a natural heritage of extraordinary richness and preserves it with the greatest care; a confident people, respected and trusted as model citizens of the world.

It is to that vision of our country that this budget is directed and to that cause that this government is committed.

• (1715)

[Translation]

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I have listened to the Minister of Finance. I listened with great interest in a Parliament where the government is in a minority position.

During the last election campaign. I heard Conservatives talking about the expected surplus and the Liberals denying the possibility of a surplus. Obviously the fiscal imbalance does exist.

[English]

I should also mention that I did hear something about big surpluses. Big surpluses apparently have miraculously reoccurred, allowing the government to continue in some of its wasteful ways. As with all miracles, there are some good things that can happen as well and I note in a minority Parliament the sudden occurrence of a range of interesting Conservative priorities. I will want to speak more about this tomorrow.

Therefore I move:

That the debate be now adjourned.

[Translation]

**The Speaker:** Pursuant to Standing Order 83(2) the motion is deemed adopted.

(Motion agreed to)

[English]

**The Speaker:** Accordingly the House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 5:18 p.m.)

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