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OFFICIAL REPORT
(HANSARD)

Monday, February 24, 2003

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, February 24, 2003

The House met at 11 a.m.

Prayers

GOVERNMENT ORDERS

• (1110)

[*English*]

SUPPLY

ALLOTTED DAY—AUDITOR GENERAL'S REPORTS

Mr. Gerald Keddy (South Shore, PC) moved:

That this House consider the reports of the Auditor General presented in 2002. Debate arose thereon.

He said: Mr. Speaker, it is a pleasure to rise today to consider the report from the Auditor General. Certainly my colleagues in the House who sit on the public accounts committee have had the opportunity to consider the report at some length.

We have reviewed a number of the chapters and a number of issues have been raised on those chapters. Today will give us time to further involve ourselves on a number of issues the Auditor General has raised and to discuss other issues that were not raised at committee.

A couple of things are noticeable in the Auditor General's report and I will give a quick summary of the report. In chapter 1 she recognized matters of special importance. The Auditor General was concerned that Parliament was not and is not informed and that government wide management reforms risk losing momentum.

If there is one piece of information that we should take from the Auditor General's report, it is, I believe, that the Liberals are very poor managers. For the past decade they have governed through the best economic opportunity this country has ever seen. They have had more revenue flowing from the GST and other tax issues that previous governments have put in place and they have not managed that money well. We can see from the budget and the \$25 billion spending spree that they could not stand it any longer.

If we break down separate departments of government, and this gives all speakers in the House an opportunity to do exactly that, whatever department one may be critic for, whether it be defence, fisheries and oceans or aboriginal affairs, there is a wealth of information in the Auditor General's report on each and every subject that one could even dream of raising in the House.

I want to move to the issue of the lack of parliamentary information coming from the government and the fact that the government has introduced a number of reforms that have fizzled. Too often we introduce legislation and a process in this House that starts to reform a particular area of government and that reform never goes anywhere else. Probably the best example of that would be the Auditor General's report on the firearms registry. If we were to look at the history of the registry, we would see one series of bureaucratic bungling and mismanagement on top of another.

If we start at the beginning we see that it is quite a tangled web. It will take a little bit of time to actually follow the road map through the registry, but the registry was never run on real money. The government has an obligation to the Parliament of Canada to present its costs and its cost projections in the estimates. Most of the money that was funnelled through the registry never came through the estimates. Some came through the supplementary estimates but by far the majority of it came through the contingency fund. Although the Treasury Board approved spending, it was not approved in a proper manner and it did not follow the mandate of Parliament.

Who is responsible for this? That is the question of all the questions that should be asked. Most of us in this place do not like to point the finger at the civil service because civil servants, after all, work for the government.

• (1115)

However if there were a problem with a civil servant, whether it be a manager or a deputy minister, one would expect that would automatically go up the line to the minister. On the issue of the long gun registry and the \$1 billion in cost overruns, that simply has not happened.

We have a deputy minister who has been there for the majority of the life of the registry and yet the ministers in charge of the registry have been changed as often as we would change our suit. We started out with the now Minister of Industry. We went through the now Minister of Health. We now have the new Minister of Justice. The government is now saying that since the program is not really working at all, it will do the little bureaucratic shell game and move it over to the Solicitor General. The government brought in an action plan, spending taxpayer dollars, and now says that since the program is not working and it has \$1 billion in cost overruns, that it will move it over to the Office of the Solicitor General.

Supply

Hopefully we are past the point where Canadians are simply going to take the government's word for it and they will start asking questions about what is really happening here.

When the Auditor General did her audit on the firearms registry she found the firearms registry to be guilty of a number of infractions: huge cost overruns that were not reported; instead of taking money through the estimates and the supplementary estimates, taking it through the contingency fund; having the ministers, including the Prime Minister, in collusion to bury the facts from Canadians; and to funnel money through surreptitious means to make sure that they could continue to fuel the fire of the gun registry, even though they knew it was not working.

When the Auditor General gave up her inquiry because she could not get enough information out of the registry, the government came in and said that it was not a problem, that it would simply hire KPMG to continue the audit. KPMG did little or nothing. The government still had a bit of egg on its face and said that it was not too difficult and that it was still in control of the situation. It decided to hire Mr. Hession who came in and gave us the Hession report.

If members have looked at all at the background and the information available through the long gun registry, then they will know that the Hession report was simply a cut and paste of information that was already there. There was not one new item of business in it. Information that was already there from internal reviews done by registry personnel was cut and pasted into a report, and the government came out and said that this was it. Well, yawn. Nobody really accepted that at any more than face value, just the charade that it was.

The government then said that it still had not convinced Canadians, that it had not buried this deep enough and that it needed an action plan. The Minister of Justice said that he would bring in an action plan, that he was certainly prepared to make a difference, that Canadians were pounding on his door demanding that the firearms registry be fixed, and that better audit procedures and better management practices be put in place.

When the new action plan was unfurled with some fanfare last Friday we learned for the first time that the government would be spending more money on the gun registry. Surprise, surprise. However, now, for the first time, we actually know how much more. The government has already spent \$780 million that we know about, with projections to go to \$1 billion, and now it says that it will spend \$65 million to \$67 million. I should mention that there is absolutely no guarantee that it will not go over budget.

• (1120)

Given the history of the registry, I would expect that the government will go over budget and by a huge amount.

We know the program needs an immediate infusion of cash because of the \$72 million in the supplementary estimates that we were successful in having withdrawn through a motion by the member for Pictou—Antigonish—Guysborough. We know the government has to vote on that this week and we know that it needs an additional \$15 million just to fix the database that it has in place. If one talks to the people who actually work at the gun

registry, no one believes that \$15 million can even begin to fix it. Therefore we can expect that the database will be thrown out.

We have a fair amount of information but none of the information should console Canadians that we will not continue to have cost overruns and involvement from the Prime Minister and his hand-picked ministers. The Solicitor General now will be in charge of the cover-up. It decided that it could not cover it up enough in the justice department, so it would move it over and cover it up in the Department of the Solicitor General.

Never once has there been any admission on behalf of the government that the gun registry has failed. It has not made one comment, a whisper or even a whimper that this has not worked. The government continues to try to confuse the issue and Canadians by saying that Canadians believe in gun control. They do and they should. There is nothing irresponsible or unreasonable about gun control. What we are not told is the fact that gun control has absolutely zero to do with the long gun registry. The registry is a totally different matter.

What we have is a Canadian public that has embraced the issue of gun control, especially the safe storage, safe handling and the screening process that is in place. I think that has been implicit in seeing that we have safer homes and safer streets in the country, better qualified hunters, better trained sportsmen and better trained target shooters. All of that has worked. All of that has been a plus to the firearms community. However none of that has anything to do with the registry because the registry has not been the part that has worked. After all, it is still not in place.

Several hundred thousand Canadians have not registered their firearms yet. Several hundred thousand more Canadians have only registered part or a portion of their firearms. They may have registered their favourite hunting rifle and perhaps a shotgun in order to receive their hunting licences but they have not registered the rest of their firearms. This is rampant throughout the country. This is not one or two firearm owners. This is the majority of them.

We have a failed registry and the biggest incidence of Liberal mismanagement and continued mismanagement that we have probably seen in the country since the HRDC scandal. What happens? The same thing that happened with HRDC. One minister caused it and another minister had to clean it up. In this case, the justice ministers were incapable, incompetent or unable to clean up the mess left to them by their predecessors, so it was moved laterally to another department, that of the Solicitor General.

Canadians should ask themselves what has changed. The Auditor General has said that it was inexcusable overspending and inexcusable accessing of funds by not going through the parliamentary process. Now we are going to spend more money and move the department to another department. That has fixed it. Everything will be okay now.

Supply

•(1125)

Hundreds of thousands of firearms still are not registered. Hundreds of thousands of Canadians still are not in compliance. This is not just the criminal element because none of those folks will register their firearms. We are talking about law-abiding citizens, men and women who stop at stop signs and who have never broken the law. Probably the biggest thing they have ever done in contradiction to the law is to have a speeding ticket and they are embarrassed about that.

We have a blatant situation of government involvement in the affairs of Canadians with no reason for it except to save face for the Prime Minister and the ministers of justice. Worse yet, and this should be a warning to all Canadians, now the government has moved it to another department. It will still spend nearly \$100 million a year on it. There is no reason for us to think that it will work any better than it did before. The department which the program has been moved to is the same department that will enforce the law.

Obviously, we have learned now that the Liberals are getting serious. Now they will go out and arrest all these law-abiding Canadians who are in contravention of the act. There would be no other reason to involve the department that handles CSIS and the RCMP, the enforcement agency. The RCMP does not especially want to be the enforcer. It would sooner see someone else do it. However it falls upon its shoulders and it will have no choice but to start to arrest people who do not obey the law.

The government has given a six month extension. Therefore can we expect that come May 31 a lot of the people who have not registered their firearms but may have bought or sold a firearm at one time, and there is some nefarious record of it, the government will now use strong arm tactics? Will the government kick down their doors, walk into their homes and drag them off to jail? That is where all Canadians, who do not believe that Liberal mismanagement is a real serious problem, should be. That is a bit extreme but if there is an act and a law with penalties in place, sooner or later it will have to be enforced. The one thing the government has done is move the agency to the very agency that will enforce the law.

In wrapping up, the Auditor General's report has opened a number of doors. There is an endless repertoire of issues on which to speak. There is an endless list of incompetence and mismanagement at a time when the government has more money to spend than any government in the history of the nation. It is unfortunate that this window of opportunity and time has been wasted. It is unfortunate that there has not been more done in these past 10 years. Instead we have had the smoke and mirror tactics of trying to ram the gun bill home because there are a bunch of people who are anti-firearms and anti-hunting.

I cannot think of any other reason because the issue of gun control is not the issue at stake here. Even the Auditor General in her report said that she was not making a judgment of gun control. She was making a judgment on the books, on the sloppy auditing practices and on the fact that the facts were hidden from Canadians.

If I could ask Canadians to do just one thing, it would be to take a look at this single issue, and there are dozens more. It is not about

gun control, about which the Liberals like to say it is. It is about a long gun registry that has failed, that will continue to take dollars out of taxpayer pockets, that will continue to be run poorly, that will continue to have a database that does not work and is not efficient, and nothing has changed. Even though the Auditor General has asked for change, nothing has changed.

•(1130)

[*Translation*]

Hon. Lucienne Robillard (President of the Treasury Board, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Hillsborough.

I am very pleased to participate in this debate on the Auditor General's 2002 reports. However, I should mention that I question the usefulness of this motion, since we all know that this House considers these important reports on a regular—and I could even say mandatory—basis. They are subject to special consideration by the Standing Committee on Public Accounts.

That said, I am very pleased to be here, because I believe this matter to be of fundamental importance to our democratic government, which is morally and legally responsible to Parliament and Canadians.

Canadians expect the taxes they pay to be put to the best possible use. Confidence in our democratic system depends on the certainty that public moneys will be spent wisely and effectively. To that end, the government must be transparent and provide regular reports.

We have good mechanisms for ensuring proper accountability. The government must report on its performance, through the public accounts, the estimates, and various annual reports. These documents, and many others, provide the hon. members and the Canadian public with a large quantity of information, which ensures that the government is held accountable. One of the essential elements of this accountability is the independent auditing of this information.

Under the Auditor General Act, the Auditor General is responsible for determining the accuracy of financial statements and if the government is properly administering its affairs.

[*English*]

The government so fundamentally believes in the concept of independent verification that in 1994 upon taking office the act was amended to allow the auditor general to report four times a year in addition to special studies. This independent reporting is essential to helping us to improve the functioning of government.

In her assessments the Auditor General addresses three main questions. The first is: Is the government keeping proper accounts and records in presenting its financial information accurately? This is called financial attest auditing. Auditors general attest to or verify the accuracy of financial statements.

The second question is: Did the government collect or spend the authorized amount of money and for the purposes intended by Parliament? This is called compliance auditing. The Auditor General determines whether the government has complied with Parliament's wishes.

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The third question is: Were programs run economically and efficiently? Does the government have the means to measure their effectiveness? This is called value for money in which the Auditor General asks whether taxpayers got value for their tax dollars.

A value for money audit judges how well a policy or a program was implemented. This is the same objective Treasury Board has as the management board of the Government of Canada.

The Auditor General is an important partner in our efforts to improve the government's management practices. When she speaks, we listen and when it is appropriate to do so, we take action.

[*Translation*]

Allow me to provide a few recent examples of accountability to Parliament.

For many years, the Auditor General and her predecessors pointed out the necessity of reforming human resources management in the public service. The Auditor General recommended both legislative and non-legislative changes so as to clarify the role of the key stakeholders, improve human resource planning and manage those resources within a more strategic perspective.

This required a major reworking of the complex rules-based staffing system, which hindered the recruiting of qualified candidates to the public service.

The government has responded and proposed the most extensive legislative reform in more than 35 years. At the present time, this House is engaged in examining the public service modernization bill, which will allow more leeway to managers for hiring staff on the one hand, and create a framework of accountability and protective mechanisms on the other, with a view to striking a proper balance of powers within the system. The bill also clarifies the roles of the key stakeholders in human resource management.

Another point on which we agree with the Auditor General is the necessity to bolster the very foundations of modern administration, namely performance information, risk management, good stewardship of public resources, values and ethics. These are what we consider the function of a modern comptroller.

The Treasury Board requires all departments and agencies to create this modern comptrollership function and I am pleased to be able to say that this new practice has been inaugurated in 89 departments or agencies, and the results are beginning to show. In her 2002 report, the Auditor General again confirmed the importance of this initiative to enhance the government's administrative capacities.

• (1135)

[*English*]

We also agree with the Auditor General on the need to improve department reporting to Parliament. Over the last few years we have renewed our guidance to departments on performance reporting and increased our investment in evaluation and performance measurements. We have sponsored learning events and continue to review departmental performance reports on an annual basis.

We have renewed this commitment to improved performance reporting in this year's budget. Our focus remains on improving the

relevance, clarity and timeliness of performance information. We will be investigating ways to use electronic reporting as well as other means to maximize transparency and accountability to parliamentarians and Canadians.

For many years auditors general have also recommended that the government implement full accrual accounting. In her observations on the government's financial statements included in the Public Accounts 2002, the Auditor General urged the government to implement this important initiative fully.

We have listened. After many years of hard work, we announced the implementation of full accrual accounting in budget 2003. The recent budget was prepared on a full accrual basis, and the financial statements for Public Accounts 2003 will be prepared on a full accrual basis of accounting. In addition, the financial results of previous years have been restated on a full accrual basis. The implementation of full accrual accounting will help to ensure that Canada remains a world leader in open and transparent financial reporting.

For a number of years the Auditor General has also recommended that the government strengthen the accountability to Parliament of arm's length foundations that receive federal funding.

The government took action. Funding agreements for foundations arising out of budget 2001 were strengthened to address many of the Auditor General's concerns. Furthermore, budget 2003 outlined a number of measures that would ensure effective accountability for the use of federal funds. These would include annual reports to Parliament, compliance audits, evaluations and dispute resolution mechanisms. Provision will also be made for the possible recovery of the unspent funds in the event of winding up.

[*Translation*]

Like the Auditor General, the government is constantly seeking to improve its management practices, controls and reporting mechanisms. This was, moreover, part of our commitment to good stewardship made in the year 2000 in the document "Results for Canadians: A Management Framework for the Government of Canada".

No organization is perfect, especially one of the size and complexity of the Government of Canada. A responsible government knows enough to acknowledge that errors and problems may occur, and when they do, takes corrective action.

Being such a responsible government, we have put in place a system that makes that corrective action possible, and the Auditor General is an essential partner in that system. Our shared objective is to maintain public confidence in Canada's public institutions.

• (1140)

[*English*]

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I appreciate the minister responsible for the Treasury Board speaking today, because certainly the Treasury Board was closely involved with the cost overruns at the gun registry.

Supply

I will ask the minister about this. When she reads the Auditor General's report on the gun registry, and I am certain that she has, she will note that the Auditor General stated on page 11, chapter 10, that by November 1996, two years after the gun registry had been implemented:

—the Department had concluded that its 1994 estimate for required funds and expected revenues were based on a series of assumptions that were no longer realistic.

At this point it asked the government for, and the government approved, another year in which to implement the program. It estimated that it would need an additional \$193 million to implement its part of the program from 1996 to 1997 and for completion. It was given an increase of approximately \$166 million. The figure included increased spending of about \$71 million from the Treasury Board and a \$40 million loan from the Treasury Board, which makes it \$111 million in total. This was to be repaid in 2005-06, but was forgiven in 2000. There is another reallocation of \$55 million from the Department of Justice.

The issue at stake here is that this minister knew all along that there were cost overruns in the gun registry, yet there was nothing done about them. She also knew that the funds were not being allocated fairly and properly through the estimates, that the funds were coming either through the supplementary estimates or the contingency fund, which she also has a responsibility for. So what was the minister's role in the failed long gun registry and why was she complicit in helping to cover it up?

[*Translation*]

Hon. Lucienne Robillard: Mr. Speaker, the member has just demonstrated that the motion he is presenting to Parliament today might not be useful or could be questionable. The motion asks:

That this House consider the reports of the Auditor General presented in 2002.

I would like the member to know that Parliament, especially through the Standing Committee on Public Accounts, regularly looks at each report by the Auditor General and studies each of the chapters. The committee regularly brings together not only representatives of the Auditor General but representatives of the Treasury Board Secretariat specifically to follow up on the observations and recommendations of the Auditor General.

The question I have been asked today about the firearms registry is currently being studied by the Standing Committee on Public Accounts. I have been asked to appear shortly before the Standing Committee on Public Accounts—which is unusual—to provide a detailed and longitudinal explanation of what actions the Treasury Board has taken.

I will no doubt have the opportunity to come back to this in detail, but allow me at least to tell the member that Parliament was apprised of all the money committed to this specific program through the Public Accounts and the Appropriation Act that was introduced. The proof is that a parliamentary committee took a very special interest in the cost of this program.

I am referring to the Senate finance committee, which, each year, asked for a progress report on the program's cost, which we duly provided. One look at the work done by the Senate finance committee shows that the projected costs were clearly established,

discussed and re-discussed with the senators to explain what was happening with the firearms registry.

That said, this occurred in the other place. Nevertheless, I imagine that the Standing Committee on Public Accounts, with all of its expertise, will certainly ask the minister involved to demonstrate that public funds have been properly managed.

• (1145)

[*English*]

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, it is a pleasure to rise today and speak on this very important issue.

Chapter 10 of the 2002 Auditor General's report dealt with the Canadian firearms program. We have heard a lot in recent weeks about the administrative problems that the Canadian firearms program has had in the past. It is not my intent to, nor will I, downplay these problems, but I do think it is time to hear something about the changes the government has proposed to improve the Canadian firearms program.

I want to thank the hon. member for South Shore for the opportunity to remind Canadians about the gun action control plan that the Minister of Justice announced last week. This plan will deliver a gun control program that provides significant public safety benefits while setting the program on the path to lower costs. The plan will streamline management, improve services to legitimate users of firearms, seek parliamentary, public and stakeholder input, and strengthen accountability and transparency to Parliament and, through Parliament, to all Canadians.

A key element of the action plan is the passage of Bill C-10A and the adoption of consequential regulations by the end of this year. During the debate on what was then Bill C-15B, the hon. member for Yorkton—Melville told the House, "...the amendments given here may in some small way improve the original errors in Bill C-68". I share that view and I associate myself with those remarks.

Unlike certain members of the opposition, however, I believe Parliament exists to, and has a duty to, make an engaged and constructive difference. Despite the overheated rhetoric of the gun lobby, Canadians, I am convinced, are committed to the principles of Canada's Firearms Act. Opposition to the Canadian firearms program is neither as broad nor as unanimous as opponents would make us believe. Canadians want meaningful, effective gun control delivered to them in an efficient, cost effective manner. Poll after poll demonstrates this deep commitment.

If we have listened to a lot of the rhetoric that has gone on in the House, in the newspapers and on radios and TV in the last month, we would think that Canadians do not want anything about gun control. I disassociate myself with those remarks. People in Canada do not want a situation where any person can go out and buy a gun, store that gun and use it in whatever way they want.

Supply

I am a poster boy for gun control. I have never owned a gun. I have never fired a gun. I have never stored a gun. I would not know how to shoot a gun. I should not be allowed to go out to Canadian Tire later this morning, buy a gun and store it under my living room couch. That is not what the Canadian people want.

An hon. member: That's not what they have.

Mr. Shawn Murphy: If I can drive a car, I have to get licensed and I have to get trained. If I want to buy an airplane, I have to get licensed and I have to get trained. If I buy a boat, I have to get licensed, trained and registered. Certainly what the Canadian people are telling me and telling everyone is that if I go out to Canadian Tire later this morning and buy a gun, I first have to get trained in the use of that gun. Second, the authorities in Canada want to know that I am a capable person to own the gun: first, mentally capable; then physically capable, of a certain age; and, most important, trained in the use of firearms.

• (1150)

They want to know that I have a gun. If there is a domestic dispute in a household and the police come in at two or three in the morning, they want to find out, not the day following and not the week following but that minute, whether or not there are any licensed firearms in that particular house. That is what Canadians want.

For example, an Environics poll released last week shows that 74% of Canadians support the elements of our government's gun control program. Among gun owners themselves, support is split: 45% support the policies and 55% are opposed. Interestingly, 77% support is found among respondents from homes where somebody else owns firearms.

I am aware of the problems that the administration of this program has undergone since it was enacted. I am aware that certain fundamentals, the costing that was carried forward in the system, were no longer realistic. I am aware that certain ministers should have come back to the House with updates on the costing. This matter is coming before the public accounts committee at 3:30 this afternoon. I am a member of that committee. That committee will certainly deal with this issue. It will deal with it in depth, and recommendations will be made and tabled in the House.

Going back to polls, hon. members here today also may remember that not too long ago a national poll found that supporters of every political party represented in the House supported the Firearms Act.

Briefly I want to turn to the government's initiatives to reduce costs, which is important, to increase transparency and to improve client service, which are contained within Bill C-10A. I must stress that the principles included in Bill C-10A are as important today as they will be when the program moves to the Department of the Solicitor General. Last Friday's announcement does not in any way make Bill C-10A unnecessary.

There are a number of initiatives that, if passed, will help the government respond to concerns expressed by our Auditor General and also by Canadians in general. One of these measures is a proposal to stagger firearms licence renewals, which is intended to help avoid a surge of applications in five year cycles. To even out the workload in such a manner would result in more efficient processing, better client service and, I also submit, very significant cost savings.

Streamlining the transfer process for non-restricted firearms allows provincial firearms officers to focus their efforts and, I should add, their resources on other public safety functions. It facilitates client service without compromising public safety. Moreover, consolidating administrative authority for all operations under a Canadian firearms commissioner would ensure more direct accountability to the minister, who in turn is responsible to the House. This would enhance both financial and political accountability. As well, the Canadian firearms program would present an annual report that would give a more full picture of the program and complement existing government reports to Parliament.

I believe strongly that Canadians want common sense gun control legislation delivered in a cost effective manner and with full accountability and transparency to Parliament. They also want a commitment from us that we will administer this program from this point on in the most effective manner possible.

Before I close I want to remind the House that this is not just a Canadian issue. Wayne LaPierre, chief executive of the National Rifle Association of America, recently told *The Wall Street Journal* that the National Rifle Association is watching Canada very carefully. It wants us to be an example. The NRA wants Canada to fail and the NRA wants to tell the world that we have failed.

Canada is an example. We are showing the world that the path of the NRA and their brothers in Canada's gun lobby is not the way.

• (1155)

Canadians overwhelmingly support the principles of our program and have for years. We have challenges to overcome, but with the support of all Canadians I am confident that we can overcome these challenges and ensure that Canada has an effective, common sense gun control policy.

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, I must shake my head after listening to the comments from the hon. member. I know he is a serious member of Parliament and does try to raise the level of debate on most occasions, but I have never heard such drivel come from the mouth of a member of Parliament in the almost six years that I have been here. This is absolute bunk. What in the world is he talking about?

The member said the RCMP would check every household before it is called to that home to see whether individuals have firearms or not. The member should give his head a shake. RCMP officers approach every domestic dispute as if firearms are involved. That is their training. They are supposed to do that. If they do not, they will wind up on the wrong end of trouble some day, and their wives and families will regret it.

The speech that the member gave has nothing to do with the firearms registry and the billion dollars wasted, nor the number of lives that could have been saved in this country. As a person with a legal background, how many peace bonds could be enforced in this nation if \$1 billion was put toward extra RCMP personnel out on the streets?

This is not a poster boy for gun control, but rather a poster boy for incompetence. The long gun registry is not about gun control. Canadians have accepted gun control because it is needed. There needs to be safe handling and safe storage of guns. Where was this member in 1994 when this came in?

There was a bill that included safe storage and safe handling. It included a process of screening gun owners and training gun owners to ensure they were competent. That was thrown out the window. His government wants to debate whether or not to have gun control instead of dealing with the GST and the rest of the election promises it made. This is not about gun control. It is about incompetence and poor management.

Mr. Shawn Murphy: Mr. Speaker, I did not detect a question from the member. He said I was talking drivels, but that is all I have been hearing for a month in this place on the issue of gun control.

Between the Canadian Alliance and the Progressive Conservative Party all they want to talk about every day is gun control. They do not want anything to do with gun control. Their premise is that every man, woman and child in Canada has a God given right to own a gun, store a gun and use a gun in any way they see fit. That is drivels and the learned member should be ashamed of himself.

Canadians want a common sense approach to this situation. They want gun control and they want it delivered in a cost effective manner. They are fed up with the drivels coming from the Progressive Conservative Party and from the Canadian Alliance.

We want it delivered in a more cost effective and transparent manner. The Auditor General reported that in chapter 10 and made some excellent recommendations. Those recommendations would be before the public accounts committee this afternoon, of which I am a member. We will deal with the auditor's report. We will hear witnesses, including the president and the past administrator of the gun control program. The committee will write recommendations, and those recommendations will be filed in the House and acted upon. At the end of the day, we will have a better, more cost effective gun control system for all Canadians and that is a good plan.

• (1200)

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, let me put on the record that we thank God for the Auditor General of Canada. She is the great, impartial, credible person who has access to the records of the Government of Canada. When she tables her report the country sits up and takes notice, and rightly so because her report points out the deficiencies, maladministration, ineffectiveness, waste, mismanagement, and so on that we find in the files of the Government of Canada.

Left to its own devices the government would take every dollar that Canadians had, spend it on frivolous and inefficient programing, and Canada would be going down the drain. So thank God for

Supply

the Auditor General, who goes in there, diligently looks at the files and says that we must tell Parliament what is going on.

The Auditor General has said many things over the years. On accountability, she said:

Parliament must be in control when it comes to approving expenditures and scrutinizing results. When Parliament is out of the loop, taxpayers lose their say in how the government spends their tax dollars.

Our Auditor General speaks well. She speaks loudly and wisely. She keeps Parliament informed. Parliament's job is to keep the government on its toes and for the government to answer questions in the House about how Canadian taxpayers' money is being spent. Unfortunately, we find out far too often it is not being spent well.

If we go back two or three years, there was a thing called the HRDC billion dollar boondoggle, where we were writing cheques when we did not even have an application on file. We did not have any idea why we were spending the money, we would just write the cheque because somebody thought it was a good idea. Every rule in the book was being broken. Nobody was paying attention to the rules. Nobody was worrying about the Canadian taxpayer and value for money. The Auditor General pointed it all out to us and it became a major scandal, and rightly so.

What happened after it became a major scandal? The government said, "Oops, we had better start following our own rules written by the President of the Treasury Board". She showed up here this morning and said that when the Auditor General speaks, we listen. I wish that were true.

The Auditor General has been talking for years about the \$40 billion, and growing, surplus in the employment insurance fund. The Minister of Finance stood in the House last week and told us that he would be reducing EI premiums. How wonderful he is, he is going to let Canadians keep their own money. He only dropped the premium 5%, from \$2.10 down to \$1.98. It is under two bucks.

He says this is good news, but it was only a 5% decrease. Guess what? It does not take effect until January 1, 2004. He will be keeping the old cash machine rolling the cash in for another 11 months before he has the generosity to let Canadians keep their own money. Even though the Auditor General has been pointing out for years that this should not be a cash cow, that this is supposed to be a self-financing program and nothing else, the government has used it to self-finance the government. So thank God for the Auditor General, who puts the pressure on the government and it must pay attention.

We have talked a lot about the gun registry, another billion dollar boondoggle. This was going to be a \$2 million program by the then minister of justice. He was so proud of this because he was going to keep it as his own little program, run by his own little department, the Department of Justice. The Department of Justice has about 2,000 or 3,000 lawyers who write legal reports and briefs. They do legal opinions and write legislation. But they have never ran a program in 100 years.

The minister of justice of the day, and we know who I mean, thought that this would be his great kickstart into the Prime Minister's office. But like everything else he touched, it went sour on him.

Supply

•(1205)

The Auditor General did a complete report which she tabled last December. Here are some of the headlines in her report:

Current ownership and registration requirements are more rigorous. Single point accountability for the Program was not implemented. Program cost estimates have risen from \$119 million to over \$1 billion. Contrary to the original announcement, fees will not cover expenditures. From the start insufficient financial information was provided to Parliament. Supplementary estimates were inappropriately used. Accountability for all Program costs was not maintained. The financial information provided does not fairly present all costs. In 1996 the Department recognized that funding assumptions were unrealistic. In May 1998, program costs were estimated to be \$544 million. By February 2000, program cost estimates had increased to \$764 million. By May 2000, the Program cost estimates rose to more than \$1 billion. In February 2001, a new plan to restructure the Program was approved. The program became excessively regulatory. Restructuring involves replacing an expensive, three-year-old computer system.

The government was going to trash the computer system because it did not work. That is hundreds of millions of dollars down the drain.

That is what our Auditor General told Parliament. She added that there were deficiencies in the management of revenues and refunds. The whole thing was just a dog's breakfast. We are glad we have the Auditor General to point that stuff out to us because the government is incompetent, plain and simple.

What did the Auditor General say about the gun registry? She said in her news release:

The issue here is not gun control. And it's not even astronomical cost overruns, although those are serious. What's really inexcusable is that Parliament was in the dark.

We can thank God for the Auditor General that she can shed some light on these issues. We can take these issues up on behalf of all the taxpayers in this country and ask about the waste, mismanagement, incompetence and so on that goes on each and every day.

Then, of course, last year there was the Groupaction scandal. The Auditor General said that senior public servants broke just about every rule in the book. This is reminiscent of the HRDC billion dollar boondoggle. She said:

I have referred this matter to the RCMP and I am undertaking a government-wide value-for-money audit of advertising and sponsorship programs of the Government of Canada.

We have Groupaction that comes to light and \$40 million goes straight down the drain. We dealt with that at the public accounts committee. We would have had a report in the House if it had not been held up by some members of the committee, but I will not get into that. The point is we will table a report in this House that will tell us what went wrong. Maybe we do not have all the answers, but at least we have the report of the Auditor General telling us that every rule in the book was broken. How can we have faith in a government when the Auditor General tells us these types of things are going on?

Do members remember the heating fuel rebate? It was introduced two days before the election in 2000. We had a budget and the day after the budget we had an election. The budget was never implemented, but the Minister of Finance promised Canadians assistance to help them with the high cost of heating fuel because they could not afford the increasing prices throughout the winter. The Auditor General told us about this program later on. It was a

fairly short lived program because heating fuel prices went up and then they came back down, and the program was finished and cancelled.

•(1210)

We in the Canadian Alliance have no problem with and in fact support the idea of helping those in need when they need help. The point was that the program cost \$1.4 billion and the Auditor General told us that only \$400 million went to people who, by the government's own definition, needed the subsidy. That was \$1 billion wasted again. What is even worse is that 90,000 Canadians who needed the money did not get a dime, not one dime.

The government, the Liberal Party, went across the country, the Prime Minister, the Minister of Finance and everybody else went from coast to coast saying, "We are doing a wonderful thing for Canadians". It was \$1 billion down the drain.

The HRDC billion dollar boondoggle, the gun registry billion dollar boondoggle, the heating fuel rebate billion dollar boondoggle; three programs, \$3 billion. Do we not realize there is a pattern of waste, incompetence and mismanagement? The attitude that it is okay, it is the taxpayers' money and they can afford it so do not worry about it cannot prevail. That is the point we must get across.

Taxpayers are beginning to realize that they are being taken in a scam by the government. The government had better pay attention because after the next election, the Liberals will be over here and we will be over there because the Canadian taxpayers think that enough is enough. That is why I say thank God for the Auditor General.

What does the Auditor General say on financial management? "Like other similar government-wide reforms, this initiative aimed at improving financial management and control has not received the commitment and leadership that it needs to succeed. For an organization that spends almost \$180 billion a year, this is not acceptable. It is time for the government to get serious and get on with making the necessary improvements". Here we go again. The government does not know how to manage taxpayers' money.

What does she say on lack of leadership? "Without better direction and clear expectations, these initiatives will flounder. Even the best intentioned department cannot make up for a lack of leadership from the centre". She pointed a finger at the Prime Minister. It is time the Prime Minister and the whole front bench realized that they are the centre and if they cannot run the show, they should step aside and let somebody else do it.

Then there are the foundations. There is \$7 billion of taxpayers' money parked in private bank accounts outside the control of Parliament, outside the control of the Auditor General, outside the control of anybody but a board of directors appointed by, of course, the Liberal government. The foundations can spend the money as and when they see fit.

Supply

The numbers were massaged so that when we thought the books were balanced, they took \$7 billion that would have been reported as a surplus and put it in a bank account. Then if they ever wanted to have some deficit financing, they could spend the money without it even showing up on the books.

For example, \$2.5 billion went into the Canadian scholarship fund in 1998 and it is still sitting there. We have paid to educate tens of thousands of Canadians, to help with their post-secondary education, to give them a start in life, to help them build this great and wonderful country we live in.

We authorized the funds. Where are they? Sitting in a bank account. The kids did not get the money. The taxpayers forked out the cash that is sitting in a bank account so that when the Minister of Finance thinks the time is right, when it is most advantageous to the party on that side of the House, he can say, "Open the floodgates and let it roll", and nothing will show in the Public Accounts of Canada.

There is \$7 billion parked there off balance sheet. We have heard about off balance sheet before. It seems to me it was tagged to a couple of names like Enron and WorldCom. We came down heavy on those companies and we should come down heavy on the government.

● (1215)

When we dealt with this at the public accounts committee last week, the government members just shrugged and said, "We can do what we want. We have an agreement. We have created the organization. It is perfectly legal". We know it is perfectly legal but the point is all the people on the government backbenches hold their noses and vote for whatever the Minister of Finance wants and the taxpayer is left holding the bag, and the bill. Do not forget the bill.

The Auditor General also reported on health care. The Department of Health delivers health care to our native population. It is not the provinces that does that, but the provinces deliver health care to everyone else.

The Auditor General pointed out that one dentist caught on to the scam that the government does not check its bills. For one particular procedure, and I am not sure what it was, he charged the Government of Canada 40 times more than the allowed price by the insurance companies and the provinces. These things are all negotiated. We know how it is; a dental plan only pays so much and if the dentist charges more, he can go away.

We paid 40 times more than the going rate and no one asked, "Is this not a little pricey?" The government's attitude is, "We do not need to ask these questions, we just pay the bills. The taxpayer can afford it". We need the Auditor General to point these things out.

The Auditor General also pointed out that one gentleman called an ambulance to go to the hospital, which is fine. If someone needs to go to the hospital, he or she can call an ambulance. That is what they are there for. He did it 150 times in a five month period. There are approximately 150 days in five months. If we do the math, he called an ambulance every day, which means he needed a ride to town. No one asked, "Is there something going on here? Is this guy really sick? Maybe not". The government said, "Just pay the bill. Do not worry, the taxpayers can afford it".

Then there are the serious cases. We dealt with this in the public accounts committee also because the Auditor General pointed it out. We pay for the prescriptions for our native population. We do not have any controls on the central nervous drugs, the ones people want to sell on the streets. We have controls for the rest of society because of the triplicate prescription concept. But no, we cannot do that for the native population because it would be against the Charter of Rights and Freedoms, human rights and privacy, the whole ball of wax. We cannot do it for them. They can go down the street to 10 different doctors, which some of them do.

We heard the story from Mrs. Stonechild from Saskatoon whose brother and son both overdosed on drugs, all paid for by the Government of Canada, all prescription drugs, within a three week period. The Department of Health said it was not its problem and there was nothing it could do. That is disgusting. It is absolutely shocking and shameful. We can do it for everybody else but not for the native population.

I could go on but I want to point out a couple of things. There are a couple of members on the other side who took the Auditor General to task and I say shame on them.

The member from Beauséjour—Petitcodiac said, "I hope before anybody gets too exercised about what the Auditor General might think, they look at the mistakes that her office made, including a \$4 billion overpayment to the provinces". The Auditor General does not pay anybody; we all know that. She is the auditor. She does not run the Government of Canada. She does not write the cheques for the Government of Canada. Shame on him for saying something like that.

The MP for Pickering—Ajax—Uxbridge questioned why the auditors general for years also missed the problems with the sponsorship program. What about the government? It runs the program. It broke every rule in the book. She only takes a look at a small sample and thank goodness somebody stumbled across the fact that these things were a mess.

Shame on those members for taking the Auditor General to task.

● (1220)

I finish as I began. Thank God for the Auditor General of Canada.

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I have a question and a comment and I will start with my comment.

Supply

We are talking about the Auditor General's report. Not that long ago there was a report relating to abandoned mine sites. We have some contaminated sites in the north. There was a need to deal with them and the Auditor General pointed this out. I would like to commend the Minister of Finance and the Minister of Indian Affairs and Northern Development for making sure this was in the budget. I believe there is a \$175 million fund to deal with the contaminated sites starting with the most risky. That was a very positive reaction. Of course I lobbied for this because we have such sites in my riding. I am very happy that the minister responded.

I always enjoy the member's detailed input. My question relates to HRDC. The member's party continually brings up the old situation and it has a negative effect for Canadians who really need the help. The system has now been fixed and the administration is on solid ground. However, by constantly bringing up this situation and pushing for so many rules, it is causing many delays in the program delivery and there is great expense on the part of the government to deliver programs to those who need them.

I am sure the Alliance Party is in support of the programs that help people in need. There are people with disabilities, for instance. The NGOs have told me that because of constantly bringing this up, there are delays in the processing and so much expense will be added to the debt and taxes because the Alliance members are pushing this so far. It would be a tremendous help to society if they would let the situation go now that it has been fixed and if they would stop creating more problems for those in need.

Mr. John Williams: Mr. Speaker, I will first respond to his comment. The member admits that he lobbied for money to be spent in his riding. I am not disputing the fact that there is a need for environmental remediation in his riding, but there is a need for environmental remediation right across the country. We know about the tar ponds down in Nova Scotia, which is the worst environmental disaster in the country. We know about the nuclear contamination in the uranium mines up in northern Saskatchewan and that is going to cost billions of dollars too.

The idea that government members can lobby for money for projects in their ridings is totally wrong, but I will leave that aside.

Regarding HRDC and the rules, we do not write the rules. The President of the Treasury Board is sitting right there. She and her department write the rules. If the rules are—

Mr. Larry Bagnell: Mr. Speaker, I rise on a point of order. The member is not allowed to mention who is present in the House.

The Deputy Speaker: There is a slight difference. We make a differentiation between someone being here and someone not being here, understanding of course that when people are not here, it is simply because their duties take them elsewhere, whether it be here in the parliamentary precincts, in their ridings or wherever it may be. However, it is not a point of order, respectfully.

Mr. John Williams: Mr. Speaker, the President of the Treasury Board is sitting right there. She and her department have the responsibility for writing good management rules that protect the taxpayers of Canada and allow the government to do the job.

If the government cannot write these management rules like the private sector can write these rules, as private auditors check to see

that the private sector is doing things appropriately, the Auditor General keeps an eye on the Treasury Board rules. The Auditor General said that every rule the President of Treasury Board had written had been broken. How can anyone complain or criticize the opposition for saying it should fix the problem?

I cannot believe the member is saying we should slide back to the way it was before because it was a lot easier. Shame on the member.

• (1225)

Mr. Dennis Mills (Toronto—Danforth, Lib.): Mr. Speaker, I want to begin by acknowledging the work by the member for St. Albert as the chair of the Standing Committee on Public Accounts. I have watched his work over the last few years and it is an extraordinary piece of government accountability that he organizes through his committee experience.

I personally believe that one of the greatest reasons why we have a democratic deficit in the House of Commons is the unelected, unaccountable officials who virtually spend 95% of the money that goes through this place. They need a realization that the political culture is keenly interested in how moneys are spent.

I believe that the Auditor General's budget of \$66 million to cover over 40 departments of government and some 70 crown agencies, et cetera, is not enough to do the job.

Could the member for St. Albert put forward his views on the fact that if we are to really get this system back on track so the elected people in the House of Commons know where all those moneys go, the way to do that would be to ensure that the accountability through the Auditor General's office is dramatically intensified? Therefore we would need to give the Auditor General's office a lot more than less than a million dollars per department to audit.

Mr. John Williams: Mr. Speaker, first let me thank the member for the compliment. Let me return one to him because of the hard work he does. We know he speaks out on issues freely, rather than following the government line. My compliments to him also.

Every year when the Auditor General appears before the committee on her estimates, I always ask if she has the money required to fulfill her mandate. If she ever has a problem, she knows she can come to the committee and we will go to bat for her with the President of the Treasury Board. We will go head to head with the president on that issue.

Most definitely there is a democratic deficit right in the House. The House does four, simple, fundamental things. It approves the legislation requests of the government. It approves the taxation policy for the government to raise the funds it requires. It approves the estimates that the government wishes spend and the government reports to us. Those are the four things that we do in the House and we fail miserably on most of these things.

Supply

When the government wants legislation we roll over and say, "Whatever you want, you will get". When the government introduces a taxation policy that squeezes taxpayers even more, we roll over and give it what it wants. On the estimates, the Auditor General points out that we are kept in the dark, but we give them to the government anyway, and it reports to us. What more can I say than thank God for the Auditor General of Canada.

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, one of the topics that will be talked about over and over today is the waste of money on the gun registry. The Auditor General in her report looked upon the amount of money the registry had cost. The important point the Auditor General made was that ministers involved and the government generally kept that great amount of expenditure from Parliament. We were completely and utterly kept in the dark.

I agree with my friend opposite who says that the member who is the chair of the public accounts committee has done a very good job over the last few years in that position. The member has a good idea of how government operates, how the expenditures are accounted for and how the reporting system works. How can somebody spend a billion dollars without letting the people who really should be making such decisions know?

• (1230)

Mr. John Williams: Mr. Speaker, it is fairly simple. The Auditor General said that we were kept in the dark.

If we look at the estimates, we will see that every other department has programs by lines, for example, the old age security. We can see the administration costs, the grants cost and the capital costs involved.

On the gun registry, there is not a mention, not even the words gun registry or firearms registry show up in the estimates. In the plans and priorities supporting document there are a couple of paragraphs which say that it will spend \$113 million. That is how we are kept in the dark.

Every year we get a big stack of documents called the main estimates and Parliament is supposed to plough through that and get all the information. We have to rely to some degree on the Auditor General and she does an excellent job of following up. I certainly compliment the member on the fact that we need to do more in the House. We cannot accept that what the government wants, the government gets.

[*Translation*]

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, it is a pleasure to take part in the debate on this motion to consider the 2002 reports of the Auditor General.

First, I will say that it goes further back than 2002. The House should be considering reports of the Auditor General going back ten years or so. I have been sitting on the Standing Committee on Public Accounts for four years and, on many occasions, I have felt frustrated.

There is frustration because, for the public and the media, when the Auditor General tables reports three or four times a year, these reveal shortcomings and irregularities. The media jump on these reports and splash the results over the front page of newspapers all

over the place. There are a few reactions in the House of Commons. Then, all is forgotten.

There is also the work of the Standing Committee on Public Accounts. We sit together with representatives of the various parties in the House, including the federal Liberals, set an agenda, summon witnesses and try to identify reasonable solutions to correct the shortcomings. This is when it gets frustrating.

By the end of the day, I will give examples to illustrate how each time we deal directly with ministerial decisions, decisions made by the Liberal government, we see the kind of political manoeuvring we have seen at the Standing Committee on Public Accounts.

When we are considering issues that matter less to the Liberals, two or three Liberal members show up for our meetings, just enough to have a quorum. It is quite a different story with more sensitive issues, issues directly related to government decisions, such as in the Groupaction affair. There is a sudden change in their attendance habits then; there are nine Liberal members on the Standing Committee on Public Accounts. They monitor everything to make sure the truth will not come out. Once again, this is frustrating.

Members of all opposition parties have stood in this House to demand explanations regarding the Groupaction affair. The minister responsible asked the Auditor General to investigate. The Auditor General reported; this report was tabled in April 2002. To this day, February 24, 2003, consideration of the report has not been completed.

The last time I participated in proceedings in connection with the consideration of the report, there was a filibuster. The Liberals wanted to change what the Auditor General had said.

I rose and I said, "We are not going to change the Auditor General's text. There is a problem. If the Auditor General has identified a problem, we must examine it".

It is clear from this that this House is losing credibility. The Auditor General's report was tabled in April 2002. Today, we are told that perhaps an effort will be made to finish this report on Wednesday. Once again, work on this matter in the Standing Committee on Public Accounts was trying. We were forced to meet in camera, to hear certain witnesses and not others. Large excerpts of this report were even published by the media.

Today, even if this report is now public, the Liberals are doing everything to water down the truth. That is why, today, the House is discussing the Auditor General's reports.

• (1235)

I could give another example, relating to foundations. No later than last week, representatives of the Treasury Board could not tell us where the money, the \$2.5 billion from taxpayers that had been taken out of the budget and granted to a foundation, had gone. The Treasury Board cannot tell us how this money has been spent.

Supply

Since 1993, this government, with agencies, committees and foundations, has increasingly taken responsibility away from Parliament. Furthermore, the former Auditor General, Denis Desautels, was very clear when he took stock of his time in office. He questioned the House of Commons' accountability and the authority continually taken away from it.

As I said at the beginning of my speech, when an Auditor General tables a report, it makes the headlines. However, once it goes to the Standing Committee on Public Accounts, it is extremely difficult to pass on the recommendations for addressing the shortcomings identified by the Auditor General.

Once again, I am going to talk about social insurance numbers. We are living at a time when increased security is required and efforts are being made to tighten security at our borders. The Auditor General said that so-called "900" numbers had been authorized for temporary residents of Canada. However, their whereabouts was not known.

In a few days, we will hear from certain witnesses, just like when officials from Human Resources Development Canada came to explain themselves. The Auditor General is becoming anxious because the Liberal government is not budging. She has therefore instituted an annual report in which she has clearly indicated that there are still some shortcomings in situations that she has already been critical of.

A week or two ago, an action plan was presented for correcting the situation, but it was not made clear why.

On Friday, I had to laugh when the Minister of Justice announced major changes to the gun registry program, knowing that he is to appear before the Standing Committee on Public Accounts this afternoon at 3:30 p.m.

This is some sort of marketing operation to stretch the truth and show that the Liberal government is taking action. However, the work of the Standing Committee on Public Accounts consists of asking questions and getting to the bottom of things. This afternoon, I am going to ask the Minister of Justice if he was aware of this mess. When officials are asked to appear before the committee, they are asked the same question.

At the Standing Committee on Public Accounts, I would expect there to be measures, deadlines and figures. But often officials respond with philosophy, big words, flowery explanations, and no measure, deadline or figure. They tell us, yes we will improve things, yes we will take steps, we will focus on this or that, but the result is always the same; nothing happens.

The Auditor General meets with us four times a year: three times with new chapters and one other time to tell us that things have not progressed in such and such a case. She does not shy away from issues, and now the general public is starting to take an interest in her work. From this side of the House, this is a slow and lengthy process and often, the truth is stretched and changes are not measurable, and the reports are forgotten.

I will provide one example, social insurance numbers. There were two subsequent reports, which again demonstrates a great action

plan. I am anxious to see what the outcome will be in another year or two.

• (1240)

Meanwhile, the situation persists. As for the firearms issue, another \$500 million has been announced. We do not know why it is costing \$1 billion. The Minister of Justice tells us, "It is no longer my file. I will pass it over to the Solicitor General". That is acting irresponsibly.

What has happened with that program? We are going to try to get to the bottom of it, but all we will get is one more manoeuvre with the excuse, "Yes, there was a problem; the computer system cost a lot. There have been some registrations and a few squabbles with the provinces". Nevertheless, the Government of Canada has dropped a billion in funds into a project that was supposed to cost \$2 million. Now we are up to \$1 billion. These are issues the Auditor General continues to address.

In connection with Downsview Park, for example, she has told the government three times, "You committed \$100 million to this without House of Commons authorization". Those are \$100 million non-accountable dollars. And the situation drags on. Three times already she has commented, "I trust that this will not happen again".

With respect to Groupaction, three different reports said the same thing. The Auditor General denounces the situation. We are still waiting for the first report. And once again, there is much manoeuvring on the part of the Liberals to put the blame on officials. Officials are said to be doing a terrible job on certain issues since Groupaction, say the Liberals. Officials are providing information, as far as I can tell. But on that side of the House, they are continually engaging in political intrusion. That is where the administrative quagmire begins.

I consider that to restore credibility to what the Auditor General is doing, it is incumbent upon the government to take specific, timely action, not to wax philosophical and make statements about doing this, that or the other without taking any action. It is trying to allay the suspicions not only of this House, but also of the public and the media. Meanwhile, the Auditor General is holding her ground. She has received a mandate to provide clarification with respect to how the government operates.

In light of the fact that her predecessor's efforts were often misunderstood, the Auditor General introduced the status report. Once a year, she will come before the House and tell those whom it may concern, "Look, such and such issue has not yet been settled". I would expect the federal government to quickly pass legislation and settle these issues.

At present, when the Auditor General submits her report, she raises issues like the gun registry. She raised the issue of social insurance numbers. And that of employment insurance as well. Yet, she has to raise the same issues again in her status report, to say that they have not been settled, that there has been no action.

Supply

In his recent budget, the current Minister of Finance suggested that measures will be taken to try to determine where the money in connection with the foundations went. We are talking about \$7.1 billion that this government is removing from scrutiny by the House of Commons. We do not know where all this money went. The millennium scholarship foundation, for instance, said it could provide us with a list of individuals who were awarded scholarships and benefited from the foundation. But we do not know how much money was spent, if there are interests in this foundation, and how it is all administered. The government is unable to tell.

• (1245)

When these foundations were set up, in the days of the member for LaSalle—Émard, they were not controlled by the House of Commons. The Auditor General even told us last week that she had no idea how to go about checking on these foundations. If the board of directors decided to cooperate, Parliament would be provided with reports, but if it decided to withhold information, the House of Commons had no leverage to obtain it.

I think we need to take a serious look at the impact of the Auditor General's reports. In the House of Commons, we have to act quickly and ensure that issues criticized by the media do not drag on too long.

Two things will happen if we do not act: the media and the public will start to say that the Auditor General can cite cases and denounce them, but that it is becoming nothing more than a news story three times a year. There will be a few reactions in the House of Commons, and then everything will be passed on to the Standing Committee on Public Accounts, and we are all aware of the intricacies of that committee.

The other risk has to do with the accountability of parliamentarians in this House. If there is no follow up to the Auditor General's reports, then what? If we in this House are no longer accountable for the money spent in Canada, then what are we doing here?

Today, I think that the motion presented by my hon. colleague from the Progressive Conservative Party on the 2002 reports could go much further than it does. In fact, since I was elected in June 1997, I realize that the last two auditors general have made incredible progress in reporting to this Parliament on deficiencies and situations that are unacceptable, but often, too often, we await the reaction of the Liberal government.

So, if we want to maintain the Auditor General's credibility with the public and the media, if we also want Parliament to remain accountable to the entire administration about all moneys spent on behalf of taxpayers, then a change, a signal from the Canadian Liberal government, is needed to show that something is not right.

In terms of the foundations, \$7.1 billion remains unaccounted for. There was the \$1 billion spent on the firearms registry. There were the Employment Insurance Fund surpluses. How many times have we risen in this House to condemn this situation? Once again, in her April 2002 report, the Auditor General continued to point her finger at the Ministers of Finance and Human Resource Development for the surpluses. But nothing is happening.

We learned, when the budget was tabled, that possibly, if all went well, there would be a new reform in 2005. But, in the meantime, the

meter is still running. The Employment Insurance Fund will continue to accumulate surpluses, to the continued disadvantage of those paying employment insurance.

I could go on at length. I would have liked this to be a votable motion, but we must follow the rules of this House. Once again, I think that the House of Commons is not only not taking into account the Auditor General's 2002 reports, but it is completely ignoring the work of the auditors. It is ignoring the Auditor General's periodic warnings. This House must show signs of change; otherwise we will be waiting for the Liberals during the next election campaign.

• (1250)

[*English*]

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I welcome this opportunity to participate in a discussion about the 2002 Auditor General's reports. It is a welcome recommendation by members of the Conservative Party that we devote some time today to the Auditor General's reports and talk about our need as members of Parliament to play a meaningful role in the scrutiny of public expenditures.

I was elected in 1997 and became the health critic for the New Democratic Party at that time. The very first lesson I learned in that role and in carrying out those responsibilities was in fact that there was within the Department of Health, and presumably across the board, a culture of deception and a culture of secrecy that clearly permeated the situation. We learned that quickly through trying to scrutinize government expenditures on a limited basis in that department and by responding to concerns of officials who felt the need to speak out and were hamstrung every step of the way in those efforts.

So I learned early on that the government has a very serious problem and that the Auditor General is playing an absolutely critically important role in exposing that culture of secrecy, that culture of deception, within the government and helping parliamentarians regain the necessary tools to do our jobs effectively.

It has been said by many today: thank God for the Auditor General. If it had not been for the Auditor General's reports over the last numerous years, but particularly the year in question, 2002, we as parliamentarians would be in the dark, without the information and the ammunition to be able to try to hold the government to account for its inappropriate administrative patterns and misuse of public expenditures.

The Auditor General has always played an important role in terms of Parliament, a role that is critical in terms of our ability to try to hold the government to account, but in fact in recent times it has become clear that the Auditor General plays a role that cannot be filled by any other aspect of our system, because the role that opposition members play in the House has been hamstrung and frustrated. There is no question about that. Through various techniques and manoeuvres by the government of the day, the role of the opposition member has been greatly reduced and our ability to hold the government to account on basic matters of the expenditure of public funds has been greatly curtailed.

Supply

The government has developed many paths around access to information and has presented all kinds of obstacles to members every step of the way. When we look at what happens during question period and the kind of stonewalling that happens whenever we ask basic questions about government plans and about spending priorities, it is clearly an obvious example of the treatment by the government of the role of parliamentarians, particularly opposition members.

The 2002 Auditor General's reports made a very important contribution to this fundamental issue about the role of parliamentarians and the role of this place in terms of holding the government to account. Her report entitled "Placing the Public's Money Beyond Parliament's Reach" is important in that regard.

• (1255)

Many members have referenced her reports but I think we need to look at the broad issues with respect to accountability and with respect to the tools that the government uses to make it impossible for us to do our jobs.

It is critical that we recognize and give some attention to the fact that in 2002 the Auditor General clearly did indicate that the government has moved to ensure that substantial amounts of public money are transferred to foundations, which puts that money beyond the reach of Parliament and beyond our ability to scrutinize. That point has been raised today, and recently the Auditor General made a very clear statement at the public accounts committee indicating that this is an issue which has to be resolved and which requires a concerted effort on the part of members of Parliament to redress.

The Auditor General was very clear in her statement on February 12 when she said:

The federal government has "delegated" program responsibilities to certain foundations without making them appropriately accountable. Since 1996-97, it has transferred more than \$7.4 billion to 10 foundations, money provided well in advance of program needs.

She referenced the prominent examples referred to in the House today: \$3.15 billion in federal funds for the Canada Foundation for Innovation; the Canadian Millennium Scholarship Fund with \$2.5 billion; and Canada Health Infoway Inc., with \$500 million.

Madam Fraser went on to say:

At March 31, 2002, almost the entire amount that had been provided to the foundations was still in their bank accounts and investments. It will be years before the ultimate intended recipients—students, health care providers and others—receive the money.

This is an issue that speaks directly to the role of Parliament in holding the government to account for public expenditures and to one of the mechanisms which the government has implemented to ensure that we are kept in the dark and Canadians are not fully informed of the revenue available and the programs that are committed.

That is clearly an issue that must be brought into focus today and must be dealt with through this debate. The more we can give public attention and parliamentary focus to this kind of accounting practice, the more we in fact can overcome this kind of method on the part of the government which hides and confuses the situation.

The opposition role clearly has been hurt and hamstrung by the fact that it is almost impossible to have a serious discussion of the estimates of a department at the appropriate committee. My own experience has been that in the standing committee pertaining to health, it is next to impossible to be able to have a serious, in depth look at the expenditures of that department on a line by line basis. If we are lucky, and if the committee members and the opposition put enough pressure on the committee as a whole, we will have the minister before the committee and have about an hour to discuss millions and millions of dollars being expended in terms of health care. It is hardly an appropriate way to account for public expenditures and as a result the House proceeds without the benefit of an in depth look by members of Parliament who have experience and interest in an area like health care.

It is interesting to note that it always takes a fight to get something as basic as estimates dealt with on an in depth basis. Why should it take a motion on the part of committee members to have the estimates dealt with in a serious way at the committee? Why does it take a motion that must be voted on by members of the committee to have the minister appear before the committee so that we can question him or her and the priorities of that department? Why does it take a motion to have the reports of the Auditor General pertaining to that particular committee presented in order to have the issues dealt with?

Are these not basic aspects of the role of parliamentarians and the role of the standing committees in terms of accountability? It is baffling to me, and to so many others in the House, that we continue to have this battle day in and day out. Why is it not automatic and why are steps not taken to ensure that we as members of Parliament have the tools necessary to scrutinize the government? Why are we continually having to fight just to be able to access the basic methods for scrutiny of government expenditures?

• (1300)

Here we are today, as a result of years of what I would characterize as deceit and secrecy, discussing the Auditor General's reports, which are very significant from that particular vantage point. The gun registry has certainly become a symbol of that kind of arrogance and maladministration on the part of the government. The Auditor General was very clear in her December 2002 report entitled "Matters of Special Importance". She said about the gun registry program:

The issue here is not gun control. And it's not even astronomical cost overruns, although those are serious. What's really inexcusable is that Parliament was in the dark.

Parliament was manipulated by the costs, \$1 billion by the year 2004-05, coming in under supplementary estimates with no mention of that in the performance report. That is the real issue at hand today. How was it that parliamentarians were not given the information they needed to scrutinize this program in detail? How did it come to be that members of Parliament were kept "in the dark" about expenditures with respect to this particular program? How did we end up today with the \$1 billion scandal, the \$1 billion overrun?

Mr. Speaker, how do we get control of that situation so that members of Parliament are informed along the way and so that we can in fact pursue the issues and try to bring the government to its senses with respect to the fiscal mismanagement problems it clearly has?

The gun registry was just one of the many issues raised by the Auditor General in her 2002 reports. I want to touch on a couple of issues that often get sidelined in the midst of this \$1 billion fiasco, which of course we need to focus on because it is such a glaring example of what is wrong with the government's accounting practices and of the trust that is placed in Parliament and parliamentarians.

If it had not been for the Auditor General's 2002 report, Canadians would not have become aware that the problem with social insurance numbers had not been resolved. We would not have been aware that there are roughly five million more social insurance numbers circulating than there are Canadians. We would not have been aware that the resources are still insufficient to follow through on information checks, that usage is still inappropriate even within government departments, and that fraud continues to run rampant without us really knowing the extent. That is one issue.

Let me go to another area, which has to do with health care, because I think that in the year in question the Auditor General made two very important reports pertaining to health care. They shed light on how the federal Government of Canada can play a role in sustaining our health care system and pursuing a cost effective approach to a system that many would say will not be affordable in the future.

Let me use the example of the Auditor General's report with respect to disease surveillance. For the benefit of members, let me point out that it was chapter 2 in her report. Sheila Fraser said the following:

The risks that poor health surveillance creates are very real: preventable illnesses may not be prevented, approaches to treating disease may not be as effective as they could be, and government funding may be directed at the wrong issues.

• (1305)

She basically said that in this area, which falls directly under federal jurisdiction, the Government of Canada was failing its citizens. It has failed to adequately track diseases making it difficult to design effective prevention and treatment programs.

Here we have a basic tool, a basic aspect of public policy decision-making, that being the surveillance of the incidents of disease in this country, and the government of the day cannot find the wherewithal, the means or the leadership to track the rates of disease, the methods of disease prevention and the alternatives in terms of treatments and interventions.

When we have breast cancer killing so many women every year why is it that the government cannot track the interventions that make a difference and advise Canadian women about those interventions and those alternatives? When it comes to heart disease, arthritis, asthma and mental illness why do we not have a tracking system that encompasses the nation and ensures that information is available to everyone about such serious matters?

Supply

It does not take a rocket scientist to know that if the federal government could do that, we could be looking at tremendous cost savings in the future because we have engaged at a preventative level, we have taken on these issues from the point of view of holistic health care and we have made every effort to address prevention and promotion as part of our health care system.

Another very interesting report by the Auditor General in 2002, which may come as a surprise to members, concerned health care and the enforcement of the Canada Health Act. In that report the Auditor General repeated her concerns that the government did not seem to know what money was going to health care and did not have the mechanisms in place to ensure that the money as committed was spent on the appropriate programs and that provincial governments were in full compliance with the Canada Health Act.

It is interesting that despite all the pronouncements in all of the reports we are still a long way from that kind of accountability and that kind of national system of surveillance of our basic health care system.

I know some of those issues were addressed in the last budget. We eventually will see a move from the Canada health and social transfer to the Canada health transfer, which will provide a measure of accountability and ensure that funds flowing from the federal government to provincial governments will be directed toward provincial health care systems.

However there are still no guarantees that the money allotted to provinces in terms of medical equipment and diagnostic services will be targeted and directed in terms of the non-profit health care delivery system. There has been no attempt on the part of the government to ensure that the new funding arrangements as announced in the budget will live up to the basic principles outlined by Roy Romanow in terms of accountability and in terms of ensuring a non-profit health care delivery system.

There are many other issues we could mention today. Needless to say, the issue at hand is one of accountability and about ensuring that parliamentarians have the mechanisms and the tools they need to keep a check on government spending and to do what the public expects us to do, which is to ensure that the money set out in the budget will be spent on the designated items and that there will be honesty and integrity in terms of government expenditures so that no one gets a sense of waste, mismanagement, unscrupulous behaviour, fraudulent activity or any sense that things are being kept in secret, out of sight and out of mind.

• (1310)

Our job today is to remind the government that we as parliamentarians need the tools to do the job and that this whole era of fiscal mismanagement and operating behind closed doors, out of the scrutiny of the public and Parliament, must end and it must end soon.

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, I listened to the speaker from the NDP with interest. As usual, she is worth listening to because she speaks from the heart in a lot of cases. Her concern about health care, which she has expressed many times in the House as she always finds a way to talk about health in her speeches, was extremely appropriate at this time.

Supply

I will glance over the fact that we need to have an accountable system and stay strictly to the point of the waste that has been identified by the Auditor General, including the billion dollar fiasco in the gun registry, and the Auditor General's question about the need to have a \$40 billion surplus in the EI fund.

From my own point of view, if we had known from the beginning that this was happening we could have prevented it. The biggest point the Auditor General made was that Parliament was kept in the dark while this was being done. If Parliament had known what was going on, as it should have if a proper accounting system had been in place, this waste would not have occurred. If the minister and his people could defend their estimates and their estimates could be scrutinized, this waste would not have occurred.

With the billion dollars wasted on the gun registry and the built up EI surplus for no apparent reason other than to pad government coffers, does the member not think this funding could be more properly targeted if we knew what was going on within the government?

Ms. Judy Wasylycia-Leis: Mr. Speaker, the member makes an important point about the way in which the government has played a shell game. Whether we are talking about the EI surplus, the fiasco with the gun registry or the broader issue of the unaccounted surplus dollars in general, the real scandal in terms of the federal government's accounting practices is the lowballing of surplus dollars available to it.

For the last three years the government estimated that its surplus would be \$7.5 billion. It turned out to be \$39.5 billion. The estimate was out by \$34 billion. How did that happen? What is the government's purpose in engaging in this kind of shell game, this lowballing exercise?

What it does is it gives the government a way to accomplish its objectives around debt reduction without being upfront and clear with Canadians. The Auditor General addressed that point when she said that the government could not make the statement that it was a normal practice to put all surplus dollars against the debt. She was addressing the kind of shell game that the government has been playing.

With respect to the gun registry, I am looking forward to another indepth review of the gun registry at the public accounts committee this afternoon. I find it interesting that the government in the last little while has made three different statements to the House about the gun registry program. The government clearly is on the defensive, scrambling to address the concerns of the Auditor General and leaving many questions about how we ended up in this state of fiscal mismanagement.

As a committee we have to look very carefully at the information provided by the Auditor General and the government, and we need to make a decision based on those findings. The government is presenting us with a damage report more than it is with a full and open accounting of a public policy option or a program that needs to be weighed in terms of pros and cons.

I look forward to the discussions later today and in the days ahead to make those kinds of a decisions with my colleagues. How do we address the issue of this overexpenditure in one area with surpluses

in other areas? How do we get the government to give parliamentarians the tools and Canadians the choices in terms of our public revenues?

● (1315)

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I have had the feeling over the last while that the government somehow has been trying to lead the public to believe that it is because of its hard work and tight budgeting practices that it has saved all this money for Canadians, and that it now has this wonderful amount of money waiting to be spent on the debt or whatever it chooses, such as some extra advertising with Groupaction or wherever.

In reality, it is hard to imagine, as the member was indicating, a \$30 billion surplus that was unexpected.

I wonder whether the member has thought of how Canadians see a government that somehow does not realize there will be \$30 billion extra. How does she think Canadians feel about a government taking an extra \$30 billion from them and not putting it into health care, into infrastructure, into security practices, pharmacare, daycare programs and numerous other programs that Canadians have been asking for more dollars to be going into? Rather, the government just talks about all the hard work it has done and how big the surplus is.

Ms. Judy Wasylycia-Leis: Mr. Speaker, I appreciate the question from my colleague. This is an important issue for Canadians because we know that if there are surplus revenues today, it is as a result of Canadians paying for those revenues over the last number of years because of Liberal cutbacks and mismanagement of public dollars.

If we look at the last 10 years in terms of unaccounted for surpluses, the government was out by \$80 billion. Where did that money come from? It clearly came from a decade of cuts beginning with the former minister of finance hacking and slashing our health, education and social programs back in 1995-96. Let us not forget that the government, and that particular member of Parliament, was the architect of the dismantling of our social programs. It took over \$6 billion out of our health and education transfer system in one fell swoop, the biggest bite out of social programs in the history of this country.

Canadians have paid for that over the last decade and we continue to pay for it today. Canadians feel despair, disappointment and anger at a government that has not been honest and forthright about its spending priorities, about its surpluses, and about who actually took the hit in order for a government to be in this surplus position today. What is called for is complete honesty on the part of the government about its surpluses so that Canadians can make real choices and so that we as parliamentarians can play our proper role in terms of scrutiny and accountability.

Supply

• (1320)

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, my hon. colleague across the way talks about some of the things that the Auditor General has brought out. It is often said that we only change things that can be measured. As a member of the government I welcome the Auditor General's accounting of what we are doing right as a government. Indeed, she has pointed out some things we are doing right and some things that need improvement.

We only need to look back to the actions of the Minister of Human Resources Development to recognize that the government does take this information seriously. I would also look at the report that was made by the Auditor General regarding the environment commissioner.

Would my hon. colleague not at least acknowledge the fact that the government does take these reports seriously and does indeed take action?

Ms. Judy Wasylycia-Leis: Mr. Speaker, the government has responded in part to some of the recommendations of the Auditor General, in particular, the issue around accrual accounting which is something the Auditor General raised and the government addressed.

However, the government continues to operate in a secretive way on a range of issues without full disclosure to Parliament and without giving Canadians the full choices available to them. On the basic issues that are of concern to Canadians the government ought to ensure that parliamentarians have the ability to scrutinize estimates in an in-depth way, that Auditor General reports automatically go to the respective committee, that the recommendations around foundations be dealt with in a serious way, and that we—

The Acting Speaker (Mr. Bélair): I am sorry to interrupt the hon. member but there is no more time left. Resuming debate.

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, I would be only too delighted to let the member continue because, as I said before, usually her speech is well worth listening to, which is more than I can say for a lot of my other colleagues and perhaps myself occasionally.

Earlier this morning, when the first government speaker rose on the motion, she asked why would something like this be brought in for debate. As the day unfolds the answer is becoming quite clear. It gives a number of people in the House the chance to point out to government that it is not doing what it prides itself in saying it does and wants to do; that is, to be accountable and transparent.

There is no way that government could be more transparent and accountable than to defend in this chamber the dollars that are spent by government. That is not being done.

The motion today is broad enough to interest various members in different perspectives of the Auditor General's report. The Auditor General did not just come out and say that government does not report to the House as it should. She went through department after department, agency after agency, and in practically all of them found just cause to raise extremely important concerns.

It comes back to what I said in the beginning. The Auditor General points out clearly that the government is not accountable to Parliament. If the government is not accountable to Parliament it is

not accountable to the people of Canada. The members of this august chamber represent, from coast to coast to coast, the people of this great country who sent us here to represent them. It is through us that government accounts for the dollars which it takes out of all our pockets.

It is not money printed at the Canadian mint just down the road that government spends; it is not its money which it does not have to tell anybody about. That is not the way it operates, as we well know. The money that the government spends is the money that the people of Canada gave it to spend properly on the things that they need and that the country needs to become, as we should be, the greatest country in the world.

However, the government, through mismanagement, by being uncaring, by not being prudent, by looking after its friends, and I could go on, is not spending in accordance to the rules and regulations which govern the accountability of the government.

The government should be accountable to this House. That is why, as different members stand to speak, they make it quite clear that the various ministers who administer large budgets should defend their expenditures in this chamber. If it is impossible to cover all departments and all aspects of expenditure, then certainly the expenditures could be closely scrutinized in committee.

If we do not have the opportunity to scrutinize and to question, then the minister, and government generally, does not have to worry about responding, and that is what has happened over the last number of years.

We can go back a couple of years to the horrendous waste that we saw in the public works department. We saw contract after contract being issued to friends of the ministers involved. We saw contracts being issued which were never worked upon and reports that were supposed to be done that were never completed, yet agencies got paid. The biggest ripoff was through the different aspects of advertising that the government was involved in.

• (1325)

If we look at the billion dollar cost of the gun registry and if the expenditure in relation to that agency was scrutinized closely, how much of it was spent on advertising the registry and trying to sell it or perhaps I should say ram it down the throats of the people of Canada? I think we would find that again a lot of the money was spent on giving friends of government the opportunity to try to convince the people of Canada that this was good for them.

This is extremely serious. Would this type of thing happen, if the minister involved and government generally had to defend these contracts and procedures in front of the House and then through the House and through the press, defend how they spent the money to the people of Canada? The answer is no, it would not happen. It happened and continues to happen because government and ministers therein, behind the backs of parliamentarians and the people of Canada who give them the money in trust to spend, go off and do what they like without being accountable to anybody.

This basically is what the Auditor General is saying, that the government cannot and should not keep such expenditures from Parliament. Parliament should not be kept in the dark in relation to government expenditures.

Supply

I will come back a little later to the gun registry but there are other departments. We see attention being drawn to the surplus in the EI fund. The Auditor General questions whether we need a surplus of \$40 million. The answer is no we do not. We need some surplus. With a downturn in the economy, if a lot of working people end up being laid off at any one time, then undoubtedly we need a cushion. However it does not need to be one of that magnitude.

Could that money be used or should it be used elsewhere? The answer is, certainly. People contribute to the fund. It is not like it goes into the general consolidated revenue fund. This is a specific fund paid into by employers and employees for the benefit of the people involved within these various employment agencies. If we could have enough money to operate the fund and if we could have a reasonable surplus with smaller premiums, would that not be the way to go?

Government will come back now and say that it reduced premiums in the budget last week. It did by 10¢ or whatever the case may be. At least it is going in the right direction. As we all know, the premiums could have been reduced much more. This would have been of some benefit to the employee, particularly the small business person who pays heavy EI premiums when it is not necessary. However because the fund is there and because it is really owned by a certain segment of society rather than by society generally, maybe we should look at spending some of that within the spectrum of the contributors.

We have in the workforce today a tremendous number of people who could do better than they are. I do not mean in relation to the hours of work or the effort. I am talking about the fact that many people in our workforce have not had the chance, through education and training, to reach their potential.

• (1330)

It is amazing to see how difficult it is for some people, who want to get ahead by becoming better educated or trained so they can move up the ladder, to get funding for training through government assistance programs. There is such a bureaucracy set up within Human Resources Development Canada that everyone, even the workers on the frontlines, are completely and utterly frustrated. Let me provide a couple of examples of things that are happening in rural Canada.

It is probably worse in the larger urban centres because I find everything is very impersonal in those centres. A person picks a number, gets in a line up and somewhere along the line that individual gets some attention. In the smaller rural areas through outreach offices, et cetera, quite often the people involved know those who come in looking for assistance. They bend over backward where they can, depending on the regulations under which they operate, to help these people.

I have a couple of examples. First, I will refer to when the HRDC outreach offices were set up in Newfoundland, and undoubtedly offices were set up throughout the country. However I will only speak of Newfoundland. When the moratorium was imposed on the fishery, many parts of rural Newfoundland were hurting. Thousands and thousands of people were put out of work, work that they had participated in for a lifetime. Their parents, grandparents and great

grandparents had also participated in this type of work as far back as the 1500s and 1600s.

Many of these people grew up in small communities knowing that employment was there for them whenever they wanted to start. Some started at a very early age. Older people will say, "When I was nine years of age, I went to work on a boat". Others will say, "When I was 15 years of age, I went to work in the fish plant". In recent years it depended perhaps on when a person could leave school because the regulations changed and one had to be a certain age before leaving school. I think it was around 15 years of age.

Some people at 15 did not want to go somewhere else to work and did not want to earn a degree. A lot of people asked themselves why they would want to spend four years obtaining a degree to find out that they could not find work. They could leave school not only four years earlier, perhaps even six years earlier, before they finished high school. They could work in the fish plant next door. It was unionized, provided work for 52 weeks a year and paid better wages than what any of their graduating friends received. People made that choice and stayed in Newfoundland, went to work, raised their families, built houses on their land and paid very little taxes. It was a pretty good life. However when the resource disappeared, their jobs disappeared.

They had two choices. One was to go somewhere else to work with the qualifications they had. Many of them had little experience, except for direct work in the fishery. They lacked the education upon which to build. Some still made that choice and went away to work in the meat packing plants or in the car factories. However many others decided to re-educate themselves, and many of them have done very well. There are some tremendous success stories not just on how they improved their own standing in life and how they obtained better jobs or whatever, but the self-worth that came with that and the assistance to their families. I could go on and on.

These people were assisted by workers in outreach offices set up by HRDC, which did a great job. What is HRDC doing now since it has a \$40 million surplus? Is it expanding upon this great move it once made? Is it helping more people? Is it encouraging more people to retrain and get into the workforce to make life better for themselves, families, communities and consequently the country because they become contributors to the system rather than take from it? No, it is cutting back. It is reducing the hours. It is shaking its fingers at some of the outreach officers because they go above and beyond their counselling practices. They are not supposed to help people fill out applications or look for funding projects and so on. That is not their job. They are only there to counsel.

Supply

•(1335)

In the rural areas these outreach officers did a tremendous job. They provided a great services to the communities which surrounded the offices. They helped a number of people by going above and beyond perhaps what the direct guidelines requested. The bureaucrats stepped in and told them they could not do that, they could not help people. Their hours were cut. If they were working 40 hours a week, the department figured for 10 or 12 hours during that week the officers were doing things they should not be doing. They were not supposed to help people that way. Therefore their hours were cut. They now work four days a week instead of five. That is one thing that was done to recognize that \$40 billion surplus.

What else did the government do? Perhaps we should look at the people who wanted to become further educated. They could go to their outreach office, sit down with a counsellor, discuss their situation with somebody who recognized their strengths and weaknesses and who probably knew the family background and the challenges they faced. This person would be somebody with which people felt at ease.

Many people are shy and they do not want to go to the big city, sit down with strangers and discuss their plans. In fact, they will not do it. However they will go to the local office, sit down and discuss their plans. The local counsellors had the power to assess the potential of individuals and approve funding for training programs or upgrading programs at whichever institution was practical, viable and within a certain price range. Things went very well. In fact it was going so well that the department again sent in its bureaucrats.

The big question here is from where does all this originate? Giving credit where credit is due, I do not think the minister sits up all night trying to complicate things at the local offices. I am sure people who work at the local offices and who do such a good job do not stay up all night trying to complicate things for themselves. Because they are dedicated individuals, they will not complicate things for their clients, so where is this happening?

I would suggest it is probably happening in related fields in other departments. Somewhere in between we have a bunch of middle management bureaucrats who want to protect their own positions. They tell the minister that there is a lot administrative work to be done, speaking of the gun registry, that it is a complicated system and that they need more people and more money. The bottom line is fewer results.

What these people decided to do, rather than let the simple process of the local office dealing with its clients, was to tell clients that they could go in and talk to counsellors in their local offices but then they would have to go to the central office in the city to get their funding. That delayed and complicated things. No longer did the local official, who had done such a great job and had so many success stories, call the shots. The client had to go on to the city. Then it was made even more complicated. Individuals had to get appointments first with their local offices in order to see the people in the city to talk about money. Then they would be referred back to the local offices where the deals would be finalized.

That should not happen. The Auditor General talks about that. It would not be happen, if the government were more accountable in the House.

•(1340)

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I will be splitting my time with the member for Oxford.

I wanted to thank the Conservative Party for bringing forward this resolution, but let me say at the outset that this is about one thing and one thing only. It is about gun control and the issues that arise out of gun control.

It is curious that the finance minister tabled a budget for \$180 billion, but that is not the subject of the party's discussion. We potentially are facing a pretty significant decision with respect to going to Iraq and that is also not part of the resolution. It is a curious set of priorities on the part of the fifth party.

The Auditor General has done us quite a service by being quite candid about the costs that are associated with the registry. However she has been quite candid as well in saying that the benefits of the registry are not in. She certainly is able to articulate the costs, as are other members, because the numbers are there. It is a somewhat more difficult task to talk about the benefits but I would like to take my time to see whether I can articulate some of the social safety benefits that derive from this system of registration.

In my view the program enhances public safety by controlling access to firearms and ammunition. The underlying philosophy is one frankly that enjoys wide support in the House, namely that the idea is to prevent people who are a danger to themselves and to others from getting access to firearms. I would state at the outset that this is not about "jailing law-abiding citizens".

With extensive and continuous background checks on applicants and licence holders, about 9,000 firearms licences already have been refused or revoked by public safety officials. That is over 70 times greater than the revocations from potentially dangerous individuals before December 1, 1998, compared to the previous five years under the old regime. That is a pretty significant benefit, I would submit.

Licences have been refused and revoked based upon a history of violent behaviour, domestic violence, mental illness and criminal activities. The program has received something in the order of 26,000 calls on its notification lines from people expressing public safety concerns. Again, I would submit that is a fairly significant benefit.

There are now more than 1.9 million licensed individuals in the firearms database which is a compliance rate of something in the order of 90%. As for the registration, it provides a link between a firearm and the rightful owner. Registration works to enhance accountability for one's firearms, for example, encouraging safe storage, reduced gun thefts, accidents, et cetera, which again is a benefit to public safety.

Supply

The vice president of the Canadian Police Association says that illegal guns start out as legal guns. During the 1980s, on average every year Canada lost about 1,400 citizens to gun related deaths. In the late 1990s that declined to about 1,000 per year on a larger population base. That is a happy benefit. I would be hesitant, if I were on the other side, to dismiss that as just a mere coincidence.

Information about firearms and other owners also facilitates an enforcement of prohibition and allows police officers to take preventive action, such as removing firearms from situations where they know there is a chance of domestic violence.

When we do a cost benefit analysis, how do we do it in a meaningful way? When Quebec spent \$125 million this summer on a meningitis scare, over 85 cases of meningitis, what was the cost benefit on that? When New Brunswick proposes twinning the highway and spending \$400 million on approximately 43 deaths between 1996 and the year 2000, how do we do a cost benefit analysis on that? It is said that the average homicide costs something in the order of \$500,000 per investigation. How do we do a cost benefit analysis on that? This is a very difficult area. It does not quite line up in a nice clear silo, where we can say that this is the money spent and these are the benefits derived from it.

• (1345)

There are about six million firearms currently registered and accounted for. The majority of these are rifles and shotguns, which were difficult for authorities to trace under the old program. Police agencies across Canada now have access to information on firearms and their owners throughout the Canadian firearms registry online system, CFRO. This information helps police evaluate potential threats to public safety and remove firearms from a location as a preventative measure, which is again, I submit, a benefit.

Already law enforcement agencies are making use of this very valuable tool in responding to incidents such as domestic violence situations. The police access this system 2,000 times per day. Clearly if it were a useless system the police would not make use of it. I submit that access 2,000 times a day by police agencies across the country is again a benefit.

While it may take some time to see the full effects of this investment in public policy, and I am perfectly candid in admitting that, there are already some encouraging trends in crime statistics. Overall, Canada's homicide rate is at its lowest since 1967, and homicide committed with rifles and shotguns is steadily decreasing. The rate of robberies committed with a firearm has also declined by 62% since 1991 after consistently dropping over the past decade. I submit again: a benefit. I cannot make the direct correlation between the imposition of this kind of legislation and these results, but these are the results.

The number of lost or missing firearms has declined by 68% from 1998 to 2001, and the number of stolen firearms has also decreased by 35%, which is again, I would submit, a benefit.

The rate of suicide deaths involving firearms has steadily been decreasing. In 1999 the percentage of suicides involving a firearm was down by 19% from a high of 43.7% in 1970, again, I would submit, a benefit.

Let us compare that to our colleagues in the United States: rate of accidental deaths from firearms, 2.6 times higher in the United States; rate of suicides with firearms, 2.7 times higher; rate of total firearm deaths, something in the order of 3.2 times higher in the United States; rate of murders with firearms, 6.5 times higher; rate of murders with handguns, 8 times higher than it is in Canada; and the rates of murders without guns are almost equal, at 1.6 times higher in the United States. There is an interesting correlation there: that in all instances numbers of deaths from firearms are much higher in the United States than in Canada. Yet when we eliminate a gun from the equation, the figure for murder without guns is almost even. That is a curious sort of figure when we try to argue this point.

Provisions in the Criminal Code and Firearms Act establish increased controls over firearms imports and exports and impose penalties for smuggling and trafficking. The national weapons police enforcement support team, NWEST, was also created as part of the firearms program. It is a unit of highly trained and experienced individuals who work in a support role with local law enforcement to assist with anti-trafficking and anti-smuggling efforts. The team also helps the police community in dealing with issues of violence and firearms. Again I would submit, a benefit, and again I would say how do we correlate that cost with that benefit. Over the past year the support team has provided over 2,000 police files dealing with weapons, playing a key role in improving public safety in Canada and proving highly successful in helping police fight firearms related crime.

• (1350)

I submit that all of the foregoing is a benefit and that the legislation in fact enjoys wide support among the Canadian public and particularly among law enforcement agencies such as the chiefs of police and the police association.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I hate to accuse the member, but I have to, as I think he made very many tacit assumptions in his speech. He assumed that safety would be enhanced by these measures. If we ask in detail about these questions the answer is no.

In the Elk Island riding not very long ago, we had the abduction by two armed men of a fairly well known radio personality. He lives in my riding and took the occasion the next time he was on radio to talk about his experience and how these guys held their gun to his head and forced him to open his cabinet, on threat of losing his life. So then they had his guns. The registration did not prevent them from getting his guns. It was ludicrous. In fact, even his attempt to store his guns safely was foiled by these guys. He went on and on and was asked if registration would have helped his situation. With absolute certitude, he said absolutely no, it would not have made a single difference in his case.

I think that the member probably should recheck what he has just said, read the statements and assertions he has made, and admit that he is simply making an assumption of what he wishes were true when in fact it is not.

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● (1355)

Mr. John McKay: Mr. Speaker, it is a bit of a shame that the hon. member did not listen a little bit more carefully, because I made no such correlation. I tried to set out the fact that this is a collection of statistics and social facts that are happening in Canada, and it is not just merely a coincidence that the firearms legislation is in place at the same time. I would submit to him that he should read it a little bit more carefully.

Then he tried to set up a false analogy between an individual who was robbed and whether the gun control measures would have helped the individual. On that argument maybe we should throw out CPIC, the crime registration system, because obviously CPIC does not prevent all crime, and maybe we should throw out the sex registry system because obviously rapes and sexual assaults still occur. Maybe we should throw these out too. This is a false argument and one that I think the hon. member needs to rethink.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I listened to my friend's remarks. I know that he is a long time participant on the justice committee and I have a great deal of respect for him. He spoke at the beginning of his remarks about the priorities and why this particular motion was before the House.

I need not remind him that even his government's own budget was certainly off base in terms of many of its priorities when it came to the military and fixing the ongoing problems of health care, so we will not delve into that trap.

However, I want to ask him seriously about the facts, figures and statistics he quotes that seem to support this gun registration, and let us be very clear that this is what we are talking about here. It is not this ongoing attempt by the Liberal government to blur the issue of gun control versus gun registration. Everyone is for gun control. Previous legislation was in fact what put in place these checks and balances that allowed for research and background information checks on individuals who were participating in terms of getting firearms acquisition certificates. That is a completely separate issue.

What the government has so disingenuously done in blurring the issue is confuse gun control and gun registration. I want to know not about the billion dollar waste that went into it knowing it does not work, but does he think that Hell's Angels and other individuals with criminal backgrounds will ever participate? Does he think that will happen?

Mr. John McKay: Mr. Speaker, of course it is not going to happen, but as I said in the quote in my speech, all illegal guns at one time started out as legal guns. Does the member want to have any system of tracing where those guns came from and any usefulness that would be derived from an investigative tool? I know the hon. member is quite supportive of the chiefs of police and the police associations generally, and I am absolutely astounded that the hon. member would not be very supportive of their perception that this is an extremely useful tool in the investigation of gun related crime.

[English]

STATEMENTS BY MEMBERS

ARTS AND CULTURE

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, last week the Art Gallery of Hamilton made an important leap forward in its collection of 19th century European art. Joey Tanenbaum, art collector and philanthropist, and his wife Toby, gave the art gallery 211 works, which they have spent decades collecting. This gift to the Art Gallery of Hamilton, Canada's third largest gallery, is worth between \$75 million and \$90 million.

Mr. Tanenbaum remembers the generosity of the first city his family called home. His father, a Polish immigrant, received his first line of credit in 1917 from Dofasco in Hamilton. This led to his family's successful scrap metal empire, Runnymede Iron & Steel.

I am sure all members of the House will join me in congratulating the Art Gallery of Hamilton and thanking Mr. Joey Tanenbaum for his generous donation to the cultural depth of the City of Hamilton.

* * *

HEROISM IN MEDICINE HAT

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, thanks to the quick and courageous action of the emergency response team and the Medicine Hat Fire Department, about 400 employees of Goodyear Canada are safe and back at work.

Last Thursday, a fire broke out on the roof of the Goodyear Tire and Rubber plant in Medicine Hat. The plant's emergency response team was on the scene within moments, controlling a 130 foot high blaze with extinguishers.

Employees, including Chris Streshaw, Tyson Robinson, Bruce Volk and Scott Kelly, kept the flames at bay until the Medicine Hat Fire Department arrived. Within about 40 minutes the fire was out, and by the next day the plant was back up and running.

Goodyear is one of the largest single employers in my riding, and safety is always the first priority at the plant. When accidents happen, it is a relief to know that dedicated employees are there to make sure that nobody is hurt.

I wish to extend my thanks and congratulations to the plant's emergency response team and to the Medicine Hat Fire Department for their brave work.

* * *

● (1400)

OLYMPIC WINTER GAMES

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, on Saturday, February 22, residents of Vancouver, British Columbia showed their overwhelming support for Vancouver's bid to host the 2010 Olympic and Paralympic Winter Games.

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My constituents in Yukon and I, who would like to attend, would like to thank everyone in Vancouver who cast their ballots. Forty-six per cent of the eligible voters turned out, 134,791 citizens in all. Over 86,000 said yes to the 2010 games and yes to the Olympic ideals of peace and friendship through sport.

There are real benefits in supporting this bid. It will raise Canada's international profile and contribute to increased foreign tourism and investment to boost the economy and create jobs. Most exciting of all are the rich opportunities that our athletes and coaches will enjoy as a result of training and competing on home ice.

The Government of Canada is a strong supporter of Vancouver 2010. It has given \$9.1 million to the bid corporation and has recently announced another \$10 million to go toward training for high performance athletes.

I wish to ask members to please join the citizens of my riding in thanking the residents of Vancouver and congratulating the 2010 bid corporation for its success to date.

* * *

ARTS AND CULTURE

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I would like to take this occasion to congratulate all the Canadian singers, musicians and composers who were nominated at the 45th annual Grammy Awards held last night in New York City.

It was an exciting night for Canadians, whose combined 22 nominations proved that Canadian music talent is among the very best in the world. Napanee's Avril Lavigne earned nominations in five major categories, and her live performance on the telecast was viewed by a worldwide audience.

Walter Ostanek, from my riding of St. Catharines, was nominated for the 15th time for best polka album of the year. Although he did not win, he said he was thrilled to be nominated and to be celebrating his 47th wedding anniversary with his wife Irene.

Canadians did bring home several Grammys. Diana Krall won best jazz vocal album for *Live in Paris*, and Toronto born composer Howard Shore won best score soundtrack album for a motion picture for *The Lord of the Rings: The Fellowship of the Ring*.

I ask members to please join me in congratulating all our Canadian talent for their nominations and their success at the Grammy Awards.

* * *

CANADIAN FORCES

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, today I had the honour on behalf of the Minister of National Defence to bid farewell to the crew of HMCS *Iroquois* and her attached air deployment, who are now on their way to Operation Apollo.

These brave men and women are joining several hundred of their colleagues as well as soldiers and sailors from other coalition nations. They are continuing in the excellent work already done by Canadian Forces members in and around Afghanistan.

For some of these sailors and airmen, this is their second tour in the Arabian Sea. Their dedication and professionalism never cease to amaze me. When we call, they deliver.

[*Translation*]

To repeat my words to them this morning, "I know you will bring honour to Canada, and uphold the excellent reputation of the Canadian Forces and the Canadian Navy".

[*English*]

To *Iroquois* and her brave crew, we say good luck and Godspeed.

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FOREIGN AFFAIRS

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, there is no doubt the events of September 11, 2001, have necessitated the need for greater security vigilance. However, a year and a half later, the mayhem ensuing from implementing new security measures along with keeping up with the increased demand for a Canadian passport is unconscionable.

Although the backlog of passport applications is slowly subsiding, it is evident the Liberal government lacked the foresight to have an adequate plan in place to deal with these eventualities. With a three month passport processing time, Canadian travellers have paid the price for the government's lack of preparedness through increased stress and trip cancellation costs. In the years to come, Canada will need even more stringent security features on passports, such as fingerprint, iris identification and facial feature recognition.

Has the government learned from its past mistakes and is it working today on an action plan to implement these new measures so Canadians do not have to pay the price yet again?

* * *

● (1405)

[*Translation*]**NATIONAL DEFENCE**

Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.): Mr. Speaker, it is a great pleasure for me today to have this opportunity to congratulate the Government of Canada and the Minister of Finance on the 2003 budget.

Our government has responded to the urgent needs of our Canadian Forces, particularly by eliminating the DND budget shortfall in one fell swoop. Our troops now have all the support they require to manage their operations properly.

In all, the 2003 budget has allocated \$395 million to the Department of National Defence between now and the end of the fiscal year. For 2003-04, our government has allocated another \$1 billion, with another \$800 million added to the base budget.

These new funds will provide our armed forces with all the support they require between now and the end of the foreign and defence policy review process.

PEACE

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, recently the Musée régional de la Côte-Nord hosted artist Magali Filosa and the exhibit “Je porte l'art de ma liberté”. This “paint freedom” exhibit included work by nearly 1,900 children of all nationalities on behalf of peace.

In an outpouring of solidarity with the youth of the world and the children of war, these artists have worked together to build a wall of peace. Their work has been sent to UN Secretary General Kofi Annan, in hopes of influencing world decision makers.

Magali Filosa says, “All of us carry the world's freedom within us”. In this critical time for humanity, I wish to add the peace within me to the wall of peace built by these young people and this inspired artist in order, as the children themselves say:

—for the children of the world to have the right to live, to grow in peace and fraternity, the right to play, to be loved, to be heeded.

Let us preserve peace for our children.

* * *

[English]

CANADIAN ALLIANCE

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, this morning I was totally shocked and appalled to learn that the former so-called Alliance spy is still on that party's payroll.

According to the bankruptcy filings of James Leigh, the man that the member for Okanagan—Coquihalla met or did not meet, depending on the day asked, Mr. Leigh's sole source of income is the member for Okanagan—Shuswap. The hon. member opposite is paying \$3,200 a month to the consulting firm belonging to, guess who, Mr. Leigh's mother-in-law.

Is that not convenient? After the controversy surrounding the hiring of this particular private investigator to dig up dirt on other members of the House, this same individual should now happen to find work in the constituency office of the member for Okanagan—Shuswap.

Will that party never learn? Was it not bad enough that the former leader of the opposition was not candid with Canadians regarding his dealings with this agent. Now we discover that on the sly that party hired him anyway.

We in the House have a responsibility to uphold basic decency and values—

The Speaker: The hon. member for Calgary West.

* * *

GOODS AND SERVICES TAX

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, let me tell the House a story of fraud and waste. Let me tell the House about scams, lack of accountability and hypocrisy.

The GST is highly vulnerable to fraud. From low level scams where cheaters collect and pool their receipts with friends and relatives returning overseas, to high level operations such as those

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uncovered recently involving tens of millions of dollars. Bogus companies declare huge sales but without any product or service ever being delivered. The GST claim is made and the crooks get a 7% rebate on money that was never spent. It is estimated that such fraud could amount to more than \$1 billion annually. There was a plan to track down fraudulent GST claims. However, in 1995 the fraud investigations unit was disbanded. The CCRA began reporting GST fraud on an ad hoc basis.

What kind of shady deal did the tax haven loving Bermuda registered former finance minister make? To make matters worse, he was warned by the Treasury Board but did nothing about it.

* * *

THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, laboratory tests funded by the *Globe and Mail* and CTV have detected trace amounts of prescription drugs in the drinking water of four Canadian communities including Montreal and Hamilton.

Some of the drugs detected include anticonvulsants given for epileptic seizures and medication used to reduce cholesterol levels. Drugs are entering the environment because they are not fully metabolized in the bodies of those using them. It is not known what health risk is posed by drinking or bathing in water containing trace amounts of drugs. Currently there is no requirement to test drinking water for drug residues and no regulatory limits on these contaminants.

At present, Health Canada and Environment Canada are surveying 24 communities to check if drug residues have entered the water. Once studies are completed, I would urge the Minister of Health to write regulations in order to protect water, human health and the environment.

* * *

● (1410)

IMMIGRATION

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, the Liberal government seems absolutely determined to change the face of Canada from that of a welcoming nation built on a tradition of support for immigrants and refugees to an unfriendly, even hostile, nation obsessed with feeding the U.S. government's insatiable appetite for security.

On the one hand there is the U.S. racial profiling of Canadian citizens that now includes more than 20 countries—profiling procedures that humiliate and harass Canadians without a peep from the government. Similarly, the Liberals have abandoned permanent residents to the extent that to enter the United States from Winnipeg or anywhere across the west, permanent residents must go to Calgary first to apply in person at the U.S. consulate simply to get a visa.

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Record numbers of refugees entering Canada are being turned back at the border, some directly to detention, simply to wait because the government does not have adequate staff to process their claims. Many will ask, is this really Canada?

These practices are discriminatory and unacceptable and will carve divisions that will scar Canadian society and Canada's image in the world.

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[*Translation*]

JUTRA AWARDS

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the 5th Jutra awards gala paid tribute to the members of the Quebec film industry. The Jutra-Hommage was awarded to director Roch Demers for promoting Quebec's films around the world for more than 40 years.

Most of the awards went to two movies: *Séraphin, un homme et son péché*, by Charles Binamé, won seven Jutras, with those for best actress and best actor going to Karine Vanasse and Pierre Lebeau. The other favorite, *Québec-Montréal*, by Ricardo Trogi, won four Jutras, including best picture of the year, best production, best screenplay, and best supporting actress for Isabelle Blais.

Luc Picard won the award for best supporting actor for his role in Jean Beaudin's *Le collectionneur*. The movie *Le Nèg'*, by Robert Morin, won the statuette for best editing by Lorraine Dufour, while *La Turbulence des fluides*, by Manon Briand, won the award for best success outside Quebec.

The Bloc Québécois says bravo to all award recipients.

* * *

JUTRA AWARDS

Ms. Carole-Marie Allard (Laval East, Lib.): Mr. Speaker, I would like to congratulate all the artists and artisans of the Quebec film industry who were honoured last evening at the Jutra awards gala.

The feature films nominated this year once again confirmed the talent, energy and vitality of the Quebec film industry. 2002 was a banner year for French language Canadian cinema, which appeals to a growing number of Canadians.

I would like to mention last night's two big winners: *Québec-Montréal*, with four Jutras, including best picture of the year, and *Séraphin, un homme et son péché*, with six Jutras, including those for best actor and best actress, in addition to the golden ticket award for breaking the record of entries.

Yesterday evening, special tribute was paid to Roch Demers, who left us many works that are now part of the great classics of our audiovisual heritage.

The Government of Canada is proud to support the production and the expansion of Canadian cinema.

[*English*]

HEALTH

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, two-thirds of all Canadians have experienced depression and anxiety personally or have a relationship with someone who has. One in three feel others would think less of them if it were known they suffered from these conditions. The prevalence of depression, anxiety and mental illness, and the continuing stigma attached to those conditions are just some of the key findings in a new survey conducted by the Canadian Mental Health Association.

In Ontario, the Progressive Conservative government set up a task force across the province to investigate the issue of mental health and make recommendations as to how government can better serve the public in this regard. I am proud to highlight Nova Scotia PC Health Minister Jane Purves' announcement last Thursday that Nova Scotia will be the first province in Canada with mental health standards.

Naturally, we must do more to remove the sense of shame and misunderstanding that seems to follow mental health issues. Very often early diagnosis and treatment of these disorders can lead to a vast improvement in quality of life and social interaction. Far too often the criminal justice system becomes the default solution.

In Parliament, we must be vigilant to move mental health issues out of the shadows. Through education and awareness we can make a difference.

* * *

●(1415)

[*Translation*]

LANDMINES

Mr. Claude Duplain (Portneuf, Lib.): Mr. Speaker, the Mines Action Canada Coalition's landmine awareness week begins today.

Canada is strongly committed to eliminating landmines. It worked with non-governmental organizations and showed leadership to ensure the adoption of the Ottawa convention. It was also the first to ratify the convention.

Today, Canada is still involved in de-mining activities and the destruction of mine stockpiles, and is providing assistance to victims. The number of persons affected by landmines is estimated at tens of thousands annually. This shows how serious this problem is. Those who do not die immediately are wounded and traumatized. They experience physical, psychological and socio-economic difficulties.

I salute the Canadian government's commitment to landmine victims and encourage it to continue investing in this campaign.

* * *

[*English*]

NATIONAL SECURITY

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, on December 24 the U.S. registered *RoRo Great Land* reported an unknown ship 25 miles west of Vancouver Island on a course that would take it into the isolated and protected waters of B.C.'s central coast.

Oral Questions

On December 26, the U.S. registered container ship, *APL Philippines*, reported passing a northbound ship displaying no lights 45 miles west of Vancouver Island. When the intruder was asked to identify itself, it replied, "Do you think I'm stupid?"

Neither vessel was ever identified or heard from again. These are not isolated incidents. Intruders such as these routinely arrive at our shores and we cannot track them or their cargo. These guys will not be carrying the automatic identification device the minister boasted about the other day. They do not want to be identified. The Coast Guard lacks the radar, ships and aircraft to protect our coasts from such intruders.

How can Canada convince our neighbours that we are in control of our borders if mystery ships can come and go off Vancouver Island, perhaps loading and unloading contraband, as they please?

ORAL QUESTION PERIOD

[English]

FOREIGN AFFAIRS

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, today the United Nations Security Council will be discussing what to do about Iraq. Some nations, France, Germany and, reportedly, Canada as well, believe in a timeline of some months. Others, the Americans and British, apparently believe a deadline of a matter of weeks should be set, perhaps as little as two weeks.

Does the Prime Minister have a view on how much more time Saddam Hussein should be given to disarm?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, a debate is going on at this moment among the different people. This situation cannot last forever. I think some weeks should be given to Saddam to comply very precisely with resolution 1441.

The United Nations will be holding votes on these issues. The debate is starting today. The French, the Germans and the Russians have made some propositions for some elements for a framework for discussion. I also understand that the Brits, the Americans and the Spaniards will have a resolution. I do not know if there will be a time limit on that because I have not seen the resolution.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister said weeks rather than months, I suppose so we are creeping toward a position here.

Resolution 1441 states that there must be full compliance or Saddam Hussein will face serious consequences. The common interpretation of these consequences is military action.

What is the government's interpretation of serious consequences? Is it military action or is it anything else?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the debate is going on at this moment at the United Nations Security Council. We of course are all pushing, as much as we can, on Saddam Hussein to comply.

Neither the Americans, the British, the Spaniards, the French, the Germans nor the Russians want a war. We all hope for peace and we are all working to achieve peace. War has to be the last resort.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I would like to move to the question of military action.

The HMCS *Iroquois* has been sent to the Persian Gulf to join other Canadian ships. The defence minister admitted yesterday that these ships could be double hatted for both the war on terrorism and operations in Iraq.

Will the government admit that it has already agreed to contribute to military action in Iraq through back channels?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the answer is no.

• (1420)

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, at a meeting with state department officials in Washington on February 6, I was informed that some 16 working groups, including exiled Iraqis, U.S. officials and others, were optimistically preparing for transition in Iraq.

I took that information to our foreign affairs committee on February 11 and asked for a response from the minister's office on whether Canada had been invited to take part. It has been two weeks and I still have no answer.

Would the Prime Minister tell us if Canada has been invited to join with these groups of exiled Iraqis, U.S. officials and others who are working toward a freer and more democratic Iraq? Have we been invited to these or not?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, we are participating in many discussions with our Washington allies and other allies. We are not involved in specific negotiations with specific groups in Iraq.

We will, however, be working, as we have been consistently throughout this process, to make sure we get a peaceful resolution in this matter, not by working with Iraqi dissidents in the process.

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, people who have been exiled from Iraq, people who want peace and democracy in Iraq, are not dissidents.

Will the Prime Minister just give us a straight answer? Last week, after talking to high school students, the Prime Minister's handlers came back the next day saying that there was still no direct answer on Iraq.

Why has Canada been left out of the loop? These groups are planning now for peaceful transition and for democracy in Iraq. Canada has been left out. Why?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, the last that I read about this matter, the United States had made the point that it intended to administer Iraq after and that it did not intend to turn it over to the very people who have the hon. member so exercised.

Oral Questions

We continue to work with everyone to make sure we bring this to a peaceful conclusion. We will continue to do that.

To try to pretend that Canada has been cut out of what we are doing in our mission in this, because we are not going to one meeting or another, is to mislead the Canadian public and to mislead the House.

* * *

[*Translation*]

IRAQ

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in the situation with Iraq, there are those for peace, those for war and then, seemingly in the middle, there is Canada.

France is proposing a schedule for continued inspections, and Canada says it supports this. The United States and Great Britain, for their part, want a resolution authorizing military intervention, and Canada is sending the *Iroquois* to the Gulf possibly to participate in the war on Iraq, according to the Minister of Defence.

Despite all his wonderful speeches, will the Prime Minister admit that, as far as actions are concerned, and actions are what count, his government is preparing for war?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Absolutely not, Mr. Speaker.

At this time we are taking on a larger role in Afghanistan and the decision to send a ship to that region was taken several weeks ago, as part of our efforts to establish peace and rebuild a civil society in Afghanistan.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in Shediac, the Prime Minister declared that Canada will only go to war with the United Nations' approval. However, according to reporter Ann McIlroy, the Prime Minister told his caucus that resolution 1441 was enough for going to war against Iraq.

Will the Prime Minister admit that regardless of his verbal hedging, the Government of Canada has already taken sides and has chosen war?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have always said that we want a second resolution.

Look at the French government. For a long time, France was for a second resolution and now it says this is not necessary. We believe a second resolution is useful.

The Americans did not want to go before the Security Council and now they want a second resolution. Have all these people changed their minds?

From the outset, we have always said that Canada will not go to war without the Security Council's approval. This has been Canada's position for months.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, by stating that the UN must prove its relevancy, President Bush and "President Blair" have basically given the UN Security Council an ultimatum.

Should the Prime Minister not advise his counterparts that such an ultimatum to the UN is unacceptable? He would then be taking a

stand as a spokesperson for peace, instead of as a spokesperson for war.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the easiest way to achieve peace is for Saddam Hussein to simply comply with the terms of resolution 1441.

If he does not want war, all he has to say is, "These are the weapons I have; I am destroying them. There will be no war".

We are saying that resolution 1441 must be complied with by Iraq, and we want to avert war. This has always been our position. While the Americans did not want to go to the UN, we have always clearly stated that there had to be a Security Council resolution; that was resolution 1441, and there will apparently be another one shortly.

● (1425)

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, in Chicago, the Prime Minister appeared to be supporting the United Nations unconditionally, but at the same time he authorized the deployment to the Persian Gulf of a flagship, whose mission could change very rapidly, according to the Minister of Defence.

Does the Prime Minister realize that by his ambivalent behaviour, he is partly responsible for the situation we find ourselves in, which is one of getting conditioned for war?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, with resolution 1441, we are clearly telling Saddam Hussein that if he does not comply with this resolution, there will be very serious consequences. There is no doubt that if Saddam Hussein sends the inspectors packing and fails to comply with resolution 1441, there will be consequences. That is why resolution 1441 was adopted.

[*English*]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, Canadians want the Prime Minister to stand firm for peace. Instead, he is doing Bush's bidding and that of the Canadian Alliance, who seem hell-bent on war.

The defence minister admits that Canadian troops dispatched today to the gulf could be double-hatted and deployed in what he calls a hypothetical war against Iraq.

Is the Prime Minister not simply ensuring that our troops become participants in Bush's war whether Canadians like it or not?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are accepting responsibilities in Afghanistan. We were one of the first to be there. We have had ships in the area for more than a year now doing their job. We are working to build a civil society in Afghanistan and to make sure terrorists do not operate in that gulf. It is the role that our ships and the Canadian army have at the moment and we were vested with more responsibility by the participants last week.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, the Prime Minister and the defence minister talk about a hypothetical war in Iraq. There is nothing hypothetical about dispatching HMCS *Iroquois* from my home port of Halifax with its recent communications refit, making it interoperable with the U.S. naval forces.

Is this how the Prime Minister plans to justify Canada's participation if Bush bullies his way to war? Is the Prime Minister not simply dragging Canada into Bush's war through the back door?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not think the hon. member realizes that there was a unanimous resolution of the United Nations. Resolution 1441 told Saddam Hussein that he had to conform; otherwise there would be consequences.

Of course the NDP members do not want to be citizens of the world. They think a good singsong will solve all the problems.

* * *

ETHICS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, the Prime Minister changed the rules on blind trusts for ministers. The ethics counsellor claims that was the advice of Mr. Justice Parker but the Parker report described the loophole the Prime Minister used as undesirable. He said "Instead, hard decisions must be made. Those assets that have to be divested should truly be divested".

Before the Prime Minister decided to change the rules for his cabinet, did he ask the member for LaSalle—Émard to make the hard decision and truly divest his assets, that is, to choose between his private company and his public duty?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have checked the file and these rules were in fact established by the Conservative government before we came. It apparently was used by two ministers at that time. Mr. Wilson, who was in charge at the time, used the rule that was established by the member who was a member of cabinet at that time and who is now the leader of the fifth party in the House of Commons.

* * *

FOREIGN AFFAIRS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, that is not true.

Despite the confusion about the government's position on Iraq, Canada still has the experience and the reputation to play a leading role in any reconstruction in Iraq.

This weekend the U.S. administration held a high level meeting to review plans for reconstruction in the event that Saddam Hussein leaves or is overthrown. The meeting discussed the role of both U.S. and international agencies. Other countries participated in that meeting, including Great Britain and Australia.

Will the Prime Minister advise whether Canada took part in that meeting? Was Canada even invited?

• (1430)

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, as I have said, Canada has been engaged in many meetings

Oral Questions

at the United Nations and elsewhere. We are actively pursuing the role that we would take in the event of any problems in the area of Iraq.

We will continue to do so, but we are concentrating at this time on ensuring that we get a peaceful resolution to this problem.

* * *

CITIZENSHIP AND IMMIGRATION

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

It has been six days since Ernst Zundel entered our country. Is Ernst Zundel still in Canada?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I will not comment on that issue. I do not comment on specific cases. We have a system. We have a process and I will not interfere in the process.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, the minister has also failed to get the job done on another front.

The Federal Court of Canada ruled Friday that the immigration committee was misled and the minister did not inform Parliament of the error when it became evident; that the minister effectively disregarded provisions in Canadian law; and that he neglected his duty to process close to 100,000 immigrant applications from applicants who had paid him their money.

The minister misled Parliament and broke trust. Why did he do that?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am sorry if the member had a bad weekend but one thing is sure: since the beginning we have put all the numbers on the table.

I will not comment because there is a draft decision. However when we were on the standing committee, where the hon. member and her predecessor were, we put all the numbers on the table.

I have full confidence in my department. It has done a tremendous job. We put a pragmatic approach on the table. Nobody misled anybody.

* * *

[Translation]

OIL AND GAS PRICES

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the Minister of Industry is responsible for the Competition Bureau and must call for an inquiry into the behaviour of the oil and gas companies, which curiously have all reached the same price decisions at the same time, at the consumer's expense.

Instead of denying any possibility of collusion between them, ought the minister not to be explaining to us why all of these companies, together and at the same time, have raised their profit margin for refining by 100%, as has just occurred? Is this, according to the minister, just pure chance?

Oral Questions

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, 18 months ago, the Competition Bureau received an indepth study on the oil and gas companies. It concluded that there was no collusion between these companies.

What is really bothering the hon. member is the price at the pump. I will say again this week what I said last week, which is that regulating retail prices is up to the provincial governments.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, 18 months ago, heating oil cost 39¢, and now it costs 62¢ before taxes.

How can the government justify the fact that no assistance for consumers is planned when, on the eve of the 2000 election, the price of heating oil constituted a major priority for this government, even though the price per litre was far less than it is now?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, several factors have affected the price of gas and oil, including a strike in Venezuela, the winter we have had this year in North America, and the heavy pressures relating to the international situation.

The hon. member has ignored those factors. However, the bottom line is this: at the Competition Bureau, we always keep an eye on the market in order to ensure there is no collusion.

* * *

[English]

TAXATION

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, for some reason the government does not seem to understand that a universal child care deduction for all families is in the best interests of all children. Parents should get equal treatment from the government when it comes to the form of child care that they choose.

Why does the Prime Minister and the government think that regulated day care and regulated day care alone is worthy of the support of the government? Why does the government continue to discriminate against stay at home parents?

• (1435)

[Translation]

Ms. Diane St-Jacques (Parliamentary Secretary to the Minister of Human Resources Development, Lib.): Mr. Speaker, I wish to inform the hon. member that there is already a range of possibilities and measures to which people have access, including deductions at the source. I do not think that the hon. member will object to day care services.

The government will invest \$935 million in day care services. Also, we already have the national child benefit. I do not think the hon. member can be opposed to the poorest in our society.

[English]

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, surely the member did not misunderstand the question. What I am asking is why the government discriminates against certain forms of child care. People who choose to look after their own children at home should be treated equally in the tax code, the

same as people who choose to send their children to day care. That is the issue.

Why does the government, after nine years continue to perpetuate a system that discriminates against some parents?

[Translation]

Ms. Diane St-Jacques (Parliamentary Secretary to the Minister of Human Resources Development, Lib.): Mr. Speaker, I think the hon. member simply did not understand my reply. There are already, for families, means to have access to the child credit. I am referring to deductions at the source for children. Moreover, we are helping poor families with day care services.

* * *

THE BUDGET

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, according to the budget, the federal government will invest \$45 million over five years to increase participation in sports so that children and youth can engage in physical exercise at school.

Can the Minister of Health tell us how she intends to reach youth in schools, when she has no constitutional authority to go into the schools?

Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this week, I met with my provincial and territorial counterparts, and we discussed Canada's sports policy.

In fact, an essential part of one of the action plans is better cooperation with the provinces and territories to increase involvement in physical education in schools.

We are ready to work with our sports system partners.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, does the minister know that the Quebec government has just recently created the "Ça bouge après l'école" program, the precise purpose of which is to keep youth physically active. Consequently, what is the minister waiting for to transfer the Quebec government its share of the funding?

Hon. Paul DeVillers (Secretary of State (Amateur Sport) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, we are presently working with the provinces and territories on bilateral agreements for such programs. We are still awaiting the provinces' requests. We are ready to work with our sports system partners.

* * *

[English]

INFRASTRUCTURE

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, Canadians paid \$7 billion in federal gas taxes last year: \$4.8 billion in excise taxes and \$2.2 billion in GST on the fuel and its excise taxes. That is \$7 billion in gas taxes, \$222 per Canadian. The Liberals will spend \$9 per Canadian on infrastructure this year.

Canadians pay \$222 each in gas taxes annually. Do they not deserve more than \$9 each in infrastructure payments?

Hon. Maurizio Bevilacqua (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the hon. member knows that our three infrastructure programs are approximately \$8 billion.

In reference to the issue of tax cuts, the hon. member must remember the fact that we were the party that introduced \$100 billion in tax cuts. The average family is saving approximately 27%. That to me is responsible governing.

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, we are still waiting for that GST tax cut though.

On average, Canada's provinces invest 91% of their gas tax revenue in roads. The federal Liberal government invests 4% in roads. Let me say that again. The average of Canadian provinces is 91% of gas tax revenue invested in roads. The federal government invests only 4% in roads.

Given this track record of provinces building roads while Ottawa pads its general revenue slush fund, why will the government not cut gas taxes and leave the financing of roads to the level of government that actually builds them and does it in a fiscally responsible way?

• (1440)

Hon. Maurizio Bevilacqua (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I do not understand what the hon. member is saying about tax cuts. After all, when we travelled the country and listened to Canadians, what they wanted us to do was in fact to cut the taxes and we have. We have done it with income tax brackets. We have done it with capital taxes. We have raised the small business deduction from \$200,000 to \$300,000 so that small business can prosper.

Regarding the commitment we have had to infrastructure and roads, anybody can check the record. Indeed it is a very good one.

* * *

JUSTICE

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, my question is for the Solicitor General of Canada and pertains to the integrated proceeds of crime initiative.

My riding of Kitchener Centre has been plagued by the prevalence of marijuana home grow operations which are linked to organized crime.

Budget 2003 provides \$46.6 million over the next two years to continue the integrated proceeds of crime initiative. Could the Solicitor General tell the House how this funding will help combat organized crime and how this funding will assist Waterloo Regional Police and the RCMP in fighting organized crime in Kitchener?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, I want to thank the member for Kitchener Centre for her question and her concern on this particular issue.

The funding that was announced in the February 18 budget means that IPOC will continue to pursue assets and money gained illegally. To date the program has contributed to seizures of criminal assets of more than \$215 million and forfeitures of more than \$86 million. It

Oral Questions

has referred cases worth \$89 million to other jurisdictions in Canada and abroad.

The government will continue to work hard on this issue. What we are trying to do is to take the profits out of crime.

* * *

INFRASTRUCTURE

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, my question is for the Prime Minister.

The *Toronto Star* says that his budget trashed cities. The Federation of Canadian Municipalities called it doomsday. No wonder Toronto Liberals are worried. Well, my city is worried too. The mayor of Winnipeg called the budget a joke.

Could the Prime Minister explain why Winnipeg's share of the budget meets only 0.05% of what it requires just to fix roads and bridges?

Hon. Maurizio Bevilacqua (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, it is typical of the NDP to have a very narrow view of what it takes to build a city, very narrow indeed.

Of course infrastructure is important. That is why we invested over \$8 billion. When we ask the small business people who want to generate greater wealth for the city, they say they are benefiting from the higher deduction. When we ask people if cities are in fact benefiting from the fact that disposable income in this country is going up, cities benefit from that. If we ask whether they benefit from greater health investments, cities benefit from that.

We understand what it takes to build a city. We understand what it takes to build a country.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, when Mike Harris was cutting taxes and not building clean water, the Liberals said that those choices caused Walkerton.

Two years ago the Liberals cut taxes by \$100 billion, twice the amount of today's infrastructure needs. But instead of building clean water, they are still cutting taxes, such as the abolition of the capital tax, costing \$700 million.

Could the Prime Minister explain why corporations need a capital tax elimination more than communities need clean water?

Hon. Maurizio Bevilacqua (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, that is typical of people who cannot take a two-pronged approach.

We have to generate wealth in a country before we can redistribute it. That means we have to set up the economic conditions so that people and companies can profit, create jobs and improve investments in Canada.

Oral Questions

Let us be frank with one another. We are leading the G-7 in economic growth. We are leading the G-7 in job creation. Disposable income in this country is going up. Productivity is going up. This plan works and it works well for the people of Canada.

* * *

FIREARMS REGISTRY

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, the justice minister is about to wash his hands of all accountability for the firearms registry. In five weeks the whole mess will be handed over to the Solicitor General, the next in a long line of ministers who cannot answer for their predecessors. This is a major move and must have been the subject of in-depth studies before the decision was made.

Will the Minister of Justice tell exactly how much the transfer will cost while the Minister of Justice is still able to speak on this matter?

• (1445)

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, obviously the hon. member did not look at the plan of action that the government tabled on Friday.

We saw the report of the Auditor General before Christmas. As well, we asked consultant Raymond Hession to prepare a report. He has tabled his recommendations.

We have decided to move ahead with a good plan of action which has been accepted by the Canadian population and police forces as well. We are talking about improving program management. We are talking as well about improving service to the public, engaging stakeholders in discussion and strengthening accountability and transparency. As well, we will—

The Speaker: The right hon. member for Calgary Centre.

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ETHICS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, the Prime Minister in an earlier answer said that the loopholes in the blind trust rule that he has used were used by two former ministers of a former Progressive Conservative government. I believe, sir, that is not the case.

I would ask the Prime Minister, who said he has seen the documents, to table those documents, or at the very least, to stand now and give the names of those ministers in the House. If he requires the approval of the former prime minister to release information relative to that government, I can tell him he has that approval.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not ask about the personal affairs of anybody. I am informed that this rule existed before we formed the government. It was that system that the former minister of finance used to arrange his own affairs. There was a precedent that existed in the previous administration. That is what I said. It is the truth because when we started, we took exactly the guidelines as they existed before I became Prime Minister.

FOREIGN AFFAIRS

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, the leader of the opposition in Zimbabwe, Morgan Tsvangirai, is on trial with two others on trumped up treason charges. The RCMP did an investigation into these allegations because the person who set up Mr. Tsvangirai is a Canadian, Ari Ben-Menashe. It took place in Montreal.

Unless the results of these findings are released publicly, three innocent people will possibly be executed. Will the Solicitor General release the results of these investigations?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, I recognize the hon. member's concern over this issue but the member knows full well that I cannot get into the operational matters of the RCMP or direct them thereon. However I can assure the hon. member that through the full breadth of the government, we want to ensure that there is fair justice everywhere around the world.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, three innocent people could be executed and we have the power to exonerate them. We have the proof but we are not releasing it. All we have heard are nice diplomatic platitudes and the cop-out of expected watching.

Again I will ask the government what it is doing to deal with the crisis in Zimbabwe. Seven million people are being starved to death. There are internment camps where state sponsored murder, torture and sexual assaults are taking place.

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, the Prime Minister has personally been working through the Commonwealth to bring pressure on Mr. Mugabe to bring his regime into conformity with the obligations that he has as a Commonwealth member.

Through the Minister for International Cooperation we have aid programs to help people in that country. We work with NGOs and with Zimbabweans to help them in terms of democracy building. We tell the government of Zimbabwe that we do not tolerate the conduct which we and the member opposite find totally reprehensible.

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[*Translation*]

KYOTO PROTOCOL

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, in response to a question on the negotiation of bilateral agreements with the provinces for implementing Kyoto, the Minister of the Environment said that the Deputy Minister of the Environment and the Deputy Minister of Natural Resources were the two federal negotiators on all such matters with the provinces.

If the Minister of the Environment is willing to sign bilateral agreements with the provinces and the negotiators are appointed, what is he waiting for to begin negotiating?

Oral Questions

● (1450)

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the two federal deputy ministers, the Deputy Minister of the Environment and the Deputy Minister of Natural Resources Canada, are meeting with representatives of the ten provinces and three territories. As soon as they have wrapped up the discussions that are currently underway, we might have several agreements with the provinces and territories.

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, the federal government is secretly negotiating with industries to determine their respective efforts in reducing greenhouse gas emissions, effectively stepping away from the territorial approach recommended by Quebec.

If the minister is serious about wanting to involve the provinces in implementing the Kyoto protocol, when is he going to transfer them their share of the budget and stop negotiating behind their backs?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, I do not know whether all the provinces, including Quebec, want their talks to be public. It is possible, but I do not know. Often, when we have discussions with certain industries or with the provinces, these discussions are not entirely public. That is normal, it is not uncommon. I do not have the details of all the talks we have had, but I assure the hon. member that we are prepared to reach an agreement with all the provinces.

* * *

[English]

ETHICS

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, the Liberal code of ethics allowed one cabinet minister to have a special agreement so that he could still supervise his company's affairs. That minister of course was the former finance minister.

Will the Prime Minister admit today in front of all Canadians that the former finance minister had a special supervisory agreement that no other cabinet minister had?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I just explained to the leader of the Conservative Party that the system used by the minister of finance at that time was a system that was in place since the government of the Progressive Conservatives. This system for that type of company was there to be used. That is why the minister of finance of the day used it. It was according to the rules as they were written when we formed the government.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, for the government to stand up and try to excuse such a blatant conflict of interest by another government is absolutely 100% wrong.

I want the Prime Minister to say to all Canadians that the former finance minister had a special supervisory agreement that no other cabinet minister had.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the rules were clear and they were followed. It was made public. Two other members of the government have the same system. Owning a private personal business is not the same as owning stock in public companies. This was the arrangement before we formed the government and after we formed the government.

[Translation]

PERSONS WITH DISABILITIES

Mr. Raymond Simard (Saint Boniface, Lib.): Mr. Speaker, in its 2003 budget, the government reaffirms its intention of building an inclusive society.

But as we all know, it is often very difficult for persons with disabilities to participate fully in Canadian society. The parents of severely disabled children often face major financial barriers. Many Canadians, adults as well as children, live with autism and other developmental disorders.

What concrete action is the government taking to meet the needs of Canadians with autism and other developmental disorders so that they can take their place as full members of Canadian society?

Ms. Diane St-Jacques (Parliamentary Secretary to the Minister of Human Resources Development, Lib.): Mr. Speaker, I want to thank the hon. member for his question.

I am proud to inform this House today that the Minister of Human Resources Development has announced a \$130,000 investment in the Miriam Foundation learning centre for persons with autism and developmental disorders.

The contribution announced today is consistent with the measures in budget 2003. In this budget, we are investing \$50 million to establish a new benefit for disabled children, which will help low and middle income families caring for a severely disabled child.

Measures like this one show once again that the full inclusion of persons with disabilities—

● (1455)

The Speaker: The hon. member for Fraser Valley.

* * *

[English]

ETHICS

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, obviously a two tier system of ethics is being applied to Liberal cabinet ministers. The second tier is expected to put its holdings in a blind trust or a blind management agreement, ministers like the resource minister or the foreign affairs minister.

Why did only one minister, the former minister of finance, have the tier one treatment, a shoot from the hip, ad hoc supervisory agreement that essentially allowed the former minister of finance to direct the affairs of Canada Steamship Lines whenever he wanted to intervene?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I will repeat what I said. All the rules were followed all the time during the time the member for LaSalle—Émard was the minister of finance.

Oral Questions

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, blind management and blind trusts are both described on the ethics counsellor's website. The supervisory agreement is something dreamed up in the Prime Minister's Office.

Let me quote from the agreement. It states:

—supervisors may consult with and obtain the advice, direction or instruction of the [finance minister], or the [finance minister] may personally intervene in order to exercise the rights and privileges associated with the Shares....

Why was the former finance minister allowed, essentially, to direct the affairs of his company while he directed the tax laws of the country?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I just said that the rules were applied. These rules were established after a recommendation by a commission established by the government of the day, the Conservative Party, and were followed by the former minister of finance, and now by the two cabinet ministers who are in the same position. They are all following the rules as they existed in the past and exist now.

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[Translation]

HIGHWAY INFRASTRUCTURE

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, just before the last general election, the government made formal commitments regarding highway 30. The moneys earmarked so far by the government are very far from the \$357 million promised to the region.

Since people from the Montérégie are here this afternoon to ask the government to make good on its promise, is the minister prepared to sign the memorandum of understanding and invest 50% of the public portion of the costs to complete highway 30?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, highway 30 is another example showing that the federal government has invested significantly in Canada's infrastructure. We have negotiated the details of this important project. Soon, along with the Quebec government, we will be in a position to announce something, but we will do so only when we are ready.

* * *

[English]

FIREFIGHTERS

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my question is for the Minister of National Defence.

Canadian firefighters are on the front lines in many emergencies, including possible terrorist chemical or biological attacks, yet the Liberal government has so far refused to fund their participation in the International Association of Fire Fighters hazardous materials training for first responders program.

When will the minister finally come up with the \$500,000 needed to fund this vitally important program to enable our firefighters to respond effectively to any acts of terrorism on Canadian soil?

The Americans have funded this for some time. When will the Canadian government finally come up with the funding needed?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, we have held meetings with firefighters a number of times as a caucus. The member knows that we have advanced the security files substantially, both through the budget of 2001 and last week's budget. We will continue to work on that with all law enforcement agencies and security agencies. We are working through our department to implement training programs for first responders. In fact, I attended a meeting with first responders in Calgary some time ago.

* * *

FISHERIES

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, the Minister of Fisheries and Oceans has continuously said that we cannot extend jurisdiction beyond the 200 mile limit, nor can we impose custodial management. Russia, however, has requested the United Nations to extend its boundaries to take in almost half of the Atlantic, and 30 other countries are lined up ready to move.

Why is Canada not taking such action so we can protect our resources for our people?

• (1500)

Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, we will be having a debate on Wednesday night and we can certainly discuss that.

The member should know that we held a forum in Newfoundland last week where experts in international law came together to discuss this matter, to see what the ramifications would be and what the possibilities would be. We have already extended the 200 mile limit.

I understand the discussions were very good. I am looking forward to the report from that meeting, which does not support the member's position too well.

* * *

ETHICS

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I want to follow up with the Prime Minister on the sweetheart deal he gave the former finance minister which allowed him to run Canada Steamship Lines while he was writing Canada's tax laws.

The only answer the Prime Minister has given us is that "if it was good enough for Sinc Stevens it is good enough for me". Is that really his position?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the rules were very clear. If there had been any danger of a so-called conflict of interest, the former minister of finance would have given the file to the secretary of state responsible in the Department of Finance and he would have advised me. On some occasions he even left the room so he would not be part of the discussions.

Petitions

[Translation]

SOCIÉTÉ RADIO-CANADA

Mr. Roger Gaudet (Berthier—Montcalm, BQ): Mr. Speaker, in Haute Matawinie, ham radio communications depend on SRC equipment. The SRC has hiked facility user costs from \$100 to \$2,400 annually per operator.

Does the Minister of Heritage consider it acceptable that the SRC has multiplied by 24 the charges to ham radio operators, and could she not let the SRC know that this is unreasonable in an area where there is no possibility of cellphone use?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, I believe the hon. member has a good point, one he needs to raise directly with the SRC.

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[English]

ELECTORAL BOUNDARIES COMMISSION

The Speaker: It is my duty, pursuant to section 21 of the Electoral Boundaries Readjustment Act, to lay upon the table a certified copy of the report of the federal Electoral Boundaries Commission for Alberta. This report is deemed referred to the Standing Committee on Procedure and House Affairs.

ROUTINE PROCEEDINGS

[English]

FISHERIES

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 53.1, I move:

That a debate pursuant to Standing Order 53.1 take place on Wednesday, February 26, 2003, on the subject of fisheries.

The Speaker: Is that agreed?

Some hon. members: Agreed.
(Motion agreed to)

* * *

● (1505)

PETITIONS**STEM CELL RESEARCH**

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present a petition signed by a number of Canadians, including petitioners from my own riding of Mississauga South. The petitioners acknowledge, as I do, that life begins at conception. They point out that Canadians support ethical stem cell research which has already shown encouraging potential to provide cures and therapies for the illnesses and diseases of Canadians.

They also suggest that non-embryonic stem cells, which are also known as adult stem cells, have shown significant research progress without the immune rejection or ethical problems associated with embryonic stem cells.

The petitioners therefore call upon Parliament to focus its legislative support on adult stem cell research to find the therapies and cures necessary for Canadians.

MARRIAGE

Mr. Janko Peric (Cambridge, Lib.): Mr. Speaker, pursuant to Standing Order 36 I have the privilege to present to the House a petition dealing with marriage signed by some 100 constituents from my riding of Cambridge.

The petitioners wish to draw to the attention of the House that the institution of marriage has always been defined as a union of a man and a woman, and was upheld as such by votes in the House. The petitioners pray and request that the Parliament of Canada respect and uphold the current understanding of marriage as the union of a man and a woman to the exclusion of all others.

FOREIGN AFFAIRS

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, I have the honour to present two petitions today.

The first petition is signed by hundreds of residents of the Fraser Valley in British Columbia, including in particular a group of veterans against nuclear arms and Mr. Emil Grieshaber. The petitioners are very concerned about the possibility of war in Iraq. They point out that the defence minister has stated, "Canada is ready to go to war again for humanitarian reasons even if the action defies international law and the UN charter".

● (1510)

The petitioners call on Parliament to call for the perpetrators of all crimes against humanity to be brought to justice by international police action and tried before the International Criminal Court or its interim equivalent. As well, they call for a return of Canada's foreign and defence policies to a full respect for and full compliance with international law and the UN charter.

CONSCIENTIOUS OBJECTION ACT

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, the second petition is signed by 70 residents of Victoria, British Columbia, and in particular supporters of the group Conscience Canada. The petitioners point to the Constitution Act which guarantees freedom of conscience and religion. They point out that, in their view, contributing to the Canadian military through the payment of income taxes is an infringement of their freedom of conscience and religion.

They call for the establishment of peace tax legislation by passing into law my private member's bill, the conscientious objection act, which recognizes the right of conscientious objectors to not pay for the military, but to apply that portion of their taxes that was to be used for military purposes toward peaceful, non-military purposes.

*Supply***QUESTIONS ON THE ORDER PAPER**

Mr. Geoff Regan (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 Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—AUDITOR GENERAL'S REPORTS

The House resumed consideration of the motion.

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I am pleased to have the opportunity to take part in this debate. I have listened all morning to members speak about the gun registry. I must go to the public accounts committee in 20 minutes which will be dealing with guns, the Auditor General, et cetera. Therefore, I will speak about chapter 2 of the Auditor General's report, not chapter 10. Chapter 2 concerns Health Canada and national health surveillance activities. I suggest that it will be more interesting than gun control.

Overall, this chapter acknowledges the progress made in a number of important areas over the last three years. The Auditor General found that Health Canada had improved disease surveillance in a number of areas including HIV, food-borne and water-borne diseases and influenza.

I will first give a little background on surveillance. Health surveillance is the collection of information generated by the health care system, an analysis of that information to determine trends in diseases or causes of disease across time and place, and to forecast what may happen in the future. We can think of Walkerton, labelling on food containers, and a number of other things.

This information can be used in the short term perhaps to recall a food product or drug or, in the longer term, perhaps to plan health care programs to meet the needs of the future. Surveillance may also give clues concerning the nature and causes of diseases—ideas which can be investigated further by health research.

The vital importance of health surveillance in providing the information needed by public health professionals and decision-makers is readily apparent. It provides much of the information needed to inform policy decisions, to plan health programs, and to take regulatory action to manage risks and protect the health of Canadians.

This is not something that the public necessarily sees every day and it is perhaps something that we may sometimes be tempted to take for granted, but a moment's thought will reveal just how important this role is.

Canadians rightly expect that governments are standing on guard to preserve their health and the government takes that responsibility very seriously. Not only does Health Canada maintain national surveillance in a wide range of infectious diseases such as

meningitis, HIV-AIDS, tuberculosis, food and water-borne infections, as in Walkerton, but it also stands ready to monitor new threats as they emerge.

For example, it has initiated surveillance of West Nile virus and new variant CJD or mad cow disease, and continues to monitor the growth of the resistance of bacteria to antibiotics.

Health Canada also monitors the safety of regulated products including drugs and vaccines, as well as injuries which require care in hospital emergency departments. There is also considerable effort spent in the surveillance of chronic diseases such as cancer and diabetes. The list of conditions under surveillance also includes child abuse and neglect.

I would like to bring to the attention of the House that since 2000 Health Canada has created a single focal point to help advance its work in health surveillance which is the centre for surveillance coordination. The centre is a national centre of leadership, expertise and excellence in health surveillance. Working with others in Health Canada it ensures the coordination of national surveillance that allows it to gather and share information more efficiently with our partners including the provinces and territories. The centre for surveillance coordination, in collaboration with public health stakeholders, aims to increase the capacity of public health professionals and decision-makers across Canada to better protect the health of Canadians.

National health surveillance is a shared activity. Health Canada works in partnership with the provinces and territories as well as other partners such as voluntary agencies, professional associations and universities on national health surveillance issues.

Health Canada is proud of the work that it is doing with the provinces and territories on national health surveillance and will continue to work with them to enhance surveillance systems which are constantly evolving.

An excellent example of this work is the Canadian integrated public health surveillance system or CIPHS, which has been developed by Health Canada in collaboration with the British Columbia centre for disease control and now being piloted or scheduled to be piloted in no fewer than nine provinces and territories. It would drastically improve the speed and ease of the surveillance of infectious diseases by linking laboratories and front line public health workers at local, provincial, territorial and national levels. In her report, the Auditor General recognized the contribution that the Canadian integrated public health surveillance system would make to the surveillance of infectious diseases.

Another example of the innovative work being done in Health Canada is the global public health intelligence network or GPHIN. This system scans news sources for reports of disease outbreaks and collates and transmits them to public health officials. This not only gives us information on health threats which may be imported into Canada or pose a threat to Canadians abroad, but it is also a significant Canadian contribution to the work of the World Health Organization.

I want to assure the House that we have taken the recommendations made by the Auditor General seriously. A national approach to health surveillance that will ensure that weaknesses and gaps in health surveillance are addressed is set out in a document entitled "Canadian Health Infrastructure Health Surveillance Tactical Plan".

We will continue to work with the provinces and territories to obtain further agreements on the sharing of disease information including agreement on data collection, data dissemination, data standards, and the list of diseases that should be reported nationally, as well as developing an evaluation framework.

Finally, Health Canada is developing a distance learning approach to help its partners increase their skills in the scientific disciplines necessary for the operation of surveillance systems. We will continue to enhance current surveillance of communicable diseases, with emphasis on specific diseases such as HIV, enteric diseases, sexually transmitted infections, blood-borne pathogens and vaccine preventable diseases.

To illustrate how this commitment continues, let me point out that the recent federal budget provided funding for a national immunization strategy and that this included continuing work on the surveillance of vaccine coverage, vaccine preventable diseases and vaccine side-effects.

We have surveillance systems for chronic diseases such as cancer and diabetes at various levels of maturity and in collaboration with the provinces and territories, and others, we will continue to work addressing specific gaps such as cardiovascular disease and chronic respiratory disease.

As an example of federal, provincial and territorial collaboration deputy ministers of health have asked for a task force on the surveillance of chronic disease risk factors and Health Canada will be participating fully with its provincial and territorial partners in strengthening the surveillance of chronic disease.

In summary, we have here an issue of the utmost importance to the health of Canadians. The Government of Canada is playing a leadership role in ensuring that governments across Canada improve their ability to track and monitor diseases and to have the information they need about emerging threats to health.

This is a considerable challenge at the technical level but there is a commitment to a collaborative approach to strengthening our capacity to gather the information needed to protect the health of Canadians. The Auditor General has recognized the progress we have made, with HIV-AIDS, diabetes and others, and there are other enhancements under development.

• (1515)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I listened to the hon. member's comments and sadly could find no connection whatsoever with the subject matter before the House. I have great respect for the member and I know that he comes from a part of the country that is extremely concerned, in particular about government waste and accountability.

Among other things, the Auditor General's report said it was inexcusable that Parliament was kept "in the dark" over the blatant waste and mismanagement of the gun registry. I want to ask the hon.

Supply

member, having put so much emphasis on the issue of health, would he not agree that the \$1 billion and the further money that is being plugged disingenuously into the system would be much better spent doing the types of things he just outlined? Does he not agree that the money could be spent in a way that would effectively protect Canadians' health, that would in fact enhance people's current health, rather than a gun registry that has no connection to public safety whatsoever, none?

We know that criminals will not participate. We know that it is of no assistance. We know that it was presented to the Canadian people in an extremely disingenuous way because the costs have ballooned out of control. I know that the hon. member is a very common sense gentleman. I know that he does listen to his constituents. Would he not agree that the \$1 billion spent on the gun registry, like the \$1 billion that it cost to cancel the helicopter program, like the \$1 billion that went unaccounted for in HRDC, like the other hundreds of millions of dollars spent in advertising contracts for work that was not done, is what the Auditor General was talking about?

Does the hon. member not see the connection in what the Auditor General, his constituents and all Canadians are telling him, which is that his government's priorities are completely out of whack? Would he not agree that the money being spent is not having an effect on public safety, that it could be better spent on programs and health like he suggested? Would he not agree that this is a common sense change that might occur?

• (1520)

Mr. John Finlay: Mr. Speaker, my colleague asks an interesting question following my speech. I am quite aware of everything he talks about. I am also quite aware, because we heard speeches this morning, and my hon. friend might have heard them too, which pointed out that death by long guns has now become less prevalent than death by handguns and that 2,000 hits a day on the computer system come from police forces.

There is a lot of good common sense safety involved in the gun bill, and I do not want to go through all that. I went through the gun bill trials too; I stood in the street with the then minister of justice and had 300 angry farmers tell us about things.

The registry will be improved. In about two minutes I will be going to find out all about what the Auditor General wishes us to do.

I will agree with my hon. friend that the value has to be obtained and that it would appear that in the gun registry we did not obtain the value that we should have for our money. I would suggest, however, that health care is a place where the hon. member would agree with me that the government is trying very hard and, it would appear, having some success with the participating provinces and territories in achieving something. It is the envy of the world now and I hope we will keep it that way.

Supply

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, following up on my colleague's question, the question from the Progressive Conservatives, I think I heard the hon. member correctly state that he did agree with the Progressive Conservative member in the sense that the government did not get value for the dollars invested. I do not think that is an earth shattering statement, because I think everybody in Canada knows by now that the \$1 billion was just wasted on this senseless registry, this supernova list that the federal Liberals have come up with. I wonder if he would take that next step, which is to address the real question my colleague asked. Having said that, would he now admit that the money would be better spent, along with the money that the government will continue to pour down the drain into the registry, on health care and other priorities of Canadians?

Mr. John Finlay: Mr. Speaker, my answer to that is no. I think that obviously there would appear to have been money not misspent, not mishandled, but mistakes obviously were made in the difficulty that was demanded or in the kinds of parameters people were working with in the gun registry. I will hear about that in a few minutes. Again, I have heard about it before, but no, on health, gun registration, licences for guns and the safety of people are important as well. Sure, it would have been better to have spent those dollars that we may find have not been too well administered and to have put them into health care. Sure, that would make sense. I would have to know better than I know now, though, how much it might be.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, I will be splitting my time with the member for Saanich—Gulf Islands.

It is a pleasure to rise and address this issue today, to consider the Auditor General's reports from the year 2002. It was a fruitful year for the Auditor General, which means a bad year for Canadians. We have just heard from a member from across the way, from the Liberal side, who was talking a little bit about some of the flaws that we all know exist, for instance in the firearms registry. I want to talk about that in a moment, but I do want to underline why it is important that we talk about these issues.

I believe, and I think many Canadians believe, that this government has not been a good steward of our money, which is why we have taxes that are much higher than necessary. I want to underline how important it is to get rid of waste in government by adhering to what the Auditor General says and just by using common sense, by pointing out the impact it could have on the ability of people to look after their families, to buy clothes for their kids, buy school books, pay the dental bills and buy prescriptions, all these things, if we are able to rein in wasteful spending.

Consider, Mr. Speaker, in Canada today the average family pays about 40% of its income in taxes. On an average annual family income of \$60,000, that is about \$24,000 in taxes. Now consider if we were able to drop our tax rates down to the equivalent of those in the United States, down to about 30%. That would be a saving of about \$6,000 a year. Over the course of 10 years, that is \$60,000 that we could save a family, \$60,000 if we could lower the waste in government and start to leave that money in the pockets of families.

Every time I come in here I notice the relief on the wall of the Chamber of the House of Commons in which there is a father, a mother and a child. Over the top of it is the word tax and, en français,

impôt. The point I am trying to make is that we need to be respectful of taxpayers' money and too often this place does completely the opposite. I get so angry when I see the complete disregard for taxpayers, for instance on the firearms registry.

That registry was supposed to cost taxpayers net \$2 million. It is now approaching \$1 billion and apparently it is going to go to \$1.5 billion, by the government's own admission, before the thing is fully implemented. We think even that number is flawed. It could go much higher. This is so common. It happens all the time. All the time, and every department is guilty of this, and the Auditor General's report is full of examples.

I have mentioned the firearms registry, and we will hear more about the firearms registry today, I can guarantee it, because it is so blatant, that wanton disregard for taxpayers' money. There are many other examples. One of the examples that I think has had short shrift is how the government hid previous surpluses in private foundations.

The Auditor General, who does an outstanding job on behalf of taxpayers, and I admire her and her office very much for what they do, pointed to the fact that these private foundations are essentially off the books. The government will have a big surplus at the end of the year and will do all kinds of very funny, tricky transactions to essentially hide the surplus, to spend the surplus so that it did not have to in this case pay down the debt, because under the old rules that it set for itself, the money was supposed to go to pay down debt.

That would have been a good use of that money, but instead the government put it into these foundations. The problem with that is that these foundations are completely unaccountable to taxpayers. As a member of a committee, one cannot have access to find out what really is going on there. The Auditor General could not audit some of these foundations. She brought down in her report a lot of criticism, concerns and recommendations with respect to these private foundations. She asked the Treasury Board to come up with some rules so that they could actually be regulated. We are talking about a lot of money in many cases. For instance, \$300 million is going into Genome Canada, off the books in a place where parliamentarians cannot scrutinize that spending. Another example is the \$500 million to Canada Health Infoway Inc.

• (1525)

Why is the government hiding this from the eyes of parliamentarians? I do not understand it. There are many other examples, such as advertising contracts. This is completely scandalous.

For weeks on end, our party criticized the government over its use of contracts to put money into the hands of political supporters, advertising contacts. We raked the government over the coals. Finally it had to yield and sent this off to the Auditor General so she could have a look at it. At some point, hopefully in the not too distant future, she will have a very comprehensive report on how this was done and its impact. Pretty clearly this was a misuse of taxpayer money.

We all know people who work not 40 hours a week but 50, 60 or 70 hours a week to support their families and they pay huge amounts of taxes to do that. Where does that money go? Unfortunately, in many cases it is not used for what it should be used, which is to provide more opportunities for Canadians, to build an environment where more jobs are created, to have modest but sustainable and good social programs and to have a strong national defence. Instead it is very often spent on things that are frivolous, or on things that are well-intentioned but do not meet their objectives and or on things that are blatantly wasteful. That has to end. We have to find a way to rein in the government.

I want to make a suggestion along these lines. At one time Parliament used to review the main estimates line by line and vote line by line on whether an expenditure was warranted. We need to return to that type of system so we can get rid of some of the waste and frivolous spending in which this government majors.

If members think I am kidding, I want them to refer to this past budget, where we saw spending leap through the roof. We are seeing spending go up year after year. Since 1997, program spending by the government has risen 45%. That is chilling. We just barely got out of deficits. We carry a \$536 billion debt. We have taxes that consume 40% of people's paycheques. Those are the priorities. What does the government do? It decides to drive up spending at a time when spending is already at all time record highs on a per capita basis in Canada. That cannot be justified.

I would argue that the Prime Minister and the Minister of Finance have spent like this to try vainly to establish a legacy for the Prime Minister and to try to tie the hands of his successor, in all likelihood the former finance minister, so he will not have the room to put his imprint on government. There is no justification for that. This is taxpayer money. It is completely irresponsible to behave in that manner.

I will conclude by saying it is time for the government to take seriously the spending of taxpayer money, to treat that money with some respect and not to wave it off every time another scandal is revealed. There have been so many in the time I have been here it is almost impossible to keep up with them. Suffice it to say, it is no joke to taxpayers back home who struggle very hard every day to make a living and to support their families. They do not laugh very hard when they find another \$100 million has been blown, or \$1 billion wasted there, or whatever it is. There are just so many examples.

I would urge members across the way to take this issue seriously and to embrace some of the suggestions of the Auditor General and members of the opposition when it comes to the judicious use of taxpayer money.

• (1530)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I thank the member for his intervention on this opposition day. I must admit I have heard the same kinds of allegations about mismanagement or misuse of funds in a variety of areas. It is important that not only do we look at what the allegation is at the outset, when it comes forward, but at the aftermath, after all is sorted out and all is done. It is important to finish the story.

Supply

With regard to the HRDC program, the member will well know that it was a billion dollar program to promote HRDC objectives. There were some contracts, et cetera, which came out and there were suggested overpayments. Even on that one alone, I was told by the minister directly that after all was said and done there were prosecutions and the amount of money actually lost was very little.

In this regard, is the member aware of what in fact the ultimate outcome was of the HRDC incident?

• (1535)

Mr. Monte Solberg: Mr. Speaker, I know one of the outcomes was that the confidence of the public was completely shaken in the ability of the government to handle its money because there never was a full accounting of where that billion dollars went. We have asked over and over again for the minister to fulfill her commitment, which was to put on the HRDC website a list of where all that money went. It has never been fulfilled.

Speaking of Human Resources Development Canada, my friend asked me what the outcome was. Five years ago Human Resources Development Canada was the subject of an audit with respect to social insurance numbers. Today we are still battling to have the Human Resources Development Department account for five million extra social insurance numbers over and above the population of Canada. That is five years later. We had officials before us who told us that they were not allocated the necessary funds to go ahead and deal with that problem

In return, how seriously does the government take these condemnations that come from the Auditor General? Not very.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I do not think one has to be a rocket scientist to realize the amount of waste that has gone on in the government over the past 10 years, and even in previous governments. It has just been horrendous.

I come from a rural riding and I have approximately 16 RCMP detachments in that riding. I have also ridden around with a number of policemen in Calgary and other cities. I cannot find anyone on the ground level who has indicated that spending this money on the registry is worth one ounce of good to them.

For example, in the cities when officers go to a domestic dispute, they assume there is a gun there. They do not care what any registry tells them or does not tell them, they will not go in there blind. They absolutely assume that there is a gun. The registry is not helpful, it is a waste. They all believe that. I cannot find one officer at the ground level who agrees with the registry.

However, I can agree with them when they tell me that they are very short of men and equipment. They would love to have a national strategy on child pornography, but they cannot get these things because of this waste.

Does he find it the same in his riding?

Supply

Mr. Monte Solberg: Mr. Speaker, I can confirm exactly what my friend has just said. As members of Parliament, I am sure we all speak to police officers, people at the frontline enforcing our laws in Canada. I can literally say I have not met one police officer, out of the dozens and dozens I have talked to, who has said the national firearms registry is a good idea.

They would much rather see the money devoted to improving CPIC. They would much rather see the money devoted to having not just future sex offenders but all sex offenders listed on a national sex offender registry. That is where the money should be spent: more cops on the beat, more resources for police that make a difference, not on a bureaucratic boondoggle that costs taxpayers a billion dollars for no value at all.

Mr. Gary Lunn (Saanich—Gulf Islands, Canadian Alliance): Mr. Speaker, I will follow up on what the member for Medicine Hat just said, although I would like to commend my colleagues from the Progressive Conservative Party for bringing this matter before the House.

The member for Medicine Hat talked about accountability. I wish that I had unlimited speaking time because I could be here for a week talking about the different departments and the lack of accountability.

I hear some ministers heckling, and they are in charge of those departments. I could go on and on. The saddest part of all this is that this type of behaviour by the government and all the departments is not the exception, it is the norm. That is what this has become. That is the scary part.

I will focus my comments on three areas because I could go on for many but I only have 10 minutes. I will talk about the Human Resources Development Canada, the military and the gun registry.

Let us talk about HRDC. In 1994 the Auditor General stated the following regarding operations:

We believe Parliament should know whether these programs are producing the results expected, whether value for money is being obtained, and whether the programs in certain circumstances are having possible negative effects on the economy.

What a novel idea that is. Imagine that. In 1998 the Auditor General stated that inadequate controls existed in grant programs in many departments.

In 2000 an audit of HRDC revealed a billion dollars was mismanaged. When the files were looked at, 97% showed no evidence that anyone had checked if the recipient owed money to HRDC, 80% showed no evidence of financial monitoring and 15% did not even have an application on file.

Last year the Auditor General revealed that there were five million more SIN cards than there were people. One household received 225 SIN cards before being investigated. Where is the accountability?

Members have referred to these as allegations. These comments come from the Auditor General. Yes, we in the Canadian Alliance bring these up all the time, things like the gun registry. The member for Yorkton—Melville has been a most tireless spokesman on the issue. In fact he fed the Auditor General hundreds of letters that he

investigated so that she could have a base for her report. An independent investigator has come up with this.

Let us go on to defence. The Auditor General continually warned the government since 1996 that the military was critically short of resources. In 1994 national defence lost twice as many members as it enlisted. The Auditor General's audits in 1996, 1998 and 2000 and 2001 all demonstrated there was human resource problems in national defence.

The government does not listen. It does not act. The money gets spent on its own slush funds.

In 1999 the Auditor General reported that Bombardier obtained a \$2.8 billion contract. The contract was let without competition in complete contravention of government regulations. In 2002 the Auditor General confirmed that \$65 million of the contract was paid out for flight training that was never received. This is absolutely shameful. This can go on in any department. It goes on all the time and I will get to that in my conclusions.

The Auditor General has stated for some time that the Canadian Forces need \$1.5 billion a year more in its base just to meet the current operational and capital procurement requirements. What did it get in this year's budget? It got half that. It was desperately in need of an ambulance. The government barely gave it a band-aid.

Let us go on to the gun registry. I commend the member for Yorkton—Melville. Through courtesy of the Auditor General came the scandal that best defines the government over the past 10 years. This was to be a net cost of \$2 million to the taxpayers. Everybody in the country has learned that it cost a billion. As the member for Medicine Hat pointed out, the government's own estimates now take the cost of the registry up to a billion and a half dollars for a database. It is ridiculous.

• (1540)

Was it all worth it? Not according to Toronto police chief Julian Fantino who, on January 6 of this year stated:

I am very devastated by the amount of gun related violence that we are experiencing here in the city of Toronto; a tremendous increase over years gone by. The difficulty of course is that we haven't yet come across any situation where the gun registry would have enabled us to either prevent or solve these crimes.

Tell me how this \$1 billion is doing any good. The Auditor General, not an opposition member of Parliament but the Auditor General herself stated, and these are her words, not mine:

The issue here is not gun control. And it is not even astronomical cost overruns, although those are serious. What is really inexcusable is that Parliament was in the dark.

If people in a Crown corporation kept information from the shareholders on purpose, they would be thrown in jail, but not here. It is an absolute disgrace.

I mentioned three examples. Another frustrating thing is that this has become the norm, whether it is about public works contracts, whether it is in justice with the gun registry, whether it is in HRDC, or whether it is in environment on Kyoto. Billions of dollars are being thrown around. Nobody on that side of the House is prepared to take this on. It will not change. The only solution is a change of government.

Supply

Is the former finance minister who is the heir apparent to take over from the badly bruised current Prime Minister prepared to take on these departments? Not a chance. He has been around here for a long time. We will see more uncontrollable spending.

The House has been asked to consider the reports of the Auditor General for 2002. Frankly, we should be considering a lot more.

We started off last year by learning that sponsorship program moneys were being funnelled to Liberal friends and supporters. One communications firm, Groupaction, received \$1.5 million for three reports which all delivered exactly the same thing. This is not just wrong. This is not just scandalous. This is criminal. Someone outside Parliament would have been thrown in jail.

Last year ended with it being exposed that the government wasted \$1 billion on a gun registry that does not work. The government tried to hide this from the Canadian people.

In short, 2002 was a banner year for waste and corruption. The Auditor General deserves our thanks for helping to expose those files. We need to remember that is only one year in a long tradition of ignoring the Auditor General's office.

I listened to members saying that these were just allegations and that the Auditor General was wrong. If I were in the government and the Auditor General delivered such a report, I would say that we would get to the bottom of it and fix it. What did the Liberals do? They ran, ducked, hid and took cover. They tried to come up with every excuse in the book as to why it was not their fault. Sometimes they actually blamed it on the Auditor General herself. It is unbelievable.

Previous reports told the government to watch how it spent HRDC funding. Previous reports told members opposite that the military needed our help. The reports go on and on.

The worst problem with all of these reports is that none of them have had any effect on the government. That is the scandalous part of all of this. The government carries on with its spending. As the member for Medicine Hat just stated, government spending in the budget we have just witnessed is up some \$17 billion, the largest single percentage increase in a budget over 40 years.

The Liberals have not got it yet. They are not going to cut their wasteful spending. They will funnel billions more, all coming out of the taxpayers' pockets. It is unbelievable.

The government treats scandal and corruption with a business as usual attitude. If it were not for motions like the one before us today, the government would not even consider the Auditor General's reports which consistently expose its failures. It has been like this since 1997 when I became a member of Parliament.

The worst problem is that things do not get fixed. We see the same things happening in report after report. The government has a complete disregard for the Canadian taxpayer.

● (1545)

The Liberals' arrogance has grown. They will treat the money as if it were their own and will spend it as they want. They will keep it and funnel it to their own supporters. There is no solution coming from over there. The only way to fix this is to throw the government

as far as we can or we will continue to read about billions being funnelled to the government's supporters and being thrown in the paper shredder.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, my colleague has shown a great amount of support for the Auditor General's reports as I have as well. The Canadian public has also indicated strong support for the Auditor General.

One of the things the Auditor General has said in the last number of months is that she felt that the reporting requirements of first nations governments were extremely excessive. Every first nation was expected to produce 168 reports in order to receive its funding and four separate financial audits had to be done. As a result, the first nations were utilizing dollars out of their very limited funds. They did not have the resources to produce those reports. A good number of those reports were never being used for anything other than the fact that they were just being produced.

Would my colleague have a comment on the Auditor General's specific comments relating to first nations governments having to produce an overabundance of reports?

● (1550)

Mr. Gary Lunn: Mr. Speaker, I agree with the member. The bureaucratic red tape for our first nations people is cumbersome to say the least. It is problematic. The government's response again is low accountability and to create more reports. What are the results? Does anybody measure results?

I am sure the member has been to some first nations reserves as I have in my riding. It would be very difficult to find people in our society who would trade places with those of first nations. There are some horrible conditions. I am sure the member would agree.

The first nations receive a fair amount of money, something in the magnitude of \$25,000 a year tax free for every man, woman and child. Is it reaching those people? I do not think so because they do live in horrific conditions. There are massive problems within the first nations and how the government has treated the situation.

I agree that the reports are cumbersome. They are not addressing accountability and are creating a bureaucratic nightmare. Again the worst problem is that the grassroots first nations people are still in an extremely difficult situation. Most members have been to some of the reserves and the current practices are clearly not working.

What is the government's response? Status quo, do nothing. Let us funnel money into the gun registry to actually try to fix some of the real problems that the country faces.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I had the opportunity to visit a number of reserves when I was on the health committee and we were dealing with aboriginal health issues. I hope the member can provide a bit of knowledge on the resources available to aboriginal Canadians, whether it be with regard to sewers and water, human resources development, or improvement of the economic scenario for our aboriginal peoples.

Supply

One of my concerns is that there are a number of programs in a variety of departments which provide a variety of funding to all Canadians as well as to aboriginals. The inability for us to identify the cumulative support whether it be for seniors, the disabled, children, et cetera, is problematic.

Has the member identified that we are talking about a shortage of resources or is it that those resources are very difficult to follow through the system to get that accountability he is talking about?

Mr. Gary Lunn: Mr. Speaker, it is indicative of the problems we see in many departments, whether it be justice or environment. We are talking about first nations. Nobody measures output, as the Auditor General has asked us to do. Nobody actually looks to see if there is value for the money.

The minute a scandal comes up, the minute a story breaks that \$1 billion has been lost or blown, the first reaction is not to say that the problem has to be fixed. The first reaction is to cover it up and hide the facts from Parliament. Everybody goes into justification mode as to why the money had to be spent as opposed to actually looking down and saying, "We are not getting any results. What do we need to change?"

The same would hold true with first nations issues with respect to funding. We should be measuring results and ensuring that the money is actually reaching the people who need it and that we are making a difference. I think it would go a lot further.

• (1555)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I will be splitting my time with the very hon. member for Kitchener Centre. She is a very good member of Parliament and I am sure that her speech will be of great interest to all hon. members.

I first want to comment on a couple of items which were raised by the member for Medicine Hat. As a preamble, today's opposition day motion mentions that we look at the Auditor General's report. Obviously it covers a broad range of subject matter and pretty well leaves it open to discuss virtually anything one wants.

The member for Medicine Hat decided to do what opposition members are supposed to do, which is to take information and present part of it in such a way as to paint a picture that is somewhat different from the reality. As an example, he suggested that the government should finally identify all of the contracts that were included in the \$1 billion HRDC grants program as well as other HRDC programs.

The member probably forgot that the government actually issued about 10,000 pieces of paper. Every member of Parliament received details of every contract that was there. If the member would check, he would see on the HRDC website that all contracts are listed for members and the public to see. As to the indictment that there is no information, I think the member misspoke.

The member for Medicine Hat also said that there are five million social insurance cards out there in excess of the population of Canada. Members can say whatever they want in this place but they should take the opportunity to look at the information underlying that, which I did. I asked the minister for HRDC. She made a phone call and obtained the answer.

For the benefit of Canadians, this is why there is a difference of five million social insurance cards. Some 2.6 million of the cards are dormant. There are 600,000 social insurance numbers that belong to deceased persons. They are inactive and will be dropped off the list. One million social insurance numbers were allocated to persons who are non-resident in Canada and would not be on our census. People such as foreign investors who want to earn income in Canada are assigned a social insurance number so they can report their income and receive the appropriate tax credits, et cetera. It is part of the deal. I am told there are also 133,000 Canadians who reside abroad but still maintain their Canadian citizenship and have a social insurance number, et cetera, and report on their world income. On adding the numbers up, the total is about five million.

There have been some differences. Seven hundred thousand people of the so-called five million actually are accounted for in the difference in the time from when the census was taken. It is a lag. The population does move but there was a discrepancy. The number of social insurance cards that existed at the date of the census would have to be adjusted to account for that 700,000.

If one asks the questions, one will get the answers and will not be in the position of simply falling into the trap that the member for Medicine Hat did which was to suggest, "I heard someone say we had five million unauthorized cards floating around. Is that not awful? Look at the irresponsible government". That is just not the case. However the member is doing his job by giving incomplete information and hoping that Canadians will fall for it.

We are here to discuss probably the most open-ended question one could ever imagine. It is clear that our job as parliamentarians is to do the best we can to ensure that the public funds are protected and that they are used appropriately, wisely and effectively. Members have called for accountability and value for money. However, other members have suggested that sometimes money should be spent for example on a health related program and it may be that during the period of accountability a number of lives were saved or the number of problems went down.

• (1600)

How do we place a value on the health or the lives of a number of Canadians? Is \$25 million too much to spend to save lives in Canada?

It is important to understand that when we do things in our legislation and our programs they are done after having given due consideration to our responsibility as a government to inform Canadians, to ensure Canadians are protected in our society and to ensure they have an opportunity to be healthy.

It is very difficult to put a dollar value on the many things that we can do.

The Auditor General asked three questions that need to be dealt with. First, is the government keeping proper accounts and records and presenting its financial information accurately? This is the financial attest auditing.

Second, did the government collect or spend an authorized amount of money and for the purposes intended by Parliament? This is the compliance auditing.

Supply

Third, were programs run economically and efficiently? Does the government have the means and the measures to measure their effectiveness? This is the value for money audit.

When we do our job we can answer these questions. We have a tremendous amount of resources.

This morning Mr. Desautels, the former auditor general, appeared as a witness before the government operations and estimates committee. He was the auditor general for 10 years and is well-known to all of us. He often was very pointed in his reports but was always fair in his reporting when problems were identified. He also was quick to point out when remedial actions were taken to make sure the problems identified were dealt with in an effective and efficient manner and on a timely basis.

One area that Mr. Desautels talked about, and one which is important for us to acknowledge, is the area of government operations. Quite frankly, in any business in which I have ever been involved, about three-quarters of the costs of doing anything in this life has to do with people. It is human resources costs.

Whether we are operating a hospital or operating a business, our payroll cost, the cost of training our employees properly, keeping them up to date and making sure their needs are taken care of so they will do good work on behalf of our organization, is a very important aspect.

In the Auditor General's last report there was a lot of talk about ethics and value within the civil service. There was a lot of talk about issues such as whistleblowers. Should civil servants, who see difficulties within their own areas for which they have direct knowledge, be able to come forward and say that something is not right and that it should be fixed, without being afraid of repercussions, either to their job or maybe their success over the longer term of their career?

I think the House has basically given the public service the indication that it is in the best interest of Canada that problems are identified, no matter how they are identified, and that people should never be afraid to come forward and say that we need to continue to look for ways to do a better job to safeguard the assets of Canadian taxpayers and to use that money wisely and effectively.

One of the specific aspects that the Auditor General raised in the report was that there seemed to be an increasing reliance on contract and part time workers. I can recall being at the public accounts committee when it dealt with that. One of the explanations given by the Auditor General was that it took too long to hire a full time person and that it was actually more efficient for a department to get a human body in place doing the work based on part time and contract work.

This is not simply a matter of government doing every job in the public service. We are there to provide on a broader base the guidance to ensure that our public service has the tools to do the job properly. We are confident that we have an excellent public service. Public servants do the best they can with the tools that they are given.

●(1605)

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, during the member's speech I believe he referred to me and to some of the information I provided to the House in an earlier speech. This information had to do with social insurance numbers.

He apparently said that he contacted the department and it provided information explaining away the five million extra social insurance numbers. He provided somewhat of a defence on behalf of the department for the problems with the social insurance registry.

However it is important to point out that after five years the government is only now coming up with some kind of an argument for all these extra social insurance numbers. The government also cannot tell us how many fraudulent social insurance numbers are out there. It is guesstimating about whether some of these numbers are being used in a way that will sustain the system. Some of them are dormant, as some people are out of the country, but officials have admitted that they cannot account for hundreds of thousands of these numbers, even if they could account for four million.

Officials also acknowledge that there is a problem in the way they gather information so people can actually get a social insurance number. When people produce a birth certificate that has no picture on it, it is quite possible for them to defraud the system.

The Acting Speaker (Mr. Bélair): I am sorry to interrupt but the member has used a full two minutes of the five, so I will give a chance to the hon. member for Mississauga South to respond.

Mr. Paul Szabo: Mr. Speaker, the member is quite right. Many things could happen and might happen and we do need to be concerned, but even in our income tax system we have a system that is based on the honour system. It is a self-assessing system. We do not check everything that everybody does. It is not like big brother. We found out that it was a more efficient use of taxpayer money to trust people and to assume they are honest as a starting point.

The member says that somebody could get another piece of paper and could defraud. When 99.99% of Canadians who hold social insurance numbers are doing what they should be doing, why would we impose some enormous bureaucratic system on each and every one of them? Although the member feels that somehow we have to stop 100% of the cases, I just cannot agree.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, key to one point and sort of responding to my colleague from the Alliance, when the member for Mississauga South talked about giving incorrect information and expecting Canadians to fall for it, I would suggest that the issue here with Canadians is that the government has been giving incorrect information and using that information to waste taxpayer dollars in a good number of cases, or possibly even misusing taxpayer dollars. Quite frankly, that is what has created the problem. I would like the member to respond to that.

Mr. Paul Szabo: Mr. Speaker, the opposition can use platitudes and generalizations but governing is a matter of being accountable, transparent and open. People can do anything they want. We live in a democracy. This is not a communist country. We do not check everything that everybody does because we assume they have to be controlled.

Supply

Canadians have opportunities. Members of Parliament on all sides have a responsibility to look at specific areas where they feel there is some concern. We have to make sure that we get value for money, which is one of the Auditor General's responsibilities.

I do not paint that same picture of doom and gloom. We do in fact have a very efficient civil service that works on behalf of the people of Canada with the guidance of parliamentarians and a government to do a good job checking the kinds of things that concern the member.

I would just say to the member that when she has some difficulty this is the appropriate place to discuss it, whether it be in the House or in committee, to make sure we look at it and we do the job we are paid to do.

● (1610)

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, as a member of the government I am pleased to say that I welcomed the report of the Auditor General. It is important to point out that the Auditor General looks in a very holistic way at how government does the business of government.

I would ask the House to turn its attention to the Auditor General's report regarding Industry Canada. The Auditor General told CBC's *As it Happens* program that the improvements made to the small business financing program constituted a good news story. She also said that Industry Canada had made significant improvements in its administration and in the information that it has provided to Parliament since the initial audit in 1997.

In 1999 Parliament addressed many issues raised in the Auditor General's 1997 report. In adopting the Canada Small Business Financing Act, Parliament enhanced the program's ability to recover costs and improve due diligence that lenders apply when making loans. Industry Canada has implemented an audit strategy and has enhanced the information it provides on job creation. It has also reduced the interest paid to lenders. This is all good news.

Canada's small businesses have been responsible for a significant proportion of new jobs created during the past decade. The Canadian small business financing program is the Government of Canada's single most important tool to assist small business.

At this point I think it would be useful to clarify some of the key elements of this new program. The government sets the framework for the program and defines what is an eligible loan. The program, however, is delivered through about 1,700 private sector lenders. The Canada Small Business Financing Act requires these lenders to exercise the same due diligence for loans made under this program as they do for other conventional loans. This means that entrepreneurs apply directly to the Canadian financial institution service provider of their choice for a loan, due diligence is carried out by the institution and the institution then disburses its own funds under the loan.

Industry Canada registers the loans submitted by the lender and is not involved in the administration of the loans. Amazingly, in 92% of cases loans are repaid in full without any involvement by Industry Canada. If a loan goes into default, the lender takes action to realize upon the security and any guarantees involved in the loan and submits a claim for loss to Industry Canada.

Following an audit of claim by Industry Canada staff, the lender is reimbursed for up to 85% of the eligible loss on the loan. The lender then assumes the remaining 15% of the loss.

For an important segment of the Canadian small and medium sized business sector, the Canadian small business financing program plays a crucial role. In fact, over half of the loans made in the program from 1995 to 1999 went to new start-up business. A study done in 1996 indicated that more than half of the loans given would not have been made without this program.

From 1995 to 1999 the program leveraged 117,000 loans worth a total investment of \$7.85 billion. Furthermore, a study done in 2002 suggested that 234,000 new jobs were created as a result. Again, this is good news for Canadians.

In the fiscal year 2000-01, 14,000 loans, totalling approximately \$1.2 billion, were made under the Canada Small Business Financing Act. We are of course continuing to move forward with further improvements to this program, including the implementation of on site audit plans; a new results based management and accountability framework; and the implementation of updated claims forecasting models.

The Canada Small Business Financing Act requires a five year review of the program. The next review is due in the year 2004-05. Industry Canada will present a complete report on the program at that time.

● (1615)

In the 2002 Auditor General's report, three issues are raised concerning Canada's small business financing program. The first two relate to issues raised during the initial audit, and the Auditor General has raised a third, a new issue for Industry Canada to consider.

The first issue the report noted was that the department has not adjusted its claims forecasting model. Industry Canada has been addressing that issue. Experts have recommended a minimum of three years of data, which is needed to build a reliable model, in order to do this forecasting. I am happy to say that this data is now available. Industry Canada is now developing this model for the program. This model will help determine whether the program is likely to achieve its cost recovery goals.

The second issue raised by the Auditor General concerned the estimate that, on loans that were guaranteed between 1995 and 1999, the former small business loans program could experience losses in the neighbourhood of \$200 million. This estimate is in line with Industry Canada's 2000-01 annual report on the small business loans act. While the estimated loss appears to be rather large, we must remember that during this period 117,000 loans, with a value of \$7.85 billion, were made in this program. That works out to an average loss of about \$1,700 per loan.

To reiterate, the Canada Small Business Financing Act was developed to address issues raised by the Auditor General in 1997. The program has been in operation in the period since those loans were made.

Supply

The third issue the Auditor General raised was one that emerged since her predecessor's audit in 1997. This concerns the fact that the value and the number of loans has decreased significantly in recent years.

It is unclear whether such a decline is related to the program or to other general economic conditions. Industry Canada has begun studying the causes of this trend and has come up with the belief that a broader range of financing options has emerged in the market over recent years and this may well be one of the driving factors in creating this trend. In other words, it is not really certain at this point whether such a change in the use of this program is positive or negative.

The Auditor General acknowledged that Industry Canada had made significant progress in improving the program. Her conclusions also reinforced the crucial role that this program plays in supporting the growth of one of the most dynamic segments of our economy. While any program can be improved, it is clear that Industry Canada is taking the steps needed to strengthen the Canada Small Business Financing Act.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, it is a pleasure for me to speak during the Progressive Conservative's opposition day. I am following on the heels of the speech made this morning by my hon. colleague from the riding of Lotbinière—L'Érable, who made a terrific presentation, all the more so since he is the Bloc Québécois' public accounts critic.

In our parliamentary system, the role of Auditor General is extremely important. In fact, the Auditor General is no more and no less than the watchdog of assets handled by managers, senior officials and therefore, by different departments and indirectly—obviously—by ministers.

The best proof that this watchdog is efficient and credible is that, under our British parliamentary system, the Standing Committee on Public Accounts is now, unlike other committees, chaired by a member of the official opposition.

Parliamentarians and the parliaments that are our role models wanted to demonstrate that a government cannot be both judge and jury. You cannot ask the government to be credible when it comes time to reprimand bad behaviour. That is why this committee is chaired by the opposition and that is why I think the role of Auditor General is extremely important.

In 2002, the Auditor General submitted various reports to us, at different stages. The common denominator, or rather the common thread in all these reports, is the sad reality that public funds have been poorly managed by the Liberal government opposite.

Unfortunately, I do not have enough time. My Latin professor at the Chicoutimi seminary always said, *tempus fugit*, times flies, time gets consumed and thus disappears. I could give a 20-minute speech on each of the subjects that I am going to list because they gave rise to very eloquent chapters in the Auditor General's reports.

Among other things, I could mention the fact that the Canadian firearms registry was supposed to cost \$119 million in 1995 when it

was created. We will soon realize that this program has cost more than \$1 billion.

We could also talk about the integrity of the social insurance number program. According to the Auditor General, the Department of Human Resources Development Canada has handed out SINs without properly checking the identity and citizenship of applicants.

When this chapter was written, I remember hearing that several thousand, if not tens of thousands of Canadians, according to the figures, were over 100 years old. I realize that in Canada, the quality of life has improved and there are more and more centenarians, but this was simply an indication that the Department of Human Resources Development Canada was lax and did not adequately fulfill its management role. People were not taken off the list and that is why, years later, we have so many centenarians.

If nothing were done, the first thing we would notice is that there are a million centenarians in Canada, simply because deceased persons are not taken off the lists.

• (1620)

Not to mention the people who have already been arrested with 32 or 34 social insurance cards in their possession. These were not necessarily stolen cards, but cards obtained very legally.

It is my pleasure to say once again that the Minister of Human Resources Development Canada is a bad manager.

The Auditor General also told us that over the past ten years, fiscal arrangements for foreign subsidiaries have cut Canada's tax revenues by hundreds of millions of dollars.

The Auditor General also told us that first nations must submit an unbelievable number of reports annually to the government. She mentioned 168, which requires considerable resources on the part of first nations.

These resources could be better used by those who need them, particularly young families and children of first nations. Half the population of some nations, such as the Cree and the Inuit, is under 30. These resources could be given to young families in these communities.

We also know, from what the Auditor General has said, that the federal government has trouble with the quality of the available health statistics. This might give rise to some questions. Judging by the words of the Prime Minister, the Minister of Finance and the Minister of Health, their interest in interfering with the management of health is increasing, while their own health statistics are as inaccurate as they are poorly managed. One might well wonder what the objective of this visibility the federal government is seeking in the health field might be.

As well—and I am pleased to see that the Minister of Human Resources Development is in the House to hear this—the Auditor General repeats her criticism of the EI surplus and of the lack of government transparency in this connection.

Supply

We know how the member for LaSalle—Émard, the apprentice PM or the PM in waiting, always patted himself on the back during his time as finance minister for having inherited a \$42 billion deficit when he was appointed and then waving his magic wand over it to make it disappear.

Those in our audience who have the misfortune to be on employment insurance—although I still think it should be called unemployment insurance, because a person on it has the assurance of remaining unemployed—are aware of the cuts this government has made, and the fact that people can no longer qualify because the number of hours required is too high. People know that their benefit periods are getting shorter and shorter. The duration of benefits has been cut, and the amount people get every two weeks is also getting smaller and smaller.

This means that there are people coming to my office, like certain seasonal workers for the Quebec Department of Transport, who are already experiencing, or soon will be, what is termed the spring gap. This is what happens when they did not accumulate enough weeks to qualify for benefits for the entire time, so they have to get through March and April with no income, until called back in May. That is what the spring gap is all about.

With this example of the Quebec Department of Transport employees, people might ask why they do not keep working through the winter. The answer is that these are seasonal jobs, summer work. The same thing would be true for people who work in ski resorts and have a period of unemployment in summer.

• (1625)

The same would be true for those working for golf clubs. Golf is seldom played during winter in this climate, and these people find themselves without work.

The whole lumber industry comes to mind, and workers in the tourist industry also experience the spring gap. This Liberal government has cut the benefit period.

I indicated earlier that the member for LaSalle—Émard, who boasts about reducing the deficit, did so by dipping into the surplus in the EI account. A \$42 billion surplus has accumulated in that account. We told the government, and continue to tell it, “You had no right to take that money”. The federal government is no longer contributing to the employment insurance fund. This money belongs to workers, who pay premiums that are deducted weekly on their pay-cheques. It also belongs to employers, who also pay premiums.

EI premiums have been reduced, but the government could do more. An overall payroll tax reduction would enable small and medium sized businesses to create jobs. They would not be so strapped for cash. Let us not forget that the benefits known as marginal benefits are becoming less and less marginal. These are also referred to as fringe benefits.

If they were given some breathing room, employers could create jobs. If they created jobs, perhaps some people could get off EI or social assistance and contribute to society. They could help us pay for day care, for hospitals or to finance schools.

I have yet to hear anyone on EI or social assistance tell me, “I have managed to set \$200,000 aside while on EI or welfare. I am off

now and I have decided to use this money to start off my own business”. No, social assistance and employment insurance provide recipients with a minimum level of income to keep their heads above water during the first half of the month. The rest of the month, they have water up to their noses, if not over their heads.

This has been confirmed by the Auditor General. The government has unashamedly dipped into the surpluses in the EI account, in spite of the fact that the money does not belong to it.

Often, the Liberals tell us, in the Bloc Québécois, “You are only good at blaming and complaining; you are not proposing any solutions”. What we in the Bloc Québécois are proposing is an independent employment assistance account run by workers and employers who pay premiums. They would be able to manage the premiums. The government has to withdraw from this plan.

As if these blunders mentioned by the Auditor General were not enough, let us also not forget other issues raised by the Auditor General in 2002, such as the use of foundations to remove billions of dollars from the control of Parliament and thus underestimate federal budget surpluses.

The accounting procedure is classic. The government takes x billion dollars and creates a foundation that will be managed or run by members of the private sector, by friends of the Liberals, such as the Canada Millennium Scholarship Foundation, chaired by Jean Monty, the former CEO of Bell Canada Enterprises. We could also mention the Canada Foundation for Innovation.

When we parliamentarians want to fulfill our role, when we want to ask questions to ministers, to those who are sitting on the front benches, and when we say, “It does not make sense to have foundations. The millennium scholarships do not make sense. This is an intrusion”, we are told by the ministers sitting on the front benches, “Put your questions to Mr. Monty”. Mr. Monty is not an elected representative. He is not like each and every one of us here, including you, Mr. Speaker, in that he was not elected. If Mr. Monty wants to manage public funds, he should seek election, he should become a minister and be accountable.

• (1630)

Such is the role of foundations. Indeed, the government takes billions of taxpayers' dollars and gives them away. It so happens that the members of these boards are all good Liberals, good contributors to the election fund. This is not from me, it is from the Auditor General.

She joined those who want changes. We are not in collusion with the Auditor General. Her independence is absolutely not in question. However, she raised issues that we had raised. I remember that the Bloc Québécois had raised very valid issues following the budget speeches announcing the creation of these foundations.

Supply

The Auditor General also mentioned unapproved grants, whereby Treasury Board allows the payment of hundreds of millions of dollars in grants without the approval of Parliament. She also told us about the fact that 90% of the departments omitted to conduct internal audits regarding the security of information technologies. We are talking not about 5% or 9%, but 90%. Is this good management?

In 2004, the Liberals will be running in an election. They will say, "Elect a Liberal government for the fourth consecutive mandate. We have shown good management". This is good management: 90% of all departments neglected to conduct internal audits? In private enterprise, if a company president did that, he would be fired right then and there. The chair of the board of directors would arrive in his private jet from Toronto or New York, and he would be immediately fired.

Internal audits are used to ensure that the rules are followed and that funds are properly spent. That is the purpose of an internal audit, before calling on external auditors. Remember that 90% of all departments neglected to conduct internal audits.

The Auditor General also pointed out that the Department of National Defence bought a communications system for \$174 million, without having the funds to use it.

All these examples show that the opposition members are right to stay on top of things and to fight what we consider unjust. The government must prove to us that we are misinformed or wrong when we raise issues found in the Auditor General's reports.

Again, I praise the honesty and the integrity not only of the Auditor General, but of all the members of her team. They are all people whose integrity cannot be questioned.

Even though I know that I still have some time left, I will conclude by saying a few words about the Groupaction case. The Auditor General also agreed with the Bloc Québécois in this case when she asked the RCMP to launch an investigation into three identical reports produced by Groupaction. These three reports cost half a million dollars each, that is \$500,000 apiece for photocopies.

So we are talking here about \$1.5 million worth of photocopies. That is what it boils down to. It is \$1.5 million of taxpayers' money. When they get their pay cheques on Thursday, people who work from 8 to 4 at the factory will say, "Do we ever pay a lot of taxes; it is ridiculous".

The Auditor General agreed with us on that; she asked the RCMP to investigate. The position of the Bloc Québécois on the Groupaction case is clear. We are calling for a public inquiry to clarify this whole issue.

The government refuses to order a public inquiry because it knows full well that the contents of such a report could taint its management record. And if one looks more closely at the background of certain friends of the government, such as Chuck Guité and Pierre Tremblay, who appeared before the Standing Committee on Public Accounts, one can see that these people have always been close to the Liberals.

• (1635)

[*English*]

The Acting Speaker (Mr. Bélair): Before we go to questions and comments, it is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Sackville—Musquodoboit Valley—Eastern Shore, Social Programs; the hon. member for Acadie—Bathurst, Employment Insurance; and the hon. member for Winnipeg North Centre, Health.

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, I want to commend my colleague from the Bloc on his most enlightening presentation. I would like to ask him about the legacy of corruption that has gone on in the Liberal government since 1993.

However, first I want to zero in on the gun control registry. When the program was started Canadians were told that it would cost \$2 million net after the revenue came in and expenses were calculated. Then we found that it would cost somewhere around \$85 million. At the end of the day, to date we have spent, that is recorded, about \$700 million and it will go to \$1 billion according to the Auditor General over that, and could be more.

All this time, the Department of Justice was moving money around within the department and concealing the absolute travesty that was going on with the firearms program, concealing just how bad it was, and how it had miscalculated and mismanaged the program. This would get someone in the private sector thrown in jail.

Does the member from the Bloc agree that if people in the private sector had been doing the books and cooking them the way the government has, would they indeed not be equated with common thieves and simply thrown in jail for their efforts?

• (1640)

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, I am pleased to answer the question put to me by the hon. member for Prince George—Bulkley Valley with whom I have had the opportunity to sit on the Standing Committee on Transport from 1993 to 1997. I want him to know that I really liked working with him. He is an experienced and serious member of Parliament, as evidenced by his question.

The Liberal government seems to forget that the money it is managing is not its own. We saw it again last week when the budget was brought down. The finance minister allocates funds for various ministers to manage. They should be reminded that the money does not belong to them. It is the taxpayers' money, the money of the constituents we are all here to represent, regardless of the party we are from or the side of the House we sit on. Canadian taxpayers are tired of always paying. They are sick and tired of paying for all this abuse and mismanagement. In focus groups, people often wonder why the public has lost confidence in politics and politicians. We should perhaps ask ourselves that question when faced with such telling examples of mismanagement.

Supply

We work hard to show our constituents that we are honest. We work in good faith. We fight hard to effectively represent our constituents in Parliament and to help them in their dealings with the government. But when people watch the news at night and compare all of this with their paycheque, with what is left of their paycheque once all the taxes, royalties and fees have been paid, they say, "It does not make any sense".

A program which was supposed to cost \$2 million will end up costing over \$1 billion. Fortunately, the Auditor General agreed with us. We argued that the management of this program made no sense at all.

[*English*]

Mr. Richard Harris: Mr. Speaker, I thank my friend from the Bloc for his words. It has been said, as a matter of fact I may have said it, that the Liberal government will go down in history as being the most corrupt government Canada ever saw.

I want to ask the member if he could agree in theory about this. By the deceptive and corrupt actions of the government, have members of the government somehow violated the privileges of other members of Parliament? Members of Parliament have a right to work hard and be honest. We want to give the image that there are politicians representing Canadians in this place who are honest, work hard and believe in being up front and transparent in everything they do. However the government, by its actions, is wiping away what we are trying to do as representatives of the people. I feel somehow this is a violation of our rights to do that.

Would the member agree with that type of scenario or theory?

• (1645)

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, my colleague from Prince George—Bulkley Valley is right. We can look at the example of the Minister of Canadian Heritage who, during an election campaign, said the GST should be scrapped. She promised if she were elected that the Liberal government would abolish the GST, which was an issue during the election.

She was elected and was confronted about this. Fortunately, she had said on television that she was committed to having the GST abolished. Reporters did their work; they kept after her and showed how she had contradicted herself, using what they had on tape, on video.

She resigned and ran again. By the way, the member for Hamilton East is a candidate to succeed the Prime Minister. She cost Canadian taxpayers, the taxpayers of Hamilton, half a million dollars for a by-election just for kicks. She just should have been honest from the start.

I have another thing to say to my colleague from Prince George—Bulkley Valley. When he was elected in 1993, the Prime Minister made fun of the Conservative government before him, saying that none of his ministers would ever resign. "There will be no Sinclair Stevens, no Michel Côté, no Bisonette", he said, naming the Conservative ministers who resigned under Mr. Mulroney's reign.

Let me add it up—off the top of my head there are seven or eight Liberal ministers who have resigned for one reason or another, when

the day before they denied there was any problem. When confronted later, they were forced to resign. Is that an honest government?

[*English*]

Mr. Richard Harris: Mr. Speaker, I would like to thank the member from the Bloc again. I guess skulduggery is a good word for what went on with Groupaction. I would ask him to comment on that. The government once again broke every procurement rule in the book, with the intention of course of awarding these contracts to political friends. If this was done in private practice and a purchasing agent was responsible for breaking the rules, in his opinion would a purchasing agent be fired on the spot? The government still has ministers are carrying on?

Mr. Kevin Sorenson: Mr. Speaker, I rise on a point of order. The questioner just mentioned that the Liberal government broke every rule in the book. We know there could be close to a thousand rules. Is there not at least one rule that it did not break?

[*Translation*]

The Acting Speaker (Mr. Bélair): If the hon. member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans wishes to answer the question, I will be indulgent and give him one minute to do so.

Mr. Michel Guimond: I thank you for your indulgence, Mr. Speaker. However, the hon. member for Bulkley Valley will probably not like my answer. I agree totally, but earlier I ran out of time before I could say that this whole issue of the Groupaction reports was set in the context of collective political psychosis in English Canada.

Perhaps the hon. member remembers the 1995 referendum. I am not sure whether or not he took advantage of the plane tickets graciously provided by Canadian Airlines at \$99 for a return trip from Vancouver to attend the love-in held in Montreal, at Canada Place, and tell us, "We love you. The rest of Canada loves you".

The Groupaction reports fit in this context.

An hon. member: I was there.

Mr. Michel Guimond: The hon. member from the Toronto area was there. However, as regards the Groupaction reports, the Liberals were just afraid of losing the referendum in 1995. That is why they inundated Quebec with advertising. They did so only in Quebec, and not at all in the rest of Canada. We had Canadian flags all over the place in Quebec.

Supply

• (1650)

[English]

Mr. Dennis Mills (Toronto—Danforth, Lib.): Mr. Speaker, I have to begin by saying how shameful it is that the Canadian Alliance would pander to members of the Bloc Quebecois who come to this nation's boardroom with the sole intention of splitting the country apart. If we really want to be constructive in this House, we have to go back to a very difficult moment in 1993-94 when a collective decision was made in the House to fortify the Government of Canada's presence in Quebec and to educate Quebecers so they knew their place was in Canada, not outside of Canada. It was regretful that a lot of mistakes were made in that campaign.

No member of Parliament on the government side of the House would ever condone the Groupaction screw up. Those were mistakes, and we condemn not only those mistakes but any mistakes involving a waste of money. It drives me crazy when I listen to the separatists in here who try to pretend they are here for Canada. We know in fact that they are here for other reasons.

I cannot imagine a single member in this House who does not praise the work of the Auditor General and her team. However we are missing the boat when we do not explain to Canadians in concrete terms why all members of Parliament appreciate the Auditor General. I would like to speak from my vantage point as a member of Parliament from the greater Toronto area.

Right now there is a situation in the House of Commons where the trust of Canadians toward MPs is very fragile, and on that point I agree with my colleague in the Canadian Alliance. We have to ask ourselves why it is fragile. Canadians say that it is because they do not have an understanding of what the chamber does for them on a day to day basis.

One year ago the *Toronto Star*, one of the newspapers in my community, did a feature story in the editorial section entitled "Greater Toronto Area Members of Parliament Missing in Action". We were stunned by that slam. We took it upon ourselves to research what exactly was going on in the greater Toronto area with regard to the Government of Canada. We discovered in very short order that the people of the greater Toronto area sent taxes to the Government of Canada of approximately \$32 billion. They received back in statutory cheques and program cheques, that is programs from various departments of government, close to \$24 billion. One might say that is a lot of money.

The next question by critics is where does all that money go? We certainly know a large percentage of it goes to the Canada pension plan, health transfers and unemployment insurance. The reality is about \$8 billion or \$9 billion a year go into the greater Toronto area program spending, that is dollars for various programs and services from the Government of Canada.

• (1655)

Today in this government we have an antiquated technology, antiquated to the point that government departments cannot tell us exactly where every dollar is going. They can tell us where large projects go, like the ballet or the waterfront, but those large projects represent maybe only \$1 billion. Where is the other \$9 billion? These are moneys that go into the greater Toronto area through the

Department of Industry, the Department of the Environment, Human Resources Development Canada, Veterans Affairs and the Department of National Defence. These are large sums of money. Our system of government, as of this date, is not designed in such a way that elected MPs can look to see whether or not those moneys are going to the right place.

I want to give a specific example. I went through the estimates about six months ago and I discovered that last year in grants to banks in the greater Toronto area, we disbursed about \$20 million. What member of Parliament in the House would stand up and say, "I vote to give \$20 million to banks under the heading of labour adjustment", when collectively banks made about \$4 billion? There is absolutely no political rhyme or reason we would do that when we are short on money for housing and short on money for kids living in poverty, et cetera.

The idea of elected members of Parliament not knowing where every dollar goes is, I find, an abuse of my privilege as a parliamentarian.

I know that my colleague from St. John's, Newfoundland knows where every dollar goes in his riding. In fact, I have talked to many of my colleagues and they know. In smaller communities they know where every nickel goes and that is how they justify whether or not they are doing their work as members of Parliament.

I am sure, Mr. Speaker, that you know where most of the money goes in your riding. Could you imagine millions of dollars being spent in your riding without you knowing about it? I doubt it. However, in large urban centres there are billions, not millions, of dollars being spent and we do not know exactly how it is being spent. We know of a lump sum here and a lump sum there, but we do not know exactly where it is going.

I contend that this Chamber's privileges are being abused when we do not know where the money is going in our communities, the communities we are responsible for. How can we be accountable if we do not know where the money is going? I believe it is wrong that unelected, unaccountable officials know where the money is going but do not inform elected, publicly accountable MPs.

That is why I support the motion today. If I had my way around here, I would have an auditor general monitoring every department of government for the next 18 months to two years until we had a system in place where every single dollar was tracked and we could trace it. Then, every single MP, and I do not care whether it is a government member or an opposition member, it does not matter what party to me, would know where the money goes. We should know.

• (1700)

Could hon. members imagine running a company, a small business, where hundreds of thousands of dollars were going out the door and we did not know where? It just defies basic logic that we would not know where it was going, yet here billions of dollars are being spent and elected MPs do not know where it is going.

Supply

I am not suggesting that all of this money is being spent on bad things. I am sure that 99.9% of it is spent on good things, but the challenge that we in the House have is to deal with priorities, with expenditure priorities. I believe there could be hundreds of millions of dollars being spent on things that unelected, unaccountable officials would like it to go to, but it might not meet the test of the political priorities. I say political priorities because we were sent here, we were elected, based on a certain set of political priorities being executed. If we look around and see that we are short and that we do not have enough money to deal with those priorities on which we campaigned during the last election, then we have to re-profile some of the money that is being spent. And how do we re-profile it and re-address it when we do not know where it goes?

Therefore, I am passionately committed to the Auditor General having the resources that she and her office need so that we can make sure there is value for every tax dollar going into our communities, right across the country. I want to know that the deal we did with Union Station in Toronto is a good deal for Canadians. I want to know that the deals that Canada Lands does with taxpayers' land, built over years, are meeting the public policy objectives of why we were sent here, as Canada Lands is now doing joint ventures with private developers. I do not want unelected, unaccountable officials doing these deals when we as elected MPs are shut out from what is going on. It is wrong. I want an Auditor General and a team within the Auditor General's office to make sure that elected members of Parliament have that information.

If there is anybody in this Chamber who does not want to know what is going on in his or her riding, I would love for them to stand up. If we took a vote here, I think every single MP, and I do not care from which party, would want to know where the money is going. If money is being spent on things in which they do not believe, they can call the officials or call the minister responsible and say, "Do not give any more money to chartered banks for labour adjustment programs when we have other needs. Do not give money to foreign multinational food companies when we have small businesses that are Canadian. Do not give away Canada's lands by selling them to five star hotels in downtown Toronto when we need those lands for affordable housing".

That is why we are here and that is why the role of the Auditor General is critical. I support it. If we are to begin the process of rebuilding trust for all of us who come into this privileged place, if we are to have any shot at all at rebuilding trust, then I think it has to begin with our ability to say to our electors, "I know where the money is going in my riding and I stand by it". But I cannot stand by it if I do not know where it is going, and the Auditor General is the only person who can make sure that this system of governance happens, department by department.

• (1705)

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, I want to thank the member for Toronto—Danforth for his speech. We are here today to consider the motion that the House consider the reports of the Auditor General presented in 2002. Much of the Auditor General's report was a scathing commentary on the Liberal government's approach to the way it manages the country and there were a lot of real concerns for the government within that report.

I do appreciate some of the comments the member made. It seems that to get any accountability around the House anymore, one either has to be entering a race or leaving the leadership. Some are leaving and they are considering changes to a system of financing political parties. Others who are coming in suddenly have come up with ideas for accountability to the House. We applaud those efforts.

Here is my concern. With a government that is in a position where it has the ability to spend, spend, spend without much accountability, we need checks and balances. In his speech, the member made it very clear that if he had his way every department would have its own auditor general who would be reporting to the people. I applaud him for those types of comments.

However, some members of the Liberal backbench have made some comments that are very disheartening. I think they are disheartening to certain members in the Liberal Party, they are disheartening to the opposition, and I think they are disheartening to all of Canada.

The member for Pickering—Ajax—Uxbridge and the member for Beauséjour—Petitcodiac dared to suggest that the Auditor General's audit on Groupaction was nothing more than a smear campaign. In an *Ottawa Citizen* story in May, the member for Pickering—Ajax—Uxbridge suggested that the Office of the Auditor General had become nothing more than a politicized position. I want to quote what our colleague on the Liberal side of the House said:

We want to make sure that going and doing her job is different than going on a witch-hunt...Is it truly an office that's independent or is it a political office?

When the opposition and all Canadians hear these types of comments coming from members on the backbenches of the governing party, what are Canadians to believe about the way the country is governed?

Mr. Dennis Mills: Mr. Speaker, the member for Crowfoot obviously missed my point, because I did include in my remarks all my colleagues in the greater Toronto area. I have been in the House now for 15 years and I can say that the member of Parliament for Pickering—Ajax—Uxbridge is one of the finest members of Parliament. Our member of Parliament has collaborated with the opposition many times, and as for the notion that in his incredibly experienced and positive parliamentary career he would suggest that he was not in favour of accountability, no one would take the member for Crowfoot seriously. He is taking things out of context.

If we are really going to make this work, as members of Parliament we are going to have to collaborate. I am a government member. Does the member honestly believe that I would stand here and say, "Yes, let us give \$20 million to chartered banks in downtown Toronto", when we have kids who go to school hungry? No. I am trying to convey to the opposition that the system needs repair. I am trying to be very specific and constructive on how it needs repair, and I do not think we are going to get anywhere if we just get up here and take cheap shots at one another. I honestly do not.

Supply

I think that right now we have a unique moment in the House to really make the place better. I really believe that, because I do not think there is a member of Parliament in the House, it does not matter what party they are from, who enjoys taking the hit that we do not do good work here. Most of it is because the machinery around us needs to be rebuilt. It is not the individual members of Parliament. I know that the man who I will be facing in the next election basically wants to come here to try to do good things, just like the member for Crowfoot, but the machinery around us is broken. Unless we collaborate to fix that machinery, we are just going to continue to take cheap shots at one another and I do not think that is going to make it better for Canadians.

● (1710)

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Mr. Speaker, I must take exception to a couple of comments that the member made. The opposition, and particularly the Canadian Alliance, has consistently worked hard to bring change to the House. At every point and every time we are stopped and virtually always by government backbenchers who choose not to make a difference. They make the choice that the system will not be different than it has been in the past.

It is fine for members to stand up and give us a lecture while they are on TV, but when it comes time to vote for change, to make a difference, and to make those significant changes that we need here, the government backbenchers consistently back down from doing that. Therefore, the system stays the way that it is and it stays broken, as the member says.

However, he must take responsibility along with his colleague from Uxbridge who asked, as my colleague did, whether the Auditor General was truly an office that was independent or was it a political office because she dared to question what was going on with the government.

I would be willing to listen to the hon. member's comments on this. Backbenchers cannot have it both ways by saying that they stand for reform, but every time that they have an opportunity to do something about it they choose not to.

Mr. Dennis Mills: Mr. Speaker, the member has really not read the last budget. The Minister of Finance, Tuesday of last week, had an entire section in the budget dedicated to government accountability and renewing the systems of government accountability.

I am sure all the Canadian Alliance members would feel comfortable with the Minister of Finance and his history of being a fiscal conservative and ensuring that the system is brought up to speed. Therefore, I think there is great hope.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, I wonder if my hon. friend, who has a deep interest in matters financial, would support the notion, in the government's bill on campaign finance reform, that all of us should publish what we receive and those who pay should also publish what they pay. It would be along the lines of the European Union proposal which increases and improves corporate social responsibility?

My second question revolves around what one of his colleagues did for his party. He proposed a solution whereby we would need to know what our inputs are as well as what our outputs are in terms of government expenditures. What are his comments on that?

Mr. Dennis Mills: Mr. Speaker, I totally agree with the second point. In fact, the Auditor General should get into the business of doing a full analysis on tax expenditures by every sector.

The Auditor General has never done an analysis on tax expenditures. Why not? That is billions of dollars of forgone revenue to the treasury. Why do we not know? We do not need to know the specific organization, but we should know the sector and we should know the amount. I do not care whether it is aerospace, motion picture, auto or whatever.

On the first point, I have absolutely no problem with money coming in, who gives it to us and where it goes. I totally support that. I believe though that in between elections when we do public policy advocacy we should be allowed to go out and generate relationships and funds to ensure that work is done properly.

● (1715)

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Mr. Speaker, I will respond to some of the comments that we have just heard. I will also be splitting my time with the member for South Surrey—White Rock—Langley.

We are addressing the Auditor General's reports today. First nations governance, the CCRA, information technology security, criminal justice system, defence, departmental performance reports, health, EI and the gun registry are some of the things that the Auditor General has dealt with in her reports.

Why do we need an Auditor General and these reports at all? It is clear to me that we need the reports because the hearts of Canadians just do not trust the government. They do not believe that the government can be trusted to be left alone and be unsupervised. We see a big difference throughout this country on how people view government. I happen to come from western Canada and in western Canada for the most part we see government as being basically a negative thing. It interferes in people's lives and most of the people I know, the people in my riding, would like to see smaller government with less interference in their lives and less taxation.

People in other parts of this country apparently like the idea of government. They want to see more government and we saw a clash of those two civilizations over the weekend when the Minister for Intergovernmental Affairs took great exception to the premier of Alberta and his throne speech, and decided he was going to step into this issue of Alberta and what is going on there.

One of the things that we realize in western Canada is that people are sick and tired of the government coming in and telling them who they are and what they need to do. They are sick and tired of the government not listening to them. They are sick and tired of the important issues going by and not being heard on these things, and being totally ignored.

The minister happened to mention three of those issues: Kyoto, Canadian Wheat Board, and firearms registry. He said that nowhere in this world is the spectre of secession raised with regard to, and he listed them, an international protocol on the environment, a Wheat Board, or a firearms registry program.

Supply

It is not just three issues that have caused the problems and the concerns. We do not just have those three issues, but things that have built up over the years, coming from a government that has refused to listen to people throughout this country. It refused to listen month after month, year after year and decade after decade. Western Canadians are getting sick of the arrogance and the ignorance that is demonstrated by the government.

This same minister has no qualms about pushing his agenda very actively and aggressively when he wants to change this country to fit his image. He is prepared to do that even though he does not understand a big part of this country. He does not mind shoving his agenda down westerners' throats, but cannot hear one word of comment or criticism of the government without sending a condescending letter to western Canadians lecturing them on their role and what he sees as their role.

We feel that we contribute and are part of this country. We are proud of who we are, but we are sick and tired of being treated as second class citizens. I guess no one should be surprised that people at some point begin to look at other options when they are just sick and tired of their government not listening to them.

One of the reasons people in western Canada have a mistrust for government is that they have not been listened to for so long. They do not know whether they are part of this country or not. One of the reasons that we need the Auditor General is because we know that the Liberal government is always going to push the envelope on accountability. We have seen that in our part of the world and people in other parts of this country are starting to catch onto that. We need someone who will regulate that and will look after that.

Why is it important to maintain accountability? We have seen too many times through this century what happens when there is no accountability of government. We have seen it happen in communist regimes where it has been deadly to their citizens. We regularly hear in the House my colleague from Esquimalt—Juan de Fuca indicate that there is no accountability in the government of Zimbabwe which is so dangerous to the citizens and the opposition. It is dangerous to any one who dares to oppose the dictatorship of that country. Accountability is needed there and we need it in this country as well. One of the concerns we have is that the government sets the tone for accountability. I think it is a sour tone sending a bad note.

● (1720)

We see these things right from the top. We see the Prime Minister who, in his own legal dealings, raises questions year after year as to how he is doing business. We saw it in his appointment of an ethics counsellor who the Prime Minister set up and then made the position responsible to him so that the counsellor reports to no one else but the person who appointed him. He is not accountable to Parliament.

We have been talking about cabinet guidelines over the last few days. The rules are set up differently for different cabinet ministers. If cabinet ministers have a set of businesses they must set them up one way, but if someone else happens to be the finance minister, he gets to set it up so that he can run his companies and make it look to the public like he does not have any interest in them or has interfered in those companies. We saw that at least one of them had a special deal.

The elections financing bill came in at the last minute where the Prime Minister decided he would make changes to the country's election financing at the end of his career, not during the middle of it or when it could have influenced him, but after he leaves.

His changes would reduce or try to reduce corporate influence, which is good, but, on the other hand, because the Liberal Party is incapable of raising its own money without those corporate contributions he has to turn to someone else. Who does he turn to but the taxpayers, and forces them to fund his party.

The Alliance is the one party that is for the most part dependent on individual donations and we believe that we could survive very well with reduced corporate donations and be able to maintain our party and keep it going. The Liberals just cannot raise their money and so they turn to the taxpayers once again.

The other parties, of course there are a couple of them swimming in debt, as soon as they see an opportunity to get free taxpayers' money are only too happy to jump on board with this proposal.

Every government agency needs auditing because the goal of bureaucracy is to expand itself. That is why it exists, that is why it is there, it wants to get bigger, and it works on that. We saw it again last week in the budget. The government has decided to expand the bureaucracy. Over the last year it has grown, but it will continue to grow over the next couple of years.

The Auditor General has done some tremendous work in examining departments that she was able to review. There are other reports she has submitted over time. I will talk about one of those, but she has done good work in the taxation department. My colleague from St. Albert talked about that earlier today and did a good job of addressing that.

One of the audits with which I am familiar with is the Canadian Wheat Board audit that was brought down last year. It was interesting that she was called in to do an audit on the Canadian Wheat Board but then limited in what she could audit. She came in and basically was allowed to do an office management audit. She found out that there were problems in overall management and no set ways of measuring performance.

She found that there were problems in planning and that there were major problems in how the board handled its information technology. All of that was good and well, and the board had committed itself to improving some of those areas, but the problem was that it did not address the issues that people wanted her to look at in terms of how the board operated in the marketplace, whether it gave farmers a better deal or not. We have no way of knowing that because the board itself limited her in what she could study. That is one of the problems that the Auditor General faces, often being restricted in what she can do and where she can go.

We saw that in the gun registry. It is another good example of where she said she could not find out the true and full costs of the gun registry because she was not allowed to go far enough into not only the justice department but some of the other departments to find out who had actually been funding this and where the money for it had been coming from.

Supply

I want to talk a little bit about the gun registry. The Auditor General talked about the fact that the issue was not about gun control. It was not even the astronomical cost overruns although we talked about those, but that the real issue, and what was inexcusable about what was going on with the gun registry was that Parliament was kept in the dark.

The member for Toronto—Danforth had some comments about how important it was for people to access that information. The Auditor General said that what was inexcusable about the program was that not only was she not able to get the information but parliamentarians had been kept completely in the dark about it.

• (1725)

We are all familiar with the fact that \$1 billion has been put into the gun registry. Many of us would say that \$1 billion has been wasted. That is \$1 billion for seven million guns, which, if I have worked it out right, is about \$143 per gun. It would probably average out to \$300 to purchase a gun and here we are spending \$150 just to register it. That has to be a complete disaster in terms of how the program is being run.

I want to talk a bit about what is wrong with the registry.

The Deputy Speaker: I regret that the hon. member has used up his 10 minutes. If someone wishes to ask him a question about what he was going to say, he might have an opportunity to do just that.

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, I have been sitting here intently listening to the speech by the member for Cypress Hills—Grasslands. Members are sitting on the edge of their seats. We have enjoyed the speech so far. I would ask him to expand on his thoughts on the gun registry.

Mr. David Anderson: Mr. Speaker, I appreciate the opportunity to talk a little more about this important issue. It is important enough that one of the ministers handed it off to another minister. I want to read a quote from one of the newspapers:

—if you walk around with a great ungainly reeking, rotting albatross lashed snugly around your neck. The federal justice minister, grasping this simple truth firmly enough, has dumped the national firearms registry onto someone else's desk and marched briskly away from it.

He has only had it for a few months, but it is already far too hot for him to handle, particularly with his supposed leadership ambitions. I would suggest that if he is going to be a real leader, he will have to handle problems a bit better than he handled this one.

I know there are others who would love to ask questions, but I want to quickly talk about the fact that the registration system has been far too cumbersome. We have heard time and time again of people who have actually tried to participate in the system but have not been able to get through. The minister assures us that he will correct that, but it has been five years now and the system is not fixed yet.

We have heard about his bogus claims of success, that it has turned away some 7,000 claims over the years. What is interesting is that most of those claims would have been turned away under the old FAC system anyway. They would have been rejected, so that claim does not apply.

In moving the firearms registry to another department we hear a surrender, an admission of complete failure in the program by the

cabinet and by the cabinet minister. We will see over the next while that this program will begin to wind down because the government has realized how ineffective and inefficient it is.

I would like to suggest a very simple solution on the gun registry problem, which is that we go back to a system as we had before. In the FAC system the owners were registered and there was no worry about registering the weapons. In that way the police know, if they need to, whether someone has a gun if they are going to a person's place and they need to be concerned about it. They do not know how many guns people have now anyway. If someone is breaking the law, it is very unlikely the person has registered the gun.

The old system worked fairly well. People took courses, registered and then were able to use their guns as a tool, as many of us do. If that were done, it would be a big help.

In conclusion, there is a lack of leadership. The Auditor General stated:

Without better direction and clear expectations, these initiatives will flounder. Even the best-intentioned department can't make up for a lack of leadership.

I would say that is what we have faced in so many different areas in so many different departments.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, when my colleague looks at the government and sees a Prime Minister who can appoint cabinet ministers, deputy ministers, executive assistants to the ministers, and judges to the Supreme Court, does he believe that Canada has a true, rich democracy or have we moved into the era of a dictatorship?

Mr. David Anderson: Mr. Speaker, it is important that the responsibility be shared and that it not just be in the hands of the Prime Minister.

A good example would be the agriculture department these days. That department is in complete chaos because the Prime Minister is the one who appointed the deputy minister. We know that the agriculture minister and the deputy minister have a hard time working together. Because one person was able to appoint someone to a political position, whether he deserved it or not, there is a complete department comprised of employees who do not know what their mission is. They are not sure where they are going and they are struggling with that. Because of that, farmers and Canadians are suffering. The programs are not what they should be because one person has too much power, and that would be the Prime Minister.

• (1730)

Ms. Val Meredith (South Surrey—White Rock—Langley, Canadian Alliance): Mr. Speaker, I am delighted to speak to this supply day motion. I happen to be one of the members of Parliament on the public accounts committee and it has been a real eye opener for me.

For the viewers out there, the public accounts committee is the one committee that is struck to deal with the Auditor General's reports. I have been in this place for almost 10 years and because that committee gets very little attention by the press or by the House, I must admit that I was unaware of its importance.

Supply

That committee, and in respect the Auditor General, is there to hold the government to account, the whole government, not just the executive branch, the cabinet ministers. It makes sure that all the rules and regulations that have been put in place on the spending of our tax dollars are followed, that there is value for money, that the programs are administered in a cost efficient manner and that Canadians are getting value for the tax dollars that go into running those programs.

I hate to think what it would be like if we did not have the Auditor General, who is an officer Parliament and not of the government, and reports directly to Parliament. That is a very important distinction because the government does not have control over the Auditor General or the reports that come from her department.

I speak in terms of her because the present Auditor General is a female, Madam Fraser. That does not make her any less tough and I would suggest she is as tough or tougher than a lot of former auditors general. She takes her role seriously and that is to look at various programs. There are resources available to the Auditor General to look into pre-programs, programs that are in the designing stage, to see whether or not they will meet the objectives they have set out to do or, as in gun control registration, to look at the cost of a program.

It is interesting that in the report my colleague from Cypress Hills—Grasslands referred to, the one on the gun control registration program, she made it quite clear she did not look at the operations of the program but only at the cost of the program. In looking at that she recognized there were enormous overruns of the projected costs of the program.

When we look at Groupaction and the report that she did on government sponsorship programs, it was a question of not applying Treasury Board rules and of not getting any value for money.

The Auditor General's department can look at all different aspects of how the government operates. The Auditor General reports to the House of Commons, not to the government, problems that she sees in how Canadian taxpayers' money is being spent, in how programs are being operated and in how the administration, the bureaucracy, is managing the programs the government has established.

It is such an important part of allowing us as parliamentarians to do our job because the Auditor General's department can get information that is almost impossible for us as ordinary parliamentarians to get on our own. The Auditor General has the ability and the resources to go into the departments and to look at the various programs that she wants to look at. If somebody brings a concern to her, she can determine whether or not to investigate the issue.

There are some very serious issues that have come up only because the Auditor General in her independent state has been able to investigate and get to the bottom of them. One example is the Groupaction file, which is a blatant abuse of Treasury Board rules and regulations.

• (1735)

Then it is a question of what we as parliamentarians do once we have those reports. We in the public accounts committee review those reports and call witnesses to appear to explain how it happened, how the issue of concern occurred, who was responsible and what has been done to make sure that it never happens again.

I have sat on that committee for a number of months. It is interesting the rationalization we hear from government department officials. In today's case it was the minister himself who was rationalizing all the reasons that things happen.

One thing that is very hard to pin down is who was responsible for the decision that allowed the issue to happen in the first place. That is where the job of the parliamentarians comes in. We look at the Auditor General's report and try to pinpoint who was responsible and how it happened.

The position of the Auditor General is not so much to criticize the program or say whether or not it should be there. In many cases the Auditor General will not say specifically who was responsible. That is the job of parliamentarians, to take the report based on the facts of what was found and to dig a little deeper to find out how it came about, who was responsible for the decisions and to determine what we as parliamentarians will do about it.

In some cases the Auditor General does not deal with value for money. The gun registration program is one example. The Auditor General tried to obtain all the information in order to evaluate the cost of the gun registration program. In essence what happened is the information was scattered all over the place and the audit could not be completed.

That raises one concern. Who is in charge and what information is being used in order to ask for more money to run this program? The other was reporting to Parliament, where it was found that because it is a major crown program there are certain Treasury Board guidelines on the reporting mechanism, on what information is to be tabled and reported in Parliament. They failed to do that.

When we talk about value for money we have to look at the estimated cost of this program which will be over \$1 billion. Parliamentarians have to look at it from value for the tax dollars and justify whether or not it is a good program.

From Statistics Canada the information garnered is that there are under 200 individuals who lose their lives because of firearms. Upwards of \$1 billion will be spent in order to register guns to stop that from happening. At the same time there are over 5,500 women who die each year due to breast cancer. The commitment the government has made is \$30 million over five years, which works out to \$6 million a year.

When we talk about value for dollar, the government has to explain to Canadians how it can determine that spending over \$1 billion for less than 200 people who die each year because of firearms can be justified over spending \$30 million for the over 5,500 women who die annually due to breast cancer. Value for dollar is where some Canadians have a bit of a problem.

The Auditor General's report is a valuable tool for parliamentarians. It is one way that parliamentarians have of getting the inside information on how government departments operate, how they spend tax dollars and whether or not they are being spent in an efficient manner, whether we are getting value for dollar, and whether they are managing the dollars within the confines of Treasury Board guidelines. In many cases the Auditor General has found that the guidelines have been broken, that the controls on spending tax dollars have not been followed.

Supply

• (1740)

We as parliamentarians are put in the position of dealing with that information and ensuring that we are protecting the spending of tax dollars and that we are getting value for money.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, I have two questions for my hon. friend. My first question deals with people who die from gunshot wounds, and my colleague mentioned 200. Two-thirds of homicide victims die from the use of something other than a firearm. However the vast majority of the people who die from firearms are killed by illegal firearms which have been smuggled into Canada. Therefore the problem is not registered guns. Only a small handful of those 200 people die from the use of a registered gun. Therefore the firearms registry will have even less of an impact.

My second question deals with the issue of parliamentary oversight and oversight on the part of the Auditor General with regard to government expenditures. One of our primary roles as members of Parliament is to oversee government expenditures, how taxpayer money is spent. In my view MPs and the Auditor General, despite the fine work she does, have lost both the power and authority to oversee these expenditures.

Does my colleague agree with my statements? What needs to happen for us as parliamentarians to exercise our role as overseer of government expenditures? How can we have the power to exercise our role in Parliament? As well, how can the Auditor General exercise her power in a more efficient fashion?

Ms. Val Meredith: Mr. Speaker, I thank my colleague for that rather philosophical question. It goes into whether our system works when the executive branch of government is the one that determines the agenda and the decisions on that agenda. It really prevents Parliament from operating separate from the government's agenda. That needs to be changed so Parliament can be more effective in determining what the end result will be in dealing with some of the issues that appear before the House.

The tragedy in all this is that we have an executive that chooses what the agenda will be and it runs the bureaucracy to the point that the bureaucracy is hand in glove with the executive branch. It is up to the opposition to point out when things are not what they appear to be. Often what we are told by government representatives is somewhat different from the reality, such as the gun control registration program.

I find it hard to believe that the government uses the supplementary estimates at the beginning of the year for money it will need every year. It could ask for that money in the main estimates. Year after year the government goes after more money in the supplementary estimates. That is smoke and mirrors. The government knows it will need more money and has year after year. It avoids dealing with Parliament on the issue of how much it will cost by planting it in the supplementary estimates.

As far as the criminal use of firearms being under the registration program is concerned, I sat on the justice committee when it dealt with Bill C-68. Everybody on the committee advised the government of two things: first, that criminals would not register their guns no matter what; and second, that it would cost an enormous amount of money. Government members were told that by provincial

representatives, by various business associations and by organizations. They were quite upfront that this would be an enormous program and that it would be difficult to put it into application.

I raised in committee whether the government had done due diligence before it went into this program to see what the likely costs would be. The top bureaucrat told me that he did not know. I am sorry but I find that very hard to accept. I find even harder to accept the fact that 94% of the senior bureaucrats received performance bonuses when they spent 500 times more than what was originally planned on the gun registration program. I find it hard to accept that they were rewarded for not delivering on a promise. I believe taxpayers would have a problem with this as well.

• (1745)

Mr. Murray Calder (Parliamentary Secretary to the Minister for International Trade, Lib.): Mr. Speaker, the Auditor General of Canada gives Canadians and members of Parliament objective information to help them examine the government's activities and hold it to account. The Liberal government believes the role of the Auditor General is vital. In fact, in 1994 we amended the Auditor General Act to increase the number of reports from a single annual report to four reports annually.

What does all that mean? I believe it means exactly this. In my other life I am an active farmer, a chicken farmer. Every year I sit down with my accountant to look at how my business is progressing, improvements that I should be making to my business and what taxes I am going to pay. It is efficient running of my business. Why? I am not an accountant. I trained as a millwright. Therefore I get someone to look at that for me and to make my business more efficient.

That is exactly what the Auditor General does for the Government of Canada. She looks at how the government runs and operates. She looks at whether the government is effectively spending the money the way it should and whether its programs are efficient or if there is a better way to make government work better.

In addition to strengthening the role of the Auditor General, this government has had a track record of responding in a timely, effective manner to her findings. When the media often focuses on the negative aspects of the Auditor General's report, there are also good news stories. In fact the Auditor General herself said in 2001 that examples of good management sometimes got lost in the glare of publicity that surrounded the bad examples.

The government does about \$130 billion in business a year. That is a lot of money. Government is big business. It is in our best interest not only as a government but as the managers for Canada to ensure that we do it the best way possible.

The Auditor General recently praised Industry Canada for making significant improvements to the small business financing program.

Supply

Very simply, we look at what the Auditor General has to say about how we operate the government and the country. If she has made specific recommendations for improvements on how we operate, we have responded.

Here are some of the highlights in response to the 2002 report of the Auditor General. These are some things the government has done in response to her recommendations on how to make government operate better.

In her September 2002 report the Auditor General commented that the federal government provided only limited information on its intended total contribution to the provinces and the territories for the future funding of health care. In budget 2003 the federal government responded to this concern by announcing its intention to separate the Canada health and social transfer into the Canada health transfer and Canada social transfer. This will result in a clear accounting of the amount of funding the federal government provides the provinces to help them administer their public health insurance programs.

Quite frankly this has been an irritant for me as a member of Parliament from Ontario because we transfer cash to the provinces for health care but we also give the provinces tax points and we get absolutely no recognition for that at all. I do not feel that is fair. This is something that the provinces asked for back in, I believe, 1995. They said that it would be a more efficient accounting and would a better way of doing things. Now they are now using it against the federal government by not giving us any credit for those tax points. I have said many times in caucus that if they will not give us recognition for them, then we should take them back and give them a cash transfer. That way we will at least get recognition.

• (1750)

The other thing I want to see within the health care situation is better accountability. We know there were some examples last year where high tech money that was supposed to be spent on MRIs and CAT scans was spent on lawnmowers instead. I am a life member of the Association of Kinsmen. If hospitals need lawnmowers, I would tell them to go to the local service club and we will help raise money for that, but do not spend high tech money on low tech problems.

The second is the sponsorship program. In March 2002 the Auditor General was asked by the former minister of public works to review three contracts awarded between 1996 and 1999 to Group-action. That report was immediately referred to the RCMP, and the cases are under investigation.

On May 26, 2002 the Minister of Public Works imposed a moratorium on the sponsorship program. We were responding. An interim sponsorship program was announced on June 3, 2002 which eliminated the use of external communications agencies.

Finally, on December 17, 2002, the minister announced a new sponsorship program for the 2003-04 fiscal year. That is guided by four key principles: value for money, with which I agree as we want to get the best value for the money spent; stewardship, with which I also agree; flexibility; and finally, transparency. Those I believe are four key pillars with which the opposition and every member in the House would have to agree.

Last but not least, as we have heard here today, is the Canadian firearms program. The government has taken immediate measures to

address all the recommendations in the Auditor General's report on the firearms program. Specifically we have introduced Bill C-10A that would cut costs, improve program administration, streamline the process and increase ease of use.

Further on this, on February 21 the Minister of Justice introduced the government's action plan for changes to the management of Canada's gun control program. The plan is the government's blueprint for improving the program's services, transparency and accountability. Clearly we have responded to many of the concerns expressed by the Auditor General and the evidence is before us.

Mr. John Herron: Tell that at home.

Mr. Murray Calder: In response to the member across the way, I have told that at home. The people are in favour of the registry program. When we look at gun control, or as I refer to it gun safety, there are four pillars. Three of the pillars the member party, the Conservative Party, brought in: first, education; second, licensing; and third, safe storage. Finally, the fourth pillar is the registry.

Hon. Pierre Pettigrew: The member asked for more.

Mr. Murray Calder: That is right, the member asked for more and we gave it to him.

Our Liberal government values the virtue of accountability and transparency. Canadians expect us to use their hard earned tax dollars in an efficient, prudent manner. Budget 2003 recognized these expectations and committed our government to strengthen accountability and increase transparency. The budget was in part a concerted response to the constructive criticism of the Auditor General. She told us what was wrong. We listened and we fixed it.

Some of the initiatives in Budget 2003 that specifically respond to the concerns of the Auditor General include the following.

First, committing the federal government to begin consultations on a new EI rate setting regime for 2005 and beyond, based on the principles of transparency, and of balancing premier revenues with expected program costs.

• (1755)

Second is to make a number of changes to improve the accountability and governance arrangements of the arm's length foundations. This, in combination with clarifying the policy principles underlying the use of foundations, will ensure their continued effective use.

Third is to create a new Canada health transfer and a new Canada social transfer effective April 1, 2004. This will improve the transparency and the accountability of moneys transferred for health care. This complements the 2003 first ministers health care accord accountability framework, which includes a commitment to report regularly to Canadians on the effectiveness of these transfers.

Supply

Fourth is to reinforce accountability and transparency in public reporting. The government will continue to improve the relevance, timeliness and clarity of information it provides to a Parliament.

An hon. member: Like having a budget every year?

Mr. Murray Calder: We have good budgets every year.

An hon. member: No, you don't. You haven't—

Mr. Murray Calder: Sure we do, and Mr. Speaker, I am not ignoring you. I would never do that. I am just responding to the heckling of the member across the way, because I do not know what world he is on, but it is not this one.

In fact, if we take a look at the Government of Canada right now, at our country compared to the G-8, we are the only one with a balanced budget, with a surplus, paying down our debt. I do not know where the member is coming from.

Fifth is to implement a system of full accrual accounting, on the longstanding advice of the Auditor General, to improve the way that the federal government presents its financial statements. Quite frankly, one of the reasons we are able to get to accrual accounting this time is that our financial house is in such good order.

Last is to legislate the termination of the debt servicing and reduction account. We have not limited ourselves to responding only to the suggestions of the Auditor General to improve how we serve Canadians. Budget 2003 announced measures to review current spending to make government more accountable and a better manager of tax dollars. To this end, our government is committed to re-examining government programs to ensure that they are relevant, affordable and efficient.

To that point, when we go through this program review, as I have said before, we want to find the most efficient way of spending the tax dollars. So we can take a look at the programs now and I believe we should start classifying and categorizing them as to what are high priority programs and what are low priority programs. From that, I believe that we can have more efficient spending of tax dollars by targeting high priority programs first and then diminishing funding down to low priorities.

Being more accountable to Canadians also means looking carefully at reallocating government spending, as I have said, from lower to higher priority areas, from less efficient to more effective. In practical terms, this means that beginning in 2003-04 the federal government will reallocate \$1 billion per year from existing spending, which will be used to fund those things that matter most to Canadians.

To wrap everything up, we have to take a look at where this country was back in 1993 and where we are today in 2003. By this October, this government will have been on this side of the House for 10 years. Quite frankly, when we came here we inherited a government that was overspending by \$42.5 billion a year. We inherited a government that had its debt ratio, accumulated public debt versus GDP, up to almost 70%. We had a government that was actually spending between 14% to 16% of GDP.

An hon. member: Year after year.

• (1800)

Mr. Murray Calder: Year after year, and now where are we today? We are number one in the G-8. We have become a financial powerhouse on the international stage. We now have our government spending down to 12.2% of GDP. Our accumulated public debt, now sitting at around \$536 billion, is now down to 44.5% of our GDP.

With the figures we are putting forward right now and the direction in which we are taking the country, I believe that this government has done a good job, but we always want to listen to the Auditor General. Because if there is any way that we can make the government and the country run more efficiently, I believe that we definitely have to listen to the Auditor General in her report.

I thank the Progressive Conservative Party for putting forward this motion today, although I have to say that I am a little confused. I thought on an opposition day the members might have wanted to talk about something specific, let us say, the environment, the Kyoto protocol, or we could have talked about Iraq. These are all fairly pertinent and very important issues of the day right now, but no, they chose to talk about this and I am more than happy to have been able to give my perspective to you, Mr. Speaker, on where this government is taking Canada into the 21st century.

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, it is a slight stretch in terms of the topic of the day, but I have a short question. The member was making it very clear that we have a balanced budget today and that the fiscal framework in the country is far more solid today than it was a decade ago. I think the hon. member would probably understand, in fact, that initiatives of great magnitude take a little time to actually take effect. They do not necessarily happen overnight.

The question is this. Could the economic strength that our country has today ever have occurred if we had not had the free trade agreement of 1988, which moved our two way trade from about \$90 billion in 1988 to about \$760 billion each and every day now? Would that economic strength have occurred place if it had not been for free trade and NAFTA? Was the Liberal Party dead wrong when it opposed free trade and NAFTA?

Mr. Murray Calder: Mr. Speaker, in my position as parliamentary secretary for international trade I want to compliment the Minister for International Trade for the shrewd bargaining and negotiating that he is doing right now with the United States. He is just back from Tokyo on our agricultural issues and so on.

When the member across the way says these things about trade and everything else, yes, that has benefited Canada, but we have been in there renegotiating these deals to put it in the right perspective. In some of the cases that the member across the way mentioned, when the Conservatives made these deals, quite frankly in some of them they were signing a blank cheque. That has not been the direction of this government.

Finally I have to ask the member across the way, if the Conservatives are so fiscally prudent how many years would it have taken them? They were the ones who were overspending by \$42.5 billion a year. How long would it have taken them to get the books back in order? Quite frankly, I think they would be very hard pressed to meet the standards we have set.

Supply

•(1805)

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Mr. Speaker, the member said at the end of his speech that he wanted to hear about something specific. I would like to ask him a specific question. The Auditor General has called the spending on the gun registry astronomical. This year \$113 million is budgeted to go toward the gun registry. The government came back and asked for \$73 million more in supplemental funding. Now the minister tells us that was actually part of the \$113 million. He said that in his best case scenario costs will go up for the next two years on the gun registry and then begin to come down. It is going to come down to spending, at least in his estimation, which hopefully is not out as much as it was the last time, \$600 million more for the gun registry before it is completed. That is also with no review of the program until 2005.

Therefore, specifically, does the member think that this is a good use of taxpayers' money over the next six years?

Mr. Murray Calder: Mr. Speaker, we have already heard the Minister of Justice put forward statistics on the murder rate within Canada, which is down, and on the crime rate in Canada, which is down.

I have heard the members across the way say, for instance, that criminals would not register their guns. This is absolutely true, but let me say that when RCMP officers happen to pull somebody off to the side of the road, we have given them an extra tool. They can now ask the individual for licence and registration, please, and if the gun is stolen it is obviously not registered. If it is not registered, the RCMP has a criminal at the side of the road and is asking that individual where he or she obtained that firearm. They got the firearm through the black market, the underground. That is how we can, first, access the criminal activity of smuggling illegal firearms into Canada and, second, we can go after the people who are doing it. It is one more tool.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, the justice minister always discusses this issue of the gun registry through the prism of public safety, so let us talk about it that way. There is something called "opportunity costs", as the member knows, where money is taken from one place and is put into another, and we had better make sure we are getting a better bang for our buck in one place rather than the other.

When we look at the statistics of homicide rates in Canada, the fact of the matter is that of all the homicides one-third are due to firearms, and a very small number of them are due to registered firearms. The fact of the matter is that over 90% of homicides due to firearms are due to unregistered firearms, as he quite correctly mentioned.

Putting it in the context of opportunity costs, the question is this: Is it worth spending \$1 billion to really save the lives of a handful of people when what it is actually doing is removing that \$1 billion from something else where we could save thousands of lives, for example in health care?

Mr. Murray Calder: Mr. Speaker, I am just trying to get my mind around the question as put forward. In essence what the member is asking is how much a life is worth. That is awful. That is absolutely awful. As far as I am concerned, what we have done with

this registry is give the law enforcement people extra tools that they can work with. They have already thanked us, because this system is being accessed over 2,000 times a day. Quite frankly, when a statement like that is made, I just have to really wonder where the hon. member is coming from. I would like to talk to him about this after the debate here today, but as far as I am concerned, if this program saves even one life, it is worth the money.

•(1810)

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, in listening to the member who just talked about not getting one's mind around it, does he actually believe that criminals with an intent to commit a firearms crime, and by the way, for that member, it is the criminals who do it, it is not the law-abiding Canadians, will ever contemplate making sure that they have a registered firearm to do it? Or would he just automatically assume that a criminal is going to use a gun that is stolen, unregistered, something that we would have a very difficult time tracing?

The point I am making is that criminals do not give a darn about the firearms registry. They are not going to use registered firearms. They are going to use those that are not registered and that are going to come in through the black market. This has nothing to do with law-abiding citizens in this country, who are being penalized through this gun registration program. The government uses that poll, but it misled the people in the polling question. The question asked was, "Would you support a firearms registry or gun control program that would cut the incidence of crime in this country?" It is a no-brainer. Everyone would answer yes, but in fact this program does not do it. I believe that this member has been misled by his own party as to the effectiveness of the firearms program.

Mr. Murray Calder: Mr. Speaker, to answer the hon. member's question as to whether criminals would register their firearms, the answer is no, of course not.

I have firearms in my home right now. Let us say that somebody breaks into my house, steals my shotgun and ends up in Manitoba. An RCMP officer pulls that person off to the side of the road, for whatever reason. The shotgun is properly stored in the thief's truck. The officer will ask one question: "Is that your shotgun?" The guy will say "yes".

Under the new system, when it is fully implemented, the officer will ask that individual to see the licence and registration. It is a stolen shotgun. It is not registered. The RCMP would now have a criminal at the side of the road and the person would have to explain where he got the shotgun from. I would get my shotgun back.

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, it is my pleasure to participate in the debate this evening and to perhaps wind up the debate and bring some perspective to the issue we are debating.

The role of the Auditor General is to be a watchdog. The Auditor General must be able to make an independent analysis about where the Government of Canada is not delivering high quality service or not spending taxpayer dollars in a responsible way and to the degree that Canadians rightfully deserve.

Supply

I want to begin with the fact that members of Parliament have been kept in the dark with respect to this Auditor General's report. I will speak to that aspect shortly. In general, our principal role here is to ensure that parliamentarians, the representatives of the people of Canada, have a hand on the tiller and are the protectors of the public purse. That, above all, is our responsibility to the taxpayer.

We look at the fact that the principal time where we have an opportunity to review the public purse is through the process of developing a budget and the main estimates themselves. I find it completely unacceptable and I believe essentially unprecedented for a modern democracy not to actually undergo the process of an annual budget.

Members are aware that we have had only two budgets over the period of four years. We all know that parliamentarians ratchet up their level of scrutiny come budget time when we review the estimates.

The fact that the former finance minister, the member for LaSalle—Émard, chose not to bring forth an annual budget in the normal fashion, which was each February, is the principal cause for the degree of runaway spending that has gone unchecked and where Parliament has been left in the dark.

We know we had an election in November 2000. We also know that in the spring of 2000 the Government of Canada asked for an extension to the long gun registry and spending through supplementary estimates. This was probably the same period of time when we should have had a budget but instead it was done through supplementary estimates.

If that request had been done under the full lens of a budget, I believe parliamentarians would have had a chance to scrutinize this unbelievable request for an expenditure where the Department of Justice asked for nearly \$400 million in supplementary spending.

I will now touch on a few issues. First, I think parliamentarians have a right, an obligation and a moral responsibility to review spending on an annual basis. It was reckless and shameful for the former finance minister, the member for LaSalle—Émard, not to have performed his duty by bringing forth a budget for us to scrutinize in an appropriate way.

The following are the reasons that we are reviewing this particular issue. The Auditor General was concerned that with Parliament not informed, government wide management reforms risked losing momentum. She highlighted the issue of the long gun registry. She noted that Parliament had no opportunity to scrutinize the program costs, now estimated by the Department of Justice at more than \$1 billion by the year 2004-05. This was because the department's performance report made no mention of increased costs and the additional spending was approved largely through supplementary estimates, rather than through main appropriations.

•(1815)

As she said in her press release, the issue was not gun control and not even the astronomical cost overruns. She said that although those were serious what was really inexcusable was that Parliament was left in the dark.

When we review our estimates we do not, by any means, do it at the same level of scrutiny as they do in provincial legislatures and not how we used to do it in this place. We approved government spending of \$180 billion with one vote on a June evening without having a line by line review of the estimates done in this place, which is what Canadians expect us to do each and every year. That has really resulted in the misspending in programs.

Let us talk about the long gun registry. All Canadians believe in gun control. The Progressive Conservative Party believes in gun control. As a point of fact, we have registered handguns since the 1930s. We understand that safety provisions need to be in place. Firearms need to be stored separate from the ammunition and we need to have safe handling of firearms and ammunition.

Let us pretend for a moment that the registration of long guns was the right thing to do. It might have been the right thing to do at \$2 million of estimated spending but it certainly is not at \$1 billion. I find it shocking that government members have not even apologized or been remorseful of the fact that a program that was estimated to be \$2 million has ballooned to \$1 billion.

We have a moral responsibility to protect lives from a justice perspective, to make sure we actually invest our precious resources into fighting crime and into saving lives. I am more worried about biker gangs and organized crime than I am about registering the long guns of innocent deer hunters, duck hunters and farmers. Looking through that lens, I think most members of Parliament would concur.

The process essentially comes down to accountability. The fact is that we have not had an appropriate process to scrutinize expenditures. The Liberal Party of Canada is now on the verge of entering a sort of flashback to the 1970s. I would have hoped that the Prime Minister would have advised the new finance minister not to do what he did when he was finance minister, and that was not to have out of control spending.

Beyond health care, education and defence spending, program spending went up 7% across the board on issues that were not necessarily of immense priority with Canadians, beyond protecting human health and the environment. We now know that the government will actually balloon spending with a 25% increase in spending by the year 2008. This type of approach is simply not sustainable.

The only reason we are in fiscal health at the moment is largely due to the economic reforms brought forth in the later part of the 1980s and early 1990s by the Progressive Conservative Party of Canada, the government from 1984 to 1993, those principally being free trade where we moved our trade from about \$90 billion to about \$760 billion each and every year in two-way trade. That was an initiative by the Progressive Conservative Party of Canada.

The Liberal Party of Canada fought those initiatives and actually risked the financial well-being of our country through the positions it took in 1988 and again in 1993 on both of those trade initiatives. It fought us tooth and nail on initiatives such as privatization, deregulation, monetary policy and winning the war on inflation, all structural initiatives that were brought forth to strengthen our economy.

Adjournment Debate

●(1820)

The result was that it was able to harvest the fruit of the labours of a government under the leadership of Brian Mulroney between 1984 and 1993.

The financial leadership in the country right now is non-existent. It is rudderless. There is free spending again. I have trepidation over the fact that we are not focusing our energies where we should be. First is to ensure that we have a health care system where the size of one's wallet does not determine the quality of health care that one receives. Second, we are not investing in post-secondary education where our best and brightest can seek higher learning and use that intellectual capital to drive our economy. Third, we do not have initiatives to strengthen our economy: we are not lowering taxes, paying down debt or getting our economic fundamentals in order.

The aimless budget, which was tabled just over a week ago, is testament of the fact that the Auditor General is very concerned about the fiscal management of the country. She rightfully has reason to be concerned, especially when this reckless budget was tabled on the heels of her report which questioned the government's financial management regime.

●(1825)

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, I was curious about the remarks from my learned friend. He talked about the Mulroney government and how great things were. He sort of went through a period of selective revisionism.

I want to remind the member that in 1993 unemployment was between 11% and 12%. That now has been reduced to around 7%. Interest rates were around 12%. That now has been reduced to around 6%. Debt to GDP was around 71%. That now has been reduced to 46.5%. The deficit was \$42 billion. Now we have had six straight years of surplus. When he talked about the programs and policies that were enacted then, I do not believe what he said.

First, how can we assure all members of the House and, through this House, all Canadians that these same policies and programs will never be visited on them? Second, how can we assure the House and all Canadians that the people, who were affiliated with those policies and programs, will never be near the levers of power again?

Mr. John Herron: Mr. Speaker, to start that is quite a sanctimonious question. The member is essentially on the attack on fiscal management, when his government has currently turned a \$2 million program into a billion dollar expenditure. There is not a lot of currency there to put forth an articulate debate.

From an historical perspective, the hon. member may be aware that a worldwide recession took place at the front end of the 1990s. The fiscal health of Canada was stronger even in that very tough economic time than it was among most G-8 nations. Our fiscal deficit, on a proportional basis, was stronger than most G-8 nations, including the U.K. and our neighbours to the south.

I am very concerned that the member for Hillsborough would not want us to have initiatives such as the free trade agreement, which moved our trade from \$90 billion to over \$760 billion in two way trade. I know there are a number of island exporters. One company, Diversified Metal Engineering, which I had a relationship with in my previous work, exports en masse. It created numerous jobs in the

West Royalty Industrial Park, compliments of the free trade agreements. I do not think the hon. member wants to walk onto that shop floor and say that he would tear up the free trade agreement in a heartbeat, if that is what the hon. member is saying.

I am proud of the structural initiatives that took place in terms of tax reform, deregulation, privatization, winning the war on inflation, the monetary program and free trade agreement as well. It was that kind of leadership which brought forward other initiatives, such as our influence with the Americans wherein we were able to develop an acid rain protocol that reduced SO₂ emissions in power generating plants by over 50%. Those are programs of which to be proud.

Instead, we have a government that really has not had an initiative of any nature over the 10 years it has been in power. That is why the Prime Minister is desperately seeking a legacy.

[*Translation*]

The Deputy Speaker: It being 6.30 p.m., it is my duty to inform the House that the debate on the motion is over.

ADJOURNMENT PROCEEDINGS

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

[*English*]

SOCIAL PROGRAMS

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I want to thank the hon. Speaker and the House for the opportunity to again speak on a private member's bill that we brought forth back in 1998 and have reintroduced four different times, Bill C-206. Before I begin, I wish to thank the government very much for the recent budget in that it actually mentioned compassionate care leave. What it has announced is compassionate care leave of six weeks, starting on January 4, 2004. Although that is a great start, it is simply nowhere near enough to meet the needs of Canadians.

We all know that Bill C-206, if enacted, would allow people who leave work to care for a dying relative or a relative under severe rehabilitation the opportunity to leave their place of employment and collect employment insurance; it is the exact same benefits as if they were to have a baby. We have programs for maternity leave and paternity leave at the beginning of someone's life, but we have no program at the end of someone's life. Although the government did announce a program for six weeks, the unfortunate part is that it is simply not enough, not even close.

Adjournment Debate

We have proven this. The provinces have proven it. As well, the Canadian Caregiver Coalition, which is across the country, the Canadian Cancer Society, the Alzheimer Society of Canada, the AIDS coalitions and many other groups, including CARP, the Canadian Association of Retired Persons, with 4,000 members, all have proven that for every dollar spent on employment insurance, thus offsetting someone's salary, we would save \$4 to \$6 on the health care system. The winner would be the provinces in terms of financial costs, because it is the provinces that have the responsibility to deliver health care.

This is a program that we know the government is working on. We know that the hon. Minister of Human Resources and the hon. Leader in the Senate, Sharon Carstairs, have mentioned it on many occasions. We are appreciative of that effort, Mr. Speaker, do not get me wrong. We are not condemning the government for it. We appreciate the fact that the government has taken on the issue and started to move with it, but my bill would actually move it a little more quickly.

What we are hoping for is that after March 19, after third reading, of course, the government and other opposition members actually will vote to move the bill to committee. Thousands and thousands of e-mails, petitions and letters have been sent from across the country, from coast to coast to coast, in support of the bill. In a recent CTV poll for *Canada AM*, with over 2,000 people polled over 24 hours, the number one concern was home care.

I just want to say to all Canadians and all parliamentarians that this is not a question of if someone will become a caregiver but of when someone will become a caregiver. Those who are passing on have a right to die in the surroundings of their choice, to be surrounded by their loved ones and also to be free of pain.

I believe that this bill deserves a lot of support. It is a non-political bill and we believe it should move forward.

• (1830)

[*Translation*]

Ms. Diane St-Jacques (Parliamentary Secretary to the Minister of Human Resources Development, Lib.): Mr. Speaker, I want to thank the member for Sackville—Musquodoboit Valley—Eastern Shore for giving me the opportunity to speak about this initiative that was announced in the 2003 budget and that the government and I feel very strongly about.

The Government of Canada is committed to improving the support provided to those who need to take time away from their work to take care of a child, a parent or a spouse who is seriously ill. This budget sets out new employment insurance benefits for natural caregivers who take leave from work to provide care for a seriously ill or dying child or parent.

This government has the best interests of Canadians at heart, and improving the life of our fellow citizens is our priority. The commitment that we have made basically increases the support available to workers so that they do not have to choose between keeping their job and taking care of a seriously ill member of their family.

The welfare of the family has always been and will remain one of the cornerstones of our social policies, as evidenced by the fact that

we have also introduced the extended parental leave as well as the national child benefit.

As we know, Canadian workers' jobs and the financial security of their families can be put at risk by the need to take care of a seriously ill family member, not to mention the intense stress on family life.

I would point out to hon. members that 77% of Canadians taking care of a seriously ill family member take time off work, and 56% of those take unpaid leave.

Another major priority for this government is to help Canadians strike a balance between work and family life. Employers are equally aware of that reality, let me tell you. According to a recent survey, 60% of business executives support the government's intention to provide income support to employees who need to take time off work to look after a seriously ill family member.

Our government is therefore continuing its efforts to meet the commitment made in the throne speech, so that Canadian workers who are already stressed by the serious illness of a family member do not have to cope with any more stress.

We want Canadians able to be able to keep their jobs and count on a decent income so that they may devote all their energies to their loved one. The hon. member felt that six weeks was not very much, but it is a start. The Kirby report spoke of six weeks for looking after a sick person. I believe we need to wait until this program is put into place before looking at how it might be made easier or better. For the moment, however, I think the important thing is to start putting it in place.

There seems to be general all-party support for such an initiative. I trust that I will be able to count on the support of the hon. member, as well as all other members of this House, in getting this fine initiative started.

• (1835)

[*English*]

Mr. Peter Stoffer: Mr. Speaker, what I am asking is whether the government will support moving the bill to committee. Third reading is coming up and this is a votable bill. It is crucial for this bill to go to committee. We have done everything in our power in the democratic process to move the issue forward. We need to have further debate during committee on this serious matter. Will the government support moving the bill to committee?

[*Translation*]

Ms. Diane St-Jacques: Mr. Speaker, first let me thank and congratulate the hon. member for his contribution. He has been working for a long time on this, to promote an initiative that is one of the government's priorities.

We must remember that there was nothing previously to help families in such stressful circumstances. I want to tell the hon. member that I intend to reiterate my request that he support this initiative. I am also counting on the support of all the hon. members of this House in order to implement it as soon as possible.

Adjournment Debate

EMPLOYMENT INSURANCE

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, first, I would like to welcome all the young Canadians to the Acadie—Bathurst and Campbellton areas for the Canada Winter Games.

Mr. Speaker, on February 10, 2003, I asked a question in the House of Commons. The question was as follows:

Mr. Speaker, Human Resources Development Canada set up a pilot project to process applications for employment insurance benefits by telephone in Moncton, New Brunswick, called Teledec. Teledec was then transferred to Bathurst—in my riding—to serve claimants in New Brunswick and Prince Edward Island—

But unfortunately, they forgot to transfer or hire employees to help do this.

My question to the minister asked if HRDC intended to hire additional staff to help out.

In Bathurst, there are 30 employees at the call centre. Currently, despite all this responsibility, there are still only 30 employees.

Now, the call centre is responsible for all of New Brunswick and Prince Edward Island. It got to the point where the employees could no longer answer the phone. The wait was one, two or three hours long.

To cut the two or three hour wait, HRDC decided that, after five calls, clients would get a busy signal. Now, clients must wait up to two days before getting through to HRDC about employment insurance. Yet there is a \$43 billion surplus in the Employment Insurance Fund.

We know that Groupaction does not wait that long. They got \$22 million for one contract, \$22 million for another one and then \$1.5 million just for submitting the same report three times. Back home, Human Resources Development Canada is telling us that they will have to try and serve the people of New Brunswick and Prince Edward Island only with the employees they currently have on staff.

I met with those employees. Only 16 of them were still at work, because all the others were burned out.

Following my question, the minister or the parliamentary secretary, who is from Shefford, took one, two and then three weeks to assess the situation. The minister said that she wanted to ensure that good service was a priority.

Will the federal government act on this problem and treat these people like human beings? It is not because we live in Bathurst, in New Brunswick, that we should not be served like the people in Ottawa.

I look forward to hearing what the parliamentary secretary, who is replacing the minister tonight, has to say on this issue.

• (1840)

Ms. Diane St-Jacques (Parliamentary Secretary to the Minister of Human Resources Development, Lib.): Mr. Speaker, allow me to inform the member for Acadie—Bathurst that it is not because people live in his region that they have fewer services. The government's goal is always to provide the best possible services to clients at the offices of Human Resources Development Canada wherever they are, whatever their situation or level of literacy. We

want to offer a uniform service that meets their expectations and provides them with a choice.

We process roughly 3 million requests a year. On average, we pay out \$13 billion in benefits a year.

To meet these needs for services, we rely on a network of more than 8,000 employees, 320 human resources centres, four information technology centres, six insurance payment operations centres and 11 employment insurance call centres.

I should add that each year the workload fluctuates—as the member knows—generally in July and November, which has an affect on the speed with which we can process requests. Also, we notice changes in the method of service delivery that our clients want and this choice can have direct repercussions on our other service methods. Our call centres have to respond to a higher volume of requests each week. We have identified these repercussions and implemented plans to manage our clients' requests and follow their progress.

I can assure the House that Human Resources Development Canada is committed to continually improving the quality of services to Canadians. This is why, in order to determine the degree of satisfaction of those who use our main services, surveys were conducted in 2001. The results are as follows: 77% of the respondents were satisfied with the general quality of the service, and close to half were very satisfied; 86% of the clients who visited a Human Resources Development Canada office were satisfied with the quality of the service received in person, and more than half of these people said they were very satisfied; 82% of the clients were satisfied with the service received by telephone; and over 80% of the respondents told us that the explanations provided by the staff were easy to understand, that the information was accurate, that the service was excellent and that the answers were complete.

We know that we can always improve on these results, and this is what we are trying to do.

As regards employment insurance, the modernization initiative will help us improve the technological tools that we already provide to our clients.

These tools are Appliweb, which allows claimants to submit their claims on line, thus accelerating the process, and Teledec, which allows claimants to submit their reports by telephone, instead of by mail. There is also the direct deposit, whereby payments made to claimants are deposited directly in their bank account.

We are working on improvements that will reduce the burden of call centres. For example, our clients will have the option of submitting biweekly reports on line. This will reduce the number of calls received by our offices.

I would like to reiterate to the hon. member for Acadie—Bathurst that service to Canadians is our priority. Throughout the initiative to modernize our service to Canadians, we will continue to improve the way services are provided.

Adjournment Debate

Mr. Yvon Godin: Mr. Speaker, on February 10, the minister herself told me this, "I would be glad to look into this particular incident and talk to the member about it". She has not talked to me about it yet.

What am I asking the minister? The Parliamentary Secretary to the Minister of Human Resources Development is telling me about all the services and about the thousands of people who work for that department, but that is not the issue.

A new service is being offered to the people of New Brunswick and Prince Edward Island, but there are not enough employees to provide the service. Fourteen people are now on sick leave because they are suffering from burnout. That is what I am saying.

I do not want to hear about what the government did right. I want to talk about what the government did not do with a \$40 billion surplus. Clients have to wait up to two days to obtain services from the Department of Human Resources Development. That is my question.

Will a study or something be done in the Bathurst office, in northeastern New Brunswick?

• (1845)

Ms. Diane St-Jacques: Mr. Speaker, as I have said to the member for Acadie—Bathurst, the government never stops trying to improve its services. Given the increasing popularity of these services, they can be overloaded, but the minister is doing her utmost to improve service.

I would like to list for him the things we are trying to do at the present time. We plan to improve services so that clients may obtain the help they need directly, 24 hours a day and 7 days a week; to improve the way calls are handled; to change the deadlines for reports so as to reduce busy periods; to train our employees so that they can help clients take advantage of all possibilities open to them; to ensure that clients have access to staff trained to meet their needs; and of course to encourage use of the Internet.

As I have said, serving Canadians is one of this government's priorities. The department will continue to seek ways to improve the quality of our services.

[*English*]

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am pleased to have this opportunity to follow up on a question I raised with the government on November 25, 2002. That was the day that Health Canada announced it was proceeding with plans to permit the irradiation of ground beef, poultry, shrimp and mangoes, and all of this despite serious safety concerns led by independent scientific researchers.

Naturally, the announcement shocked many Canadians who were initially open to the idea of food irradiation, but who had become rightfully concerned after learning about safety concerns raised by the scientific community. Irradiation had been presented by supporters of this new process, and by Health Canada, as a sort of magic bullet that would provide Canadians with guaranteed safe food. It was no surprise that many Canadians, tired of reading about the government's failure to stem the growing list of food

contamination incidents and product withdrawals, were eager to believe the sales pitch for irradiated food.

However, scientists, and I emphasize independent scientists, found that irradiation could actually create chemicals called cyclobutanones not normally found in food that could pose a danger to human health. When tested, these chemicals have been linked to genetic and cellular damage. We know there is no information on the long term effects of these chemicals.

The question for us and all Canadians is, why would Health Canada want to proceed with a process of questionable safety at this time? We know there is pressure from food processors who stand to cut costs by relaxing their normal safety standards once irradiation has been approved. We know there is pressure coming from exporters from the United States, a country which has approved irradiation despite protests there. These are powerful interests and we know that. Health Canada seems to be all too willing to accept and accommodate their wishes, and does so on the basis of limited studies that it itself provides.

Health Canada is being true to its tradition of siding with the fox instead of the chicken. Canadians were at least hopeful that the government would have a public consultation process that would be meaningful and would allow for all sides to be heard. Those so-called consultations blew through Winnipeg last month. The public had two business days between the newspaper announcement and the hearings to prepare their presentations and apply to be heard. If they were successful in engineering this feat, they were given two minutes to make their presentations. Not only is two minutes short, let us contrast it with the 15 minutes each given to three Health Canada officials to rationalize irradiation.

We have many questions and concerns. We want to again ask the government if it is prepared to put on hold approval of the food irradiation process until it is satisfied that the do no harm principle has been adhered to and that full consultations have been held with independent data brought to bear on those discussions and decisions.

[*Translation*]

Ms. Diane St-Jacques (Parliamentary Secretary to the Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member for Winnipeg North Centre has raised certain concerns about recent Health Canada proposals to regulate food irradiation.

In response to a number of industry submissions, and in compliance with the Food and Drug Regulations, Health Canada has examined submissions concerning the irradiation of ground beef, poultry, shrimp and mangoes.

The study included an examination of the effects of irradiation, its impact on the nutritional content of the food and the micro-organisms present.

Over and above an assessment of the data presented, we also took into consideration a number of major studies carried out around the world on the effects of radiation.

Adjournment Debate

Three conclusions arise out of the studies by Health Canada's scientists: the consumption of ground meat, poultry, shrimp and prawns, and mangoes would not result in any identifiable risk to the health of the consumer; the irradiation of these foods would not result in any health concerns for consumers; and the proposed uses of food irradiation could be beneficial through improved safety and quality of these food products resulting from enhanced control of pathogens such as *E. coli* and salmonella.

Food irradiation is a method that uses radiation energy to improve food safety by destroying pathogenic bacteria, by extending the shelf life of food, and by controlling insect infestation.

It is one of many techniques that can be used by food producers to protect the quality of food items before they reach retailers.

The other techniques include cooking or heating, canning and steam pasteurization. Irradiated foods can also be used with these techniques to improve safety.

Food irradiation is regulated by the Food and Drugs Act, and only the items listed in a table of the regulations can be irradiated.

Division 26 of the regulations provides that industry stakeholders must submit a request to be allowed to irradiate a given product.

Based on the representations and on the best available scientific research, a multidisciplinary team of pharmacists, toxicologists, microbiologists and nutritionists determines the safety of the food and the effectiveness of food irradiation. No changes are made to the regulations on food irradiation until all the issues relating to food safety have been dealt with and the proposed objective is justified.

Concerning the hon. member's specific concern about the safety of any chemicals produced by the irradiation process, Health Canada has taken this into account as a significant factor in its evolution.

The hon. member is no doubt aware that the studies that detected the presence of the chemicals of particular concern to the hon. member were conducted using irradiation doses 100,000 times stronger than those allowed in Health Canada's proposed regulations.

At the levels of irradiation authorized under the proposed regulations, such chemicals are produced only in very small amounts. In addition, each food product has undergone toxicology testing that has shown that, at such levels, there is no risk to human health.

I point out that the new chemicals produced in irradiated food have been studied by many researchers and assessed by many organizations, such as the World Health Organization, the U.S. Food and Drug Administration, and the European Economic Community's science committee on food.

In each case, these studies have confirmed Health Canada's assessment and concluded that, from a toxicological point of view, these small amounts of chemicals would not have any adverse effect on human health.

I will conclude by saying that given the nature of the proposal, products and process involved, many Canadians will be interested in this issue. This is why Health Canada has held public information meetings in Vancouver, Edmonton—

● (1850)

The Deputy Speaker: I am sorry to interrupt the hon. parliamentary secretary, but she had four minutes, and no more. The hon. member for Winnipeg North Centre.

[*English*]

Ms. Judy Wasylycia-Leis: Mr. Speaker, I appreciate the response made by the parliamentary secretary. However I must indicate my disappointment that little has changed in the mind of the government with respect to the safety of irradiated food.

The concern of Canadians is a legitimate one. This food is being moved forward and the process for integration into our markets is rapidly at hand. Yet there is no indication that the government is prepared to carry out independent scientific studies of its own to assess the risk identified by scientists in recent times.

This is not an issue that can be dismissed easily. It is not one that can be left to international studies. It is one that the government must come to grips with. In fact it must be proactive and convince Canadians that it has taken every step necessary to ensure that the food we eat is safe beyond a reasonable doubt.

The government can do no less than make those assurances.

● (1855)

[*Translation*]

Ms. Diane St-Jacques: Mr. Speaker, the government has recognized that this is a very sensitive issue for all Canadians. This is why we have held consultations over a period of more than 90 days, which is 30 days more than usual.

I would just like to reassure the hon. member that the priority of this government and this department is food safety and public health, of course, and that the minister will make a decision based on these two priorities.

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

(The House adjourned at 6:56 p.m.)

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