



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Thursday, March 25, 2004**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Thursday, March 25, 2004

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

•(1000)

[*Translation*]

### INTERPARLIAMENTARY DELEGATIONS

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the Canadian branch of the Assemblée parlementaire de la Francophonie and the related financial report.

The report deals with the last meeting of the Political Committee of the APF, held in Nouakchott, Mauritania, from March 6 to 9, 2004.

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•(1005)

[*English*]

### NATIONAL VETERANS FUNERAL HONOURS ACT

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC)** moved for leave to introduce Bill C-499, an act respecting funeral honours to veterans.

She said: Mr. Speaker, it gives me great pleasure to introduce my private member's bill, an act respecting funeral honours to veterans.

The purpose of the bill is to recognize the great sacrifice of the men and women who served in Canada's armed forces. The legislation would provide for a military guard of honour to provide the dignity and respect that veterans deserve. Currently, various regiments provide some benefits to their comrades but on an ad hoc basis. The bill would provide recognition for service by a grateful nation.

An advisory council to the Minister of Veterans Affairs recently recommended improved funeral and burial benefits for veterans, so it gives me pleasure to recognize its work and complement its recommendations with this bill.

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

[*Translation*]

### DEPARTMENT OF INDUSTRY ACT

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.)** moved for leave to introduce Bill C-500, an act to amend the Department of Industry Act (outlying regions).

He said: Mr. Speaker, today, I am tabling a bill amending the Department of Industry Act to further promote economic development in outlying regions of Quebec.

In this act, "outlying regions" refers to the following regions of Quebec: Abitibi-Témiscamingue, Nunavik, Nord-du-Québec and James Bay, Saguenay—Lac-Saint-Jean, Gaspésie, Îles-de-la-Madeleine, Bas-St-Laurent, Côte-Nord and Mauricie.

I thank the Liberal member for Pierrefonds—Dollard for his support.

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

\* \* \*

•(1010)

[*English*]

### BANK ACT

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP)** moved for leave to introduce Bill C-501, an act to amend the Bank Act (branch closures).

She said: Mr. Speaker, I am pleased to introduce a bill dealing with the Bank Act and branch closures.

The bill addresses the failure of the Bank Act to provide consumers with meaningful input into decisions by banks to cut off essential financial services by compelling those banks to conduct public consultations before such decisions are made.

This is a national issue that touches communities right across Canada, like my own in north Winnipeg, where Canadians may be left without essential banking services and vulnerable to high interest, unregulated, fringe banking alternatives.

The bill recognizes that banking is an essential service for the day to day functioning of a community and that, as such, decisions to deny access to banking services should include a mechanism for community input.

*Routine Proceedings*

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

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**CRIMINAL CODE**

**Mr. Myron Thompson (Wild Rose, CPC)** moved for leave to introduce Bill C-502, an act to amend the Criminal Code (protection of children).

He said: Mr. Speaker, you will recall a few weeks back that a motion was passed in the House indicating that we would present legislation that would remove all defences for the possession, distribution and manufacturing of child pornography.

As the government seems to be a little slow in accomplishing this feat, which we all agreed upon, I am happy to introduce my private member's bill this morning which would do exactly that.

While my bill would remove these defences, it would protect law enforcement officers, doctors, psychiatrists and other bona fide individuals who use this material for medical, educational or law enforcement purposes.

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

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**CITIZENSHIP ACT**

**Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC)** moved for leave to introduce Bill C-503, an act to amend the Citizenship Act.

He said: Mr. Speaker, it is a pleasure to introduce a private members' bill, an act to amend the Citizenship Act.

The bill is designed to remedy an injustice in the Canadian Citizenship Act whereby Canadian children, whose parents renounced their Canadian citizenship between 1946 and 1977, automatically lost their Canadian citizenship through no conscious decision of their own.

Regrettably, amendments to the Citizenship Act of 1977 did not make these individuals citizenship retroactive. My bill would make it possible for these individuals to regain their Canadian citizenship without being established as a permanent resident in order to do so.

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

\* \* \*

[*Translation*]

**PETITIONS**

## NUNAVIK

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Mr. Speaker, I am submitting today a petition signed by residents of the northern village of Quaqtaq, Nunavik.

The federal government, through one of its departments, ordered the killing of Inuit sled dogs from 1950 to 1961 in New Quebec. This government adopted a policy in support of this killing. It did not hold public consultations with the Inuit communities of Nunavik.

Therefore, the petitioners call upon Parliament to commission a public inquiry to shed light on this policy of sled dog killing in New Quebec, that is Nunavik.

## FOREIGN AFFAIRS

**Mr. Svend Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, I have the honour to table a petition signed by thousands of people who are members of the Committee Against Impunity in Guatemala, notably Mary Ellen Davis, Nathalie Brière, Mateo Pablo, who survived a massacre in Guatemala, and a few others.

The petitioners point out that, these last few years, Canada has protected refugees from Guatemala, people who were victims and survivors of genocide, of crimes against humanity and war crimes that took place in Guatemala. They also point out that these refugees have been seeking redress for 36 years, and that impunity reigns in Guatemala.

They are calling for amendments to the Criminal Code that would allow court proceedings in absentia to be held before Canadian courts, the conviction of an individual for an offence committed abroad, and the inclusion of the term "permanent resident" in the Crimes Against Humanity Act.

Finally—

● (1015)

**The Acting Speaker (Mr. Bélair):** I regret to interrupt the hon. member, but he knows full well, given how long he has been in this House, that only short interventions can be made for petitions.

The hon. member for Langley—Abbotsford.

[*English*]

## JUSTICE

**Mr. Randy White (Langley—Abbotsford, CPC):** Mr. Speaker, once again I am pleased to submit the signatures of thousands of people in support of Carley's law.

Whereas hit and run legislation in its current state does not provide an adequate sentence to offenders who leave the scene of an accident; and whereas an accused who has control of a vehicle who fails to stop at the scene of an accident should receive a minimum sentence of seven years for an accident causing death and a minimum of four years for an accident resulting in bodily harm; and whereas prosecutors should not be able to offer those accused of fleeing the scene of an accident the opportunity to plead guilty for an offence with a lesser punishment; the petitioners ask the government assembled in Parliament to vote in favour of Bill C-453, Carley's law, an act to amend the Criminal Code, failure to stop at the scene of an accident.

## INCOME TAX ACT

**Miss Deborah Grey (Edmonton North, CPC):** Mr. Speaker, I have already submitted 25,000 names, and several thousand more today, of Canadian citizens who use alternate medicines, such as supplements and vitamins, for preventive health care. This is kind of a novel idea that we would look after our health before we become sick.

The petitioners think that it is very important and essential to get tax relief on personal income tax returns by means of using receipts from licensed health food stores and not only “as recorded by a pharmacist”, as the government says in the Income Tax Act.

The petitioners are praying that the government will take the necessary steps to change section 118.2(2)(n) of the Income Tax Act.

These are people right across Canada. I say good for them for trying to look after their own health before they get sick and not after.

#### FREEDOM OF RELIGION

**Mr. John O'Reilly (Haliburton—Victoria—Brock, Lib.):** Mr. Speaker, pursuant to Standing Order 36, I have the pleasure to present four petitions from the good people of Haliburton—Victoria—Brock.

One petition prays that Parliament take all necessary measures to protect the rights of Canadians to freely share their religious and moral beliefs without fear of prosecution, which is in regard to the hate motivated attacks, and that promoting hatred toward any person or groups is wrong.

#### MARRIAGE

**Mr. John O'Reilly (Haliburton—Victoria—Brock, Lib.):** Mr. Speaker, the other three petitions pray that Parliament pass legislation to recognize the institution of marriage in federal law as being a lifelong union of one man and one woman to the exclusion of all others.

#### PROPERTY RIGHTS

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, I present a petition that was compiled with signatures from people across eastern Ontario because the federal government has abandoned rural communities under the weight of this urban socialism.

Between gun control, animal control and a bureaucracy that forces regulations on them, they cannot even use their land for farming or woodlots any more. They feel that only by amending Canada's Constitution to include property rights can they enjoy the land and work the land themselves.

Therefore the petitioners call upon the Canadian government to amend the Constitution. Even communist China is taking steps to include property rights in its constitution. Therefore, if communist China can do it why can we not?

#### MARRIAGE

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC):** Mr. Speaker, it gives me great pleasure to present petitions containing over 2,100 names. The petitioners are saying that marriage, as a lasting union of a man and a woman to the exclusion of all others, cannot and should not be modified by a legislative act or a court of law.

The petitioners request that Parliament take whatever action is required to maintain the current definition of marriage in law in perpetuity and to prevent any court from overturning or amending the definition.

#### *The Budget*

It gives me great honour to present these petitions.

• (1020)

**Mr. Larry Spencer (Regina—Lumsden—Lake Centre, Ind.):** Mr. Speaker, I have three petitions to present which deal with the same subject. The petitioners call upon Parliament to take the necessary steps to preserve the definition of marriage as that between a man and a woman.

#### DIVORCE ACT

**Mr. Larry Spencer (Regina—Lumsden—Lake Centre, Ind.):** Mr. Speaker, I have another petition with some 400 signatures on it. The petitioners call upon the House of Commons to take the steps necessary in Parliament to modify legislation to ensure that both parents are able to be actively involved in the life of their children after divorce. Many children are totally separated from one parent or the other.

\* \* \*

[Translation]

#### QUESTIONS PASSED AS ORDERS FOR RETURNS

**Hon. Serge Maril (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, if Question No. 27 could be made an order for return, the return would be tabled immediately.

**The Acting Speaker (Mr. Bélair):** Is it agreed?

**Some hon. members:** Agreed.

[Text]

Question No. 27—**Mr. Duceppe (Laurier—Sainte-Marie):**

With respect to the payments of grants and contributions by Industry Canada, including the Canada Economic Development Agency for Quebec, for the 75 federal ridings in Quebec in fiscal years 2000-2001, 2001-2002, 2002-2003 and 2003-2004, can the government provide the following information: (a) the name of the recipient organization; (b) the date of the payment; (c) the amount; (d) the name of the program; and (e) the federal riding in which the recipient organization is located?

(Return tabled)

\* \* \*

[Translation]

#### QUESTIONS ON THE ORDER PAPER

**Hon. Serge Maril (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, I ask that all remaining questions be allowed to stand.

**The Acting Speaker (Mr. Bélair):** Is that agreed?

**Some hon. members:** Agreed.

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## GOVERNMENT ORDERS

[English]

### THE BUDGET

#### FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 24 consideration of the motion that this House approves in general the budgetary policy of the government; of the amendment and of the amendment to the amendment.

*The Budget*

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, it is my pleasure to address the budget that was brought down the other day by the hon. finance minister. This is probably the eighth or ninth budget that I have had a chance to address, and it is a pleasure to stand and represent my constituents and, to a large degree, express their feelings about these budgets.

In particular, I want to comment on this budget and on what I think is the government's attempt to cover over the problems of the past. It is asking, in a way, for forgiveness and is promising that it will not do things the way it has done them for the last 10 years. It is asking for another chance. However I think many Canadians are very concerned with how the government has conducted itself in the last number of years, and I want to speak about that right now.

The bottom line is that the government is asking for another chance but it is pretty clear that the Liberals cannot be trusted to manage taxpayer money. If there is anything that the last few weeks have shown us, it is that they are very poor money managers.

I have been here for 10 years and I can tell members that in that period of time we have seen many of the problems that face us today only get worse over the period the Liberal government has been in power.

When I came here in 1993, I would argue that the health care system was in better shape than it is today. The military was in better shape than it is today. Education funding was in better shape than it is today. Today a lot of Canadians would agree that waiting lists for critical surgeries and treatments of various kinds have only gotten longer since the government came to power. I think people would argue that the military is far more thinly stretched and under-equipped today than it was when the government came to power. I think a lot of people would argue that students are far deeper in debt today, on average, than when the government came to power.

If the Liberals cannot get it right after 10 years, despite all the money they have thrown at problems, then maybe it is time for a change. Maybe the Liberals should not be in power any more, but they are asking for a fourth term. After all that has happened, I think we would be crazy to go along with that.

I want to offer some evidence to support my argument that the government has made all kinds of promises in the past and has failed to live up to them. I will do that by making reference to some previous speeches delivered by the Prime Minister when he was the finance minister. What I am doing here is arguing that the Liberals have had many chances in the past to fix things. They have recognized that there are problems and say that they will address them but the problems do not get fixed.

One of the big issues facing the country today is whether or not the public has confidence in the government's ability to manage money. The government, way back when, recognized that was an issue and the finance minister of the day, the current Prime Minister, made some commitments in order to buttress public confidence in the government's ability to manage money.

I want to quote now from the 1995 budget speech. This is what the current Prime Minister said back then:

Canadians want their governments to spend money and secure savings in ways that make sense, that reflect their values. To do that, it is essential that our effort be guided by clear principles.

He went on to say:

The third principle is frugality. Governments don't have money. They are given money—money from the pockets of Canadians from coast to coast. And so, governments must behave as if every dollar counts. Because every dollar does.

That was said by the Prime Minister when he was finance minister in 1995, the same year he brought in program review.

• (1025)

Program review, as members remember, was a program. The Prime Minister made a big deal about that. However, 1995, the year he brought in program review, was the year he used program review to eliminate the office of the comptroller general. What does that person do? That person oversees the processes surrounding government spending to ensure that nothing untoward happens. Obviously that was the wrong thing to do. When we eliminate spending controls like that, we kick the door wide open to the types of abuses we have today in the ad scandal.

In 1995 not only did he use program review to get rid of that comptrollership function, when the government was trying to root out waste and spending, the Prime Minister sat at the cabinet table and voted to start the sponsorship program. I would argue that the Prime Minister's words and his actions were at odds when it came to the issue of spending taxpayer money properly. I do not think anybody can dispute that today.

What the government embarked upon in 1995, with the sponsorship program, was a disaster. By the way, 1995, despite the words of the Prime Minister and the Treasury Board President yesterday, was the year the national unity reserve was established as well, that shadowy fund of money that we only learned about in the budget speech. This fund of money was basically a slush fund that did not appear in the estimates anywhere and did not appear in the public accounts.

According to what we hear now, somewhere around a quarter of a billion dollars was spent over the last nine years. The Prime Minister denied he knew anything about it. If he did not know anything about it, how good of a finance minister was he? A third of a billion dollars was spent, but he claimed he knew nothing about it. Obviously he was not paying attention or he knew about it but does not want to talk about it because there was something funny going on with that money. Either way, to me that underlines that he should not be the Prime Minister today.

The hypocrisy gets worse. In 1998 the finance minister of the day, the current Prime Minister, said:

Frugality. Focus. Steadfastness. Looking to the long term. Partnership. Fairness. These are the principles that underlie our plan. Let me now demonstrate how these principles will be applied to sound economic management for the country.

The one thing we did not get from the government was sound economic management. That is why we are embroiled in this ad scandal today. It is not just the ad scandal, there are many other things, and I will touch on those in a moment.

*The Budget*

The thing I think is really important to me is that people understand that the government is not capable of managing taxpayer money very well. We have seen spending go up \$41 billion over the last seven years, and the problems only get worse. The problems have been getting worse and worse. Students go further into debt. The military is stretched more thinly. We see waiting lists get worse and worse in hospitals.

The money is coming in, and taxpayers are doing their part. They are kicking in billions of dollars toward taxes for the government to use, supposedly in the best interests of the Canadian public. However, those problems are not getting addressed, and I am wondering what is going on.

On the other hand, we do know that those things that the public has never set as a priority are getting funded. We know that if one is a good Liberal, one is being looked after by the government. That is one of the messages of the ad scandal, where government officials, supposedly getting political direction from ministers in the government, were kiting cheques, basically laundering money, and some of that money certainly found its way back into the coffers of the Liberal Party of Canada. There is no question about that. It is very clear, based on the Auditor General's report. That is exactly what has happened. Taxpayers are sending in billions of dollars. The big problems that face the nation are not being addressed, but Liberal friends are doing very well.

• (1030)

Then there are all those other programs and pet initiatives of the government for which the public has never asked, but are turning out to be huge spending boondoggles like the useless firearms registry. The government has already spent a billion dollars to register duck hunters. On the other hand, we know that if the billion dollars had been used for health care, for the purchase MRI machines, for cancer research and treatment, all those things would have saved far more lives than the firearms registry ever would. In fact I do not think the firearms registry will ever save the life of one person. I think it will be a disaster in terms of how it affects the reputation of the government forever. It is one of the government's most embarrassing legacies.

Therefore, I argue again that the government is misusing taxpayer money. That money is not getting to the things to which it should get. I am arguing that even when the government tries to apply it to the things to which it should be applied, it is not effective. The government is not getting the results that it claims it wants to get.

There are many other examples of how the government wastes money. People often ask us what we would do differently and where would we cut spending. One thing I would do is quit giving billions of dollars to corporations. That is absolutely crazy.

The average family in Canada today making an average income pays about 50% of that toward taxes. I wonder if anyone in this place, on the Liberal side or on the NDP or any side, would argue that it makes sense to take moneys from a family earning the average income of around \$64,000 and have 50% of that goes to tax. Does it make sense that people should be paying taxes, a family that is making \$64,000 with two or three children, to a government that then gives it to large corporations, many of them very profitable?

Does that make sense? I do not think it does. I think it is absolutely crazy. It is outrageous that that occurs.

It is outrageous that the government allowed millions of dollars to be spent by the Prime Minister, when he was finance minister, which went to his friends at Earncliffe in untendered contracts. Again, people pay money. They work their hearts out to make money for their family, to put food on the table, to save money for their children's education, to save for their own retirement and to go on vacation. I think it breaks their hearts when they see their tax dollars go to the finance minister who then turns around and gives it to his friends in the form of untendered contracts, lobby firms like Earncliffe. That is completely wrong. It is wrong when the government wastes money on all kinds of unnecessary spending.

In Canada today we spend not a few million, not tens of millions but hundreds of millions of dollars producing television programs, producing sitcoms. If we were to ask taxpayers whether their tax dollars should be spent on producing television programs or should they be allowed to keep that money themselves to look after their families, they would say that they wanted to keep the money for themselves and that if they wanted to watch a sitcom, they would watch it on a television network they subscribed to or one of the television networks that would be free. To me, it is crazy that we spend money on those kinds of things.

One issue that makes people very angry back home right now is how the government refuses to draw a line when it comes to the spending by the Governor General. I respect the Governor General. I think she is trying very hard to portray Canada in a dignified way when she meets with very important people from other parts of the world. That is a good thing. However, we have to draw some lines when it comes to the spending of the Governor General, but this government just allows her to spend more and more.

• (1035)

Last year the Governor General's spending was double what it was the previous year, somewhere around \$41 million. Her budget the previous year was about \$25 million or something like that. That is outrageous. That cannot continue to happen. Those kinds of things are unacceptable. It just makes my point again. The government is not doing a good job of managing the finances of people.

I want to say a bit about some of the other problems that are not being addressed by the government. I touched a bit on health care, but I want to make a point further.

*The Budget*

When Canadians are asked what their top priority is for government services, I think most of us in this place would agree that they say health care. Since the government came to power in 1993, it has made a couple of big mistakes. When Liberals started to address some of our fiscal problems, because there was a deficit, the first thing they did was make two big sets of cuts. One of them was in health care. The deepest cuts in Canadian history for health care came from the Prime Minister when he was finance minister. He did not cut government operations anywhere close to the degree that he cut health care. Therefore, it was a higher priority to preserve government operations, funding for sitcoms and all the other things I already touched on, than it was to preserve funding for health care.

Then the Liberals started to put some money back into health care, but they have not come close to making up for what they cut out. If they had continued to allow the spending to grow at the same rate it was growing, health care in Canada would be far better funded than it is today. However, they cut dramatically into health care. Then they started to ratchet the funding up since that time, and that is a good thing, but it is nowhere near where it would have been had the Prime Minister made cuts in other areas that were far less critical to the well-being of Canadians.

The second point I want to make with respect to health care is that the government has huge enemies of the provinces. Really it is not just health care. It is equalization as well. Equalization is another stream of income that the provinces use to fund critical services like health care. We know right now that the government basically has entered into a civil war with the provinces on equalization. It is starting to do the same thing now when it comes to the fuel tax, but I will save that for later.

Suffice it to say, we are nowhere near where we need to be in order to give the provinces, which have to deliver the services, a reliable source of funding for health care. Why does the money have to come from the federal government? Because the federal government raises two-thirds of all the revenue in Canada. The provinces and municipalities are responsible for providing the services that cost about two-thirds of all the revenue that is raised in Canada.

The federal government has to come up with a plan and work with the provinces to allow them to fund critical services like health care, education and others, but certainly health care is the highest priority today. Liberals have failed to do that. In 10 years they have not been able to come to some kind of a permanent understanding and agreement with the provinces with respect to funding health care. The Liberals have thrown lots of money at it over the years. They have tried different things, but it has not worked. It is time for a new approach and, frankly, we think a new government when it comes to health care.

On the issue of education, students are going further and further into debt. We know that in order to have a chance to get those new jobs that the economy produces, they have to have some kind of college or higher education through a tech school, university or whatever. To do that, they have to spend an tremendous amount of money. Tuitions are going up and up. Again, I would argue this is a case where the federal government has failed to get some kind of an agreement with the provinces on how to fund education. That is

another example of its inability to cooperate with the provinces and to really address problems after all these years.

• (1040)

I touched briefly on the military. The second biggest cut the government made after health care was to the military. The Liberals cut the heart out of the military in 1995. Today we have troops all over the world who are underequipped. My point, and I will end on this, is that the Canadian military has been cut to the bone by the government, but it asks the military to do more and more, and that is completely unfair.

In the end, the bottom line is we cannot trust the government to manage our money.

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I was a bit surprised by the hon. member's speech. I would have thought he would have spoken on things like tax cuts and issues of that nature, but he seems for some reason or another to have ignored that particular section of the budget.

We are in the final year, this fiscal year coming, of a \$100 billion tax cut, the largest chunk by far which is to come this year. Last year taxes were reduced by \$18.3 billion for personal income tax filers and were reduced by \$3.2 billion for corporate filers. There is a reduction in employment insurance by \$3.8 billion, for a total of \$25.3 billion. That was in fiscal year 2003-04. This year that total goes up to \$31 billion.

I ask the hon. gentleman, who in his speech basically avoided everything to do with tax cuts, given the history of his party, or parties I should say, does he not appreciate that this is of tremendous significance to our tax competitiveness vis-à-vis our competitors? Does it not put money in the hands of the Canadians that I sincerely believe he is concerned about? Is this not a very significant initiative on the part of the federal government?

**Mr. Monte Solberg:** Mr. Speaker, that is classic Liberal doublespeak. Of course, the government ran around when it brought down the budget in, I think it was 2001, and announced that it was bringing in all these tax cuts. It sounded very good, but when we looked at the budget very closely, we found out that what the government was announcing and what Canadians were actually getting were two very different things.

The Liberals said in 2001 that they were going to reindex the tax system. In other words, they got rid of the problem called bracket creep. That meant they were effectively cancelling planned tax increases that occurred every year. In other words, they are saying that because they are no longer going to tax people more and more every year, that is actually a tax cut. That is basically how the Liberals accounted for it. Really, is that not the whole problem? Is that not the problem when they try and mislead Canadians?

*The Budget*

I referred to that a bit in my speech, where the government says on the one hand it is going to improve the financial management of the nation and then sets up the sponsorship program. It is cutting the comptrollership function so there are fewer controls on spending. It set all these other things up.

When it comes to tax cuts, the Liberals say they are going to cut people's taxes, when it turns out that really they are just not going to raise them any more, at least not as fast as they used to. I think there is a big difference between cutting taxes and not raising taxes down the road.

The other point, when it came to the alleged \$100 billion tax cut, is that when the Liberals were counting cuts to employment insurance premiums, they were not counting increases to Canada pension plan premiums, which wiped out all the cuts that were being made to EI. CPP increases were greater than EI reductions so that in the end that was really a wash. In fact it was a minor tax increase.

The final thing was that the government is actually counting a social program, the child tax benefit, as a tax cut. The Auditor General took the government to task for that and said it could not do that. A tax cut is when there is money left in people's pockets, not when it is taken from some, put into a social program and given to others, a different group of people. It is rather obvious that is not a tax cut. That is a program, but it was counted as a tax cut.

When we net it all out, there was a very minor tax cut of around \$45 billion, but all that means is that we still have the highest taxes we have ever had. What it would really do is lower taxes back to the point of roughly where they were when the government came into power in 1993. Canadians are certainly not better off when it comes to taxes under this government.

• (1045)

**Hon. Steve Mahoney (Mississauga West, Lib.):** Mr. Speaker, I am afraid to say, although it might come as good news to some people in this place, that this may well be my swan song speech. We usually make a maiden speech in here, but this may be my swan song speech in the House of Commons, at least for the foreseeable future. I say to the Parliamentary Secretary to the Minister of Finance, who is convinced that I only ever make the same speech every time I talk, I will try to give some variance and some different points of view. I say it may be my swan song, my farewell to arms, but it may not be either. One never knows. This is a strange world and one never knows where one might wind up. One should never rush to judgment or rush to conclusions.

**Mr. Monte Solberg:** You could come over here, Steve.

**Hon. Steve Mahoney:** I have actually been asked if I would be interested in going over there. It is nice to be asked. It is nice to know that at least I am wanted somewhere in this universe.

**Mr. Monte Solberg:** You could sit here, Steve.

**Hon. Steve Mahoney:** I would require an expansion of the aisle if I had to sit beside the member for Wild Rose and probably some body armour to protect me from time to time because we might find ourselves at opposite ends of a particular argument.

I have just gone through a nomination battle. I was unsuccessful at running for the nomination in Mississauga—Erindale. Having some

experience in the fights that take place in here, in the cut and thrust that goes on across the floor, it is nothing, trust me, compared to what goes on in internal battles within the party. What we have actually seen is a bit of a transformation. For some time the internal battles seemed to be across the way. Now there appears at least on the surface to be some unity across the way and the internal battles are taking place within the Liberal caucus.

I do not say that out of bitterness. I made my choice. I knew what I was doing. I knew it was going to be a tough battle and I was not successful at the end of the day. However, it is a long road without a bend and we will see exactly where that road takes us.

This morning, since I am not talking under the pressure of an upcoming election, I seem to have some new-found freedom, some joie de vivre. I can almost say whatever I want. Those who want to attack the democratic deficit should lose a nomination. It is simple. Then they could come into this place and say whatever they wanted to say. There would be no consequences. What would the whip do to them?

I do want to leave some ideas in this place that may or may not be accepted, that may or may not last beyond my departure. I do not know when that is going to be. None of us know, except perhaps for one certain Prime Minister and I do not know if he knows, when that election will be. I want the House and my constituents to know some of these ideas. They are still my constituents.

I am still the member of Parliament for Mississauga West, although there was a friend of mine who went to get a passport and I signed the application. The passport office called to ask what riding I represented because the information in the passport office showed the riding of Mississauga West as being vacant. How soon they pull the plug and pull the lever. I assured them it was not vacant, that it was substantially filled and would remain so until the next election. Who knows what will happen after that, as I have said.

I do want to say that I do not go on to the next phase of my life with any sense of bitterness or any sense of regret. I go on with a sense of pride in having been able to stand in this place. It is such an honour to do so. I say to all who will return, and some who may not return under different circumstances than my departure, to always hold deep in their hearts the knowledge that they have been part of history, part of a place that is so steeped in the significance of nation building, steeped in the significance of world peace and the contribution that our country makes. It stems from this place.

• (1050)

There are 301 of us now and there will be 308 members after the next election. It is such an honour in a country of over 30 million people to be given the burden, the responsibility, the opportunity, the challenge to come into this place and to represent Canadians, in spite of the ideological differences that exist in this place.

*The Budget*

Once we get away from the actual cut and thrust of question period or parliamentary debate and we get out into the community and work on committees and travel with colleagues from opposite parties, we get to know each other. Oftentimes we find that we really are not that much different, that all of us came here with the same kind of lofty goals.

When we run for public office, the first question people always ask us is why we are doing it. The standard answer is that we want to make a difference. It gets a little boring after a while, but it really is the truth for members on all sides.

I see the member for Edmonton North who is also not returning to this place, but it was her choice, and it was roundly applauded by people on this side who agreed with that particular choice. In spite of the fact that we have not been chummy or warm and friendly, I think she would agree that there are people on both sides who indeed can and do work well together, whether it is on a committee, a task force or in some other capacity other than the confrontational approach that occurs in this place.

It is not all about confrontation is what I am trying to say. I would like to leave a message for the young people in my community. All they see is question period and the scrums. They always wonder about all these empty seats. Is it because members do not enjoy hearing me speak? That is a possibility, but I would suspect they are not here because they are busy. They are working. They are in their offices. They are having meetings. They are at committees. They are in caucus. They are doing the job of a member of Parliament. The job of a member of Parliament is not simply to put bums in seats in this place all day long. There is too much to be done. The people in the community need to know that it is not all about that kind of approach.

There are some things that were not in the budget that I found a little disappointing. Obviously, as a member, even a defeated nominee for this party, I still support the budget. I support the government. So many good things are being done.

I particularly like the tax exemption for our fighting men and women when they are in harm's way. That shows some real sensitivity to the men and women who do the job on behalf of all Canadians. I can say that while the number one issue in the country may be health care, the number one thing we will hear from people is how proud they are of the men and women in Canada's military and the sense of pride they feel whenever they see what they are doing on foreign shores and in difficult places.

We did not put enough emphasis in the budget on what Canada can do in the world. It may be hard to quantify. We hear cries for more money for the military. What I would rather see is more money and more emphasis on diplomacy.

•(1055)

Let me take members back to the convention where the current Prime Minister was crowned. The Irish rock star Bono spoke to the throngs at the convention centre. Ralph Klein could not pronounce his name, saying he thought he was called bwana or something, poor old Ralph.

Bono made a statement that stuck with me and I think with everybody at the convention and probably with most Canadians. He

said that what the world needs is more Canada. I have not seen that kind of leadership go far enough, frankly, with this government or any government: "what the world needs is more Canada". That does not mean we need more military. That does not mean we need to go into every combat. That does not mean we need to agree with the United States and join the war in Iraq.

I want to say for the record that I wholeheartedly supported the government's decision not to go to Iraq in spite of some rumours that have been perpetuated around my community which would indicate that somehow I supported the war in Iraq. I did not, I do not, and I think it was a courageous decision on behalf of the former prime minister, one that I, along with most members in this place on this side of the House, was proud to stand behind him on.

But I think we could do much more. Let me talk briefly about the experience that people are feeling in the community about the war in the Middle East. We have terrible tensions. We have assassinations. We have suicide bombings. How could anyone ever understand how a mother could wrap a bomb around a child and then send that child onto a bus to detonate that bomb and kill people? It is not an image that most Canadians could even come close to understanding, but it is reality.

Why does it happen? It happens because there is no hope. It happens because there is no sense that anyone is coming to the table to talk about how we can resolve the differences between the state of Israel and the state of Palestine. We know, all of us, that the long term, ultimate solution is an independent Palestine and an independent Israel living together in peace. But how do we get there?

There is a synagogue in one part of my riding. In another part of my riding, I have Palestine House. Believe you me, Mr. Speaker, the conflict is very much alive in the city of Mississauga, and I will say tragically alive in the city of Mississauga, because it is not in Mississauga that we should be resolving this problem. However, we as a government can set some standards. We could use a budgetary tool or a throne speech or a particular announcement from foreign affairs to say to those people, "Look. Stop the killing. Let us sit down and talk. Let us talk about the issue of the wall and the fact that there is a sense that a wall is needed for protection from terrorists".

What we need is education. What we need is understanding. Walls crumble. Walls fall. History shows that. Walls do not solve problems; they create problems and they create fear. Of course the fear is understandable. The state of Israel worries every day about who is crossing its border points because those individuals may have backpacks laden with explosives.

Are we going to solve that problem here? I do not think so, but we can show some leadership. Perhaps Allan Rock, our ambassador in New York, could show some leadership. In fact, I am working on a delegation to meet with Ambassador Rock to discuss this kind of thing and to see how we can move the dialogue along.

*The Budget*

This is about more Canada. Let us give the world more Canada. We do not have to be smug about it. We are different from the Americans, there is no question about that. We are sovereign and there is no question about that. We tend to self-flagellate ourselves all the time. Every time there is a slight problem, every time some nutbar down in the United States goes on national television and calls us "Canuckistan" or whatever, we tend to blame ourselves instead of recognizing the fact that these kinds of comments are coming from people who are unbalanced, frankly, and who do not understand the very nature of this country. I think we need to start looking outward as a country to see how we can work.

● (1100)

There was another thing that was missing in the budget. There was no new money for immigration. That relates to this issue, because this is obviously a nation that is built on immigration. If we take a look at my riding, we see that I have people from every single corner of the world there, and in large numbers, too, I might add. We should be celebrating the fact that they are in this country. We should be working with those people to try to find out how we can take more Canada to the parts of the world that they have come from. They have left there to get away from the wars, whether they are in Afghanistan or Iraq, or in Jordan, Egypt or wherever; it does not matter. These people have come here to get away from the tensions, the fears and the problems, but they still have strong ties to their homelands and that part of the world.

It seems to me that we should take the opportunity to work with these people to find out how we can arrive at some solutions to some of the problems that exist around the world. I might add that the motive can be a little bit selfish. The motive can be that we are creating new markets for ourselves, that we are creating new opportunities for Canadian technology; we punch above our weight so much in the area of technology and our exports around the world. We talk about the importance of the United States to Canada, but I might add that it is a two way street. Twenty-five per cent of everything the United States exports is exported to Canada. It is the largest single trading block in the world. It is one that is important not only for Canada but extremely so for the U.S.

Why not have some free trade agreements with other parts of the world? I know what happens is that the Maude Barlows of this world would all come demonstrating and saying it is awful, that we are only trying to take advantage of the poor people. That is just nonsense. There is a way to help poor nations. There is a way to help South Africa.

I was once in Durban, South Africa, leading a team Canada trade mission. It was about roads, but because at the time I was responsible for Canada Mortgage and Housing as the secretary of state, I did some work in the housing field. Durban is a city with a housing waiting list. We think we have problems here, but Durban is a city of 3 million people in South Africa, a modern, vibrant city, a very dangerous city, and it has a waiting list for affordable housing of 800,000 people.

Can we imagine that? Frankly, affordable housing in Durban is something like a 30 metre box with some decent plumbing and clean water. It is not what we would perhaps see as the standard here in Canada. They build 17,000 new homes a year in that community.

The government does it. Why can we not do that? I do not understand. We have governments from sea to sea and we as governments do not come close to building that, yet we have put in the money through Canada Mortgage and Housing.

Mr. Speaker, if I may, I will acknowledge Catherine Cronin from Winnipeg and Roberta Hayes from Saint John, two members of the CMHC board. They are here this morning. I know it is the Speaker's responsibility to acknowledge people in the gallery so I will not go any further.

I point this out just to say that we have an opportunity. It has been missed in this budget and, frankly, it has been missed in the government. I hope that it will show up in some form of a commitment in the next red book. That opportunity is to take Canada Mortgage and Housing and return it to its rightful place as a builder of affordable housing in this country. We must not simply leave it to the provinces and the territories, which then in turn pass it on to the municipalities, saying that the municipalities should build it, that the provinces and territories cannot do it, they do not have the money. They say they are under stress and under pressure and people should blame Ottawa.

The municipalities in Ontario blame Queen's Park. Whatever: let us knock it off. We have a company here, Canada Mortgage and Housing, that last year turned a profit of \$500 million. It is basically an insurance company. It provides mortgage insurance. It turns a profit of \$500 million and then puts, as it must by the laws of the Superintendent of Insurance, a large chunk of that into reserve, which it must do to operate competitively. Last year Canada Mortgage and Housing wound up with unallocated surpluses in the range of \$200 million. Why can we not put that money directly back into housing? I argued that at the cabinet table but was unsuccessful.

● (1105)

Perhaps my colleagues, who will surely rise to the cabinet level after the next election, would be prepared to take that fight forward to the Prime Minister and to the cabinet. We have a tool that is there. It is called Canada Mortgage and Housing. We are not using it, we should be using it, and it should be here in this budget.

Let me say finally that I appreciate this opportunity. I cherish the opportunity to make a speech here because it means that I can share ideas I have on behalf of my community and my family, and I thank the Speaker for the honour of doing that this morning.

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, over the period of time that we have been here, I have had the honour to sit beside the hon. member for more years than either he or I care to admit. I am somewhat sad to see that this might possibly be his last speech, at least for this particular term.

I know that the hon. member will not be running in the upcoming election, so I want to ask him a question with respect to this budget. This is a budget which, I would argue, has been pretty well received. I would be interested to know, were he going to be a candidate in the next election, whether he would have been happy to have run on this budget.

*The Budget*

**Hon. Steve Mahoney:** Mr. Speaker, I will answer that by just telling a bit of an anecdotal story. Yesterday I was in the Pearson airport and I decided to get my shoes shined. As the gentleman was shining my shoes, he noticed I was reading the paper and said, "Is there anything in the budget for me?" I looked down at him and I said, "Actually, I see right here where they have eliminated income tax for shoe shining". He of course did not believe me, and it is a good thing he did not.

I would run on more than this budget, were I running. Frankly, I would run on a record of 10 years under the former prime minister. I know he is taking a beating in the media right now on all of the various scandals, but I can say and will say to my children and my grandchildren that I was proud to be part of the cabinet, part of the team, and part of the caucus of that particular government under that particular prime minister.

I would run in the next election on the fact that we should celebrate the record. Yes, we had some problems. Yes, there were some mistakes. There appears to have been possibly even criminal activity that took place. This is a large institution. The current Prime Minister has said he will get to the bottom of it. I trust that he will. I trust him explicitly. I believe the Canadian people do as well. I would run on the overall package.

This budget, frankly, is a little what I would call typical of what I might have expected out of the current Minister of Finance, who is very small *c* conservative, careful and prudent. That is important, but let us run on the successes and let us stand and say we are proud to be Liberals, we are proud to have been the government of this great country, and this country has become great as a result of a lot of the work of the men and women who have been part of the last 10 years in this government.

• (1110)

**Ms. Sophia Leung (Vancouver Kingsway, Lib.):** Mr. Speaker, the hon. member for Mississauga West and I entered the House in the same year, 1997, and I feel very sorry that he lost the nomination, but I am pretty sure he has many great plans and is going to do many exciting things for Canada.

The member mentioned his plan to go to the United Nations to try to seek some solutions regarding the future for peace in the Middle East. I would like to have the member expand a little more on that exciting plan.

**Hon. Steve Mahoney:** Mr. Speaker, sadly, in the nomination and the reason I came to this plan and this idea is because a lot of the issues were fought on misconceptions. Frankly, lies were put out there about my particular position, that somehow I did not care about the human rights abuses and the problems in the Middle East. It is simply not true.

I strongly believe that an independent Palestine and an independent Israel living in peace together is the ultimate goal, but how do we get there? We will not get there by forcing some kind of solution from abroad, from Canada or from the United States. The road map was tried and it failed. How do we get there?

It is my view that we get there by putting more Canada into this issue, by taking advantage of the fact that we have a very strong

individual, in the hon. Allan Rock, as the ambassador to the United Nations, and perhaps he can open some doors.

I am going to be pulling together a group from Palestine House and from Solel Synagogue to sit at the table in Mississauga and talk together because they are willing to do that. Hopefully, we can then take it to the next step, depending upon how much time I have left. If the Prime Minister would agree not to call the election for another six months or so it would be helpful. I can start this dialogue and get some advice as to who else we can talk to, to show the people at the United Nations and the world that in this tiny little part of Canada called Mississauga—Erindale we have some ideas and that we are living together in harmony.

It is perhaps a small step, but it is a contribution that I want to try to make before my days are finished in this place.

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Mr. Speaker, I will miss this member. I found him a very good combative debater in the House. We probably did not agree on very many things, but I did respect how vigorously he advanced his position and would try to undermine our position, that I know was right in most cases.

However, I did come across a story and perhaps it was not accurately reported. It was the member's observation that Elections Canada should become involved in all the nomination meetings, I presume of the national parties, to ensure that abuses are avoided and so on. I was thinking, what would that entail? We have three national parties, 301 constituencies, and a lot of nomination meetings taking place and so on.

Would this not involve a huge expansion of the bureaucracy that we already have in place to supervise elections? I would appreciate his comments or enlightenment on that in any event.

• (1115)

**The Acting Speaker (Mr. Bélair):** The question or the comment is somewhat out of context. We are supposed to be discussing the budget. However, if the hon. member for Mississauga West wishes to answer, I will let him.

**Hon. Steve Mahoney:** Mr. Speaker, I will at least hold up the budget while I answer, how is that?

It would have an impact on the budget, I do not deny that. However, the vast majority of nominations are not contentious. They are certainly not like the one we saw in Hamilton East—Stoney Creek or Mississauga—Erindale. The vast majority are even unopposed, where there is not a big challenge or an issue.

Therefore, I do not know. However, we should look at finding some way to bring forward better organization. The real problem is the loss of the democratic right of the individual. The real problem is not the candidate. It is always the loser in an election who wants to change the system, by the way. Therefore, I am not espousing it because of that.

*The Budget*

I am espousing it because of the men and women who I saw, actually many of them with tears in their eyes, who were turned away from voting because of some irregularity in their membership. Yet, in a general election in that riding we would have ten times the number of people registered to vote. Virtually no one gets turned away in a general election. It is a democratic deficit and we should fix it to make it work better.

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, I want to commend the hon. member for Mississauga West. I am aware that he has served his constituents at all three levels of government: municipal, provincial and federal. I commend him for that, and for being a very outspoken and active representative at all three levels.

I also want to commend him for mentioning the record for the last 10 years achieved by the previous leadership of the government and supported by a majority of Canadians. What caught my attention was that he mentioned the media bashing of the previous record. Could the hon. member expand from his own experience on that issue?

**Hon. Steve Mahoney:** Mr. Speaker, I know you are giving me some leeway and I appreciate it. You will not have to give me leeway very much longer. I appreciate the question from my hon. colleague.

Some things go wrong in a ship of state, if you will, as large as the government. We are close to approaching \$200 billion in our total budget expenditures so it is a big organization and some mistakes occurred. I am very disappointed at the stuff we are hearing and I know that my constituents are disappointed.

Perhaps people who have voted for the government in the past are thinking that maybe they will not this time. I am sure that is good news for those opposite, but why is it? It is because they are upset at what they perceive as criminal wrongdoing, as someone who did not perhaps watch the purse strings very closely.

I do not say that we need to be blind and so defensive that we should just ignore that. That is not what is happening. The Prime Minister has ordered investigations. The RCMP is investigating. There will be charges laid. People made mistakes, and I would not call them mistakes. Obviously, if there was criminal activity, it was done with intent and people who did that will have to pay.

At the end of the day, that does not mean that we should throw out all the wonderful accomplishments of the government under the former Prime Minister and in which the current Prime Minister will lead the government after the next election.

I still believe very strongly in the record of the Liberal Party in this country and will always defend it.

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, I was wondering how I was going to get back to the subject of the budget as I began my speech, but the hon. member for Mississauga West has given me my cue, because he has asked us to look at the record of the Liberal Party as a whole, after 10 years in government. I am looking at it, that Liberal Party record after 10 years in government, and I am not sure that the hon. member will be as proud as he is now after I have listed what that record amounts to. It amounts to a series of scandals.

There was an employment insurance scandal, where the government systematically stole the \$45 billion employment insurance fund surplus, money that comes from employers and employees, thereby ignoring nearly 60% of the people who would normally have been entitled to employment insurance.

There was also a scandal at Human Resources Development Canada. When the current health minister was minister of HRDC, many irregularities were never clarified.

There was the Auberge Grand-Mère scandal. There was the gun registry scandal. That program, which should have cost \$60 million, has now cost nearly \$2 billion.

There was the sponsorship scandal and the fiscal imbalance scandal, which has become the health scandal. What people have to understand is that the fiscal imbalance leads to problems in the health care system and a lack of resources for taking care of the sick.

I do not know whether, after hearing the list of all these scandals that have blemished Liberal mandates since 1993, my hon. friend from Mississauga West is still just as proud to be a Liberal. He will not be present in the election campaign, unfortunately, but others will take his place. We will make it our duty to remind them that such has been the Liberal administration since 1993.

Let us return to the health scandal. Far from having corrected the fiscal imbalance in the latest budget, the government has made it worse. It has interfered and has not increased transfer payments for health, even though there is a consensus not only in Quebec but all across Canada: the increase is zero.

When we look at the budget charts, we think it shameful that in the supplementary expenditures for 2003-04, there is the infamous \$2 billion that has been announced five times or so, which had already been committed by the Prime Minister's predecessor, Jean Chrétien.

There is no money for health under the other two columns, for 2004-05 and 2005-06. It is not because the government does not have the means; my hon. colleague from Joliette sets the surplus at around \$9 billion or \$10 billion for the next fiscal year. Should we not have met the public's basic needs? The response from coast to coast is unanimous: additional expenditures in health are needed because the system is under pressure. Why is it under pressure? Simply because the needs are increasing as the population ages. Health expenditures are said to be increasing by 7% per year.

Two weeks ago, I read that, in Quebec, 10,000 women with breast cancer had launched a class action suit against the Quebec government because they had not received treatment in time. But the Quebec government is not responsible, the federal government is. The former finance minister, now Prime Minister, was the one who decided again this year not to do anything to respond to the top public priority.

When the current Prime Minister was finance minister, he liked to beat records. He chose to beat the record with regard to the debt to GDP ratio of his G-7 colleagues. This is his focus, and therein lies his ambition. The rest is not important.

*The Budget*

I was saying that this budget, instead of correcting the fiscal imbalance, does not contain any direct transfer payments for health to help the sick. However, federal interferences in exclusive provincial and Quebec jurisdictions have continued.

An amount of \$600 million was announced for a new Canada public health agency, and \$500 million for a public health surveillance system in Canada. There are already structures in place across Canada with responsibilities similar to those of these two institutions; Quebec, in particular, has the Direction de la santé publique. Nevertheless, nearly \$1 billion is being invested to create structures that duplicate ones already responsible for public health surveillance. As for the new public health agency, its role, as outlined in the budget, is identical to that of the Direction de la santé publique.

Many people have been left out of this budget, and that is disgraceful. As I said earlier, one of the scandals tarnishing this government's reputation is employment insurance. Come election time, this government will be held accountable.

• (1120)

Some 40% of people entitled to receive employment insurance benefits are actually receiving them. The other 60% are being excluded because of the former finance minister, the current Prime Minister. This has not been resolved. The eligibility criteria have not been relaxed—far from it. Seasonal workers have been ignored.

It is not just the workers, but the seasonal industry that is affected. Imagine what an impact this has on the regions. Year after year, they are in a situation where workers are denied employment insurance benefits. They go through a gap—as it is called—during which time they do not receive any income. That might work for a year or two or three. They come back to the seasonal industry, but eventually the seasonal industry will be short on manpower.

Do seasonal workers want to keep going through this gap situation for much longer? There is going to be a labour shortage and we are in the process of killing the regions that rely on seasonal industries.

The employment insurance scandal continues. Some \$45 billion has already been stolen from the employment insurance fund. The government continues to help itself to the surpluses that come out of the pockets of employers and employees. The scandal continues.

There is also the softwood lumber issue. Workers and companies have been waiting for a long time—years. The current Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, who is very convincing in his speeches, sometimes departs dangerously from the truth in what he announces and says, particularly regarding equalization. I will come back to this later.

This minister has done nothing for them but deliver fine speeches. The softwood lumber industry has been left to fend for itself. Workers affected by this sector have been left to fend for themselves. The government has not so much as deigned to make the employment insurance rules more flexible to take into account a crisis that neither the industry or the workers have control over. They have been forgotten.

Social housing has also been forgotten. Sure, it looks good on camera for the Prime Minister, the former finance minister, who has never shown any concern for social housing, to be in the company of François Saillant of FRAPRU. The Prime Minister gave these people a lot of hope. This budget has dashed their hopes: there is nothing for social housing.

There is another scandal I neglected to mention earlier. This is my opportunity to return to it now. It is the guaranteed income supplement for seniors, which is intended for the low income seniors of Quebec and Canada. These are the least well off. It was kept from them for years that they were entitled to the guaranteed income supplement if their income came close to the poverty line. They were not informed.

When my Bloc Québécois colleague from Champlain put his finger on the problem, revealing that the federal government was concealing this program so that the least well off seniors did not receive benefits, he began to tour Quebec to bring into the loop all the organizations working with seniors in any capacity. All my Bloc Québécois colleagues were associated with that campaign to inform and support low income seniors, so that they might benefit from the GIS. This spurred the government to action.

It began to think it should start paying attention. After keeping this hidden for years, they now had to pay attention. Seniors, among the most disadvantaged, were fleeced out of \$3 billion. In Quebec, 68,000 seniors were and still are eligible for the supplement. We contacted some of them through our actions the length and breadth of Quebec. We tried to contact all seniors, but were not wholly successful.

Was it not the responsibility of the government to help seniors, who are among the most disadvantaged, and to give them guidance so they receive up to \$6,000 a year in supplemental income? That amount is the price of a magnificent bottle of wine, a Petrus or a Bordeaux Premier Grand Cru, such as Jean Lapierre says he shared with the people of Lafleur Communications of sponsorship scandal fame. He did remember drinking a Premier Grand Cru or a Petrus. That, I have said and repeat now, costs \$5,000. With that kind of money, I would have helped a senior in my riding get out of poverty. This is shameful, particularly when that \$5,000 bottle was the by-product of the sponsorship scandal. And Jean Lapierre boasts of it. That I find absolutely disgusting.

• (1125)

On the topic of aboriginal peoples, the government always wants to look good. There is never a throne speech without a reference to the first nations, respect for the first nations, respect for the treaties and respect for section 35 of the new Constitution of 1982, which recognizes aboriginal self-government and related rights. It looks good in speeches, and in the lovely Canadian mosaic.

*The Budget*

But when it is time to take action, budget after budget, all there is left for the many problems facing the first nations of Canada is small change. For example, there is the housing problem. This year, 400 housing units will be built in Quebec and Labrador. To meet the urgent and dramatic needs of the first nations, 8,000 ought to be built. This makes no sense. There is no mention made of this in the budget.

Of course, there is a few tens of millions of dollars for education, and a little for health. It is clearly insufficient. First, funding has to increase to accelerate negotiations on first nations self-government. That is the only hope the people of the first nations, from east to west in Canada, have of one day getting out of poverty.

Instead of that, self-government agreements are signed once in a while. But there is never any political will to bring about what the Royal Commission on Aboriginal Peoples asked for in 1998: to set the scene so that, in 20 years, all self-government problems would be solved. That is the only viable path to harmony of relations between the first nations and ourselves, and it would also be a way to provide them with development tools. There is nothing in here, just a mention and a few million dollars in order to look good.

With respect to day care, we can congratulate the government. They have put money into day care in the rest of Canada—\$150 million. Since 1998, the year in which we established the \$5 day care system, which has become \$7 because of the lack of federal transfers, we have been demanding that the money that parents in Quebec have lost in income tax credits for day care be transferred to the Government of Quebec. This year, it will amount to \$225 million. This would help finance \$5 day care, which has become \$7 day care.

Since 1998, this represents a \$1 billion shortfall in federal tax credits. So, the amount of \$150 million that the federal government is providing for childcare in the rest of Canada was funded by Quebec parents. It was funded by the Quebec government, because the federal government refused to negotiate anything in terms of fiscal flexibility or transferring the money lost by Quebec parents to the Quebec government, to help fund the \$5 a day daycare program.

There is nothing either for education in this budget. There is, of course, the student loans program. However, an enhanced student loans program will make things more complicated with the loan and scholarship program that Quebec has had in place since the early sixties. In 1964, Lester B. Pearson and Jean Lesage met for constitutional talks, and Mr. Lesage put his foot down. Letting the federal government get involved in the student loan and scholarship area was out of the question. This is a Quebec jurisdiction.

We find ourselves in a situation where the Canada Student Loans Program is enhanced, but without any compensation for Quebec. It is always like that.

We could make a list of all the injustices done to Quebec. Quebec is penalized because it goes further and faster than the rest of Canada with its policies. This is the case with the \$5 a day daycare program, which is the envy of all industrialized countries and serves as a model all over the world. But we are penalized because we act more quickly.

As regards equalization, is it not scandalous to read, in documents accompanying the budget, that the federal government has unilaterally decided to impose a new equalization formula for the next five years? The Minister of Health used to tell us tales when he was the Minister of Human Resources Development. When he was Minister for International Trade, he used to put his foot in his mouth regarding the softwood lumber issue. Now, this same minister has the nerve to tell us that this new equalization formula meets all the requirements of Minister Séguin, in Quebec.

We have heard Minister Séguin on television and on the radio, and we have read what he said in the newspapers. He said that this formula was unacceptable to Quebec. The Minister of Health continues to tell tales. He continues to talk through his hat. Actually, one wonders why that minister is still there.

Where municipalities are concerned, do they not realize that they have announced the same policy ten times already? There is nothing new in the budget. We already knew about the GST rebate for municipalities, but we expected more than that.

● (1130)

We were expecting the government to do something about the fiscal imbalance, because it is the only route to go. The federal government, led by the Prime Minister while he was finance minister, never acknowledged this problem of fiscal imbalance. Until the issue is resolved and until there is a new reallocation of taxation sectors between the federal government and the provinces, including Quebec, we will continue to have a problem.

The underfunding of municipalities stems from the underfunding of provincial governments, especially in Quebec. Once that issue is resolved, municipalities will get more money. I would advise the municipalities to join together and come here to protest against the federal government. That is a key part of the solution to deal with the underfunding for the immediate needs of the public.

I have a lot of respect for municipal officials, because they have to cope with members of their communities and provide all the services required. But when Ottawa cuts transfers, it creates problems for the provinces and Quebec in particular which prevent them from transferring taxation sectors to the municipalities or generating new sources of revenue. That is a concept they need to grasp.

My eighth point with regard to the budget is federal interference. Jacques Léonard, who was President of the Treasury Board for many years at the National Assembly, chaired a committee. My colleagues from Joliette, Drummond and Lotbinière—L'Érable and I worked on what was known as the Léonard committee report.

*The Budget*

There was a chapter on excessive spending. In terms of bureaucratic and administrative expenditures, we realized that, under the former finance minister, now Prime Minister, departmental budgets had increased dramatically. This increase exceeded 300%. This defied logic. This was the case, for example, for Communication Canada polls and also for Justice. Bureaucratic expenditures soared.

There was a second part to this report. It was the analysis of the situation since Confederation. This had not been done since Confederation, and allowed us to examine the evolution of federal interferences in jurisdictions recognized by the Constitution and the precedents as exclusive to the governments of Quebec and the provinces.

It was no surprise to us that, for the most recent year available, 2002-03, the federal government had spent more in provincial and Quebec jurisdictions than in federal jurisdictions. That is how things stand. Other than an important portion that went to paying down the debt, federal interferences accounted for the majority of excess spending.

This has continued. We see this today in this budget. We see this with the creation of the public health agency and public surveillance system. Health is an exclusively provincial jurisdiction. The federal government is haphazardly creating foundations, new institutions, to duplicate services and multiply the number of stakeholders, when there are already institutions and systems in place in each of the provinces, particularly Quebec, to meet the needs behind the creation of these entities.

Under agriculture, approximately \$900 million, which may seem like a lot of money for the cattle industry, has been allocated, but Quebec still needs to get a reasonable share. Quebec's share is about \$65 million.

Cull cattle have been forgotten. The former agriculture minister, who is now the Minister of Finance, promised that in compensation for cutting the 1998 federal subsidy of \$6.03 a hectolitre, which gave \$120 million to dairy farmers, prices would be increased. This promise was not kept. If that \$120 million had been available to the dairy industry, it could have coped with the mad cow crisis.

I will raise one last point. Earlier I was listening to my colleague from Mississauga West talking about what was available in this budget for his shoe shiner. He should have told him that there was indeed something, but nothing good. The Canadian tax system is one of the least progressive in the world, one of the least progressive in the G-7. Federal taxes start at 20% of average income, while elsewhere they start at 30%. In Quebec it is 30%.

• (1135)

Here the poor continue to pay taxes, low income earners trying to reach middle income status continue to pay taxes, yet corporate taxes have not been cleaned up.

I could mention Barbados and the ships owned by the current Prime Minister, but that is a whole other scandal. We will have an opportunity to come back to that.

• (1140)

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, I want to congratulate my colleague from Saint-Hyacinthe—Bagot for his excellent speech and the ardour that forces him to catch his breath.

In my opinion, he has given us a fine demonstration of the fact that this budget is really out of touch with the concerns of Quebeckers. The motion that was unanimously adopted by the National Assembly about ten days ago asking the government to correct the fiscal imbalance is a good example of this.

Not only do we not find anything in this budget, but it does not even acknowledge the problem. Moreover, as the Quebec Minister of Finance, M. Séguin, a federalist Liberal, said, this budget is a real fiscal imbalance horror story.

I would like my colleague to explain to us why federal Liberals from Quebec are incapable of defending Quebec's interests, and why the reelection of a majority of Bloc members is the only way of ensuring that the voice of Quebeckers can be heard in this House?

**Mr. Yvan Loubier:** Mr. Speaker, I thank my illustrious colleague from Joliette for this question. This is indeed very solid proof. I would be ashamed to stand as a Liberal candidate after all the scandals I mentioned at the start of my remarks: the sponsorship program, the HRDC boondoggle, the Auberge Grand-Mère scandal, the \$2 billion spent on the firearms registry, and so on.

But on top of that, not a single Liberal member from Quebec has ever stood up in this House to uphold the consensus that emerged on various issues in Quebec, or to promote the issues and priorities of Quebeckers. These are members we used to call doormat members. Maybe we should still call them that. They are just a backdrop in this House, and their only ambition is to become cabinet ministers. If you want to become a cabinet minister in a Liberal government, you had better keep your mouth shut and not rock the boat.

When they say, with the Liberals, the House will be more consensual, and that the Prime Minister's new approach will humanize government, it is just hogwash. Each Liberal member in this House is one voice less for Quebeckers to state their position on the fiscal imbalance, on the lack of transfers for health care and the resulting waiting lists.

Not a single Liberal member from Quebec stood in this House to speak out against the health care scandal, the lack of transfer payments, so that the sick in Quebec can get adequate care. Not a single Liberal member from Quebec opened his mouth or spoke out against the sponsorship scandal. I can understand that, because they have been caught in the act.

*The Budget*

Not a single one of them condemned the employment insurance program, a program that is totally inconsistent and poorly managed, with the result that 60% of those who should benefit from it do not qualify. Has anyone heard a Liberal member raise this issue? Of course not. They keep repeating what their ministers are saying, because their only ambition is to become cabinet ministers themselves. They are not interested in serving the public. They are not interested in representing their constituents. The only ambition that most Liberal Party members have is to become ministers, to look after their own interests, not to serve the public.

If they had wanted to serve the public they would have condemned these scandals a long time ago, because they knew what was going on. They can say whatever they want now, they knew what was going on. They should have condemned a long time ago the lack of care for the sick, a situation for which the current Prime Minister and former finance minister is responsible, because he made drastic cuts.

But things are beginning to come out. Yesterday, I was listening to the hon. member for Hamilton East during a popular program on *Télé-Québec*. People are beginning to open up a little. Some may have a greater social conscience than others. However, this was not a federal Liberal member from Quebec. Federal Liberal members from Quebec are tight lipped, they are not saying anything, they do not talk about the consensus that exist in Quebec and this is very sad.

People will remember this in the next election. Bloc Québécois members are the only ones who can protect their interests in the House of Commons, promote our distinctiveness as Quebeckers and explain our different ways of doing things, including in areas such as the economy and social development. It is not Liberal members who will do this; it is Bloc Québécois members. People will remember that.

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, I would also like to congratulate my colleague, the member for Saint-Hyacinthe—Bagot, for his proverbial fiery style.

Throne speech after throne speech and budget speech after budget speech, I detect a story line, a backdrop, theme developing within this government, this national Canadian State, which closely resembles the 1999 social unions framework agreement, whereby the Canadian State increasingly ignores the provinces, dealing directly with organizations and individuals instead.

In this case, the last budget talks about early childhood, students, people with disabilities and municipalities, as well as the creation of a national securities regulatory structure.

I would like to ask my colleague if, like me, he feels that the provinces, including Quebec, are now caught in a sort of funnel where, given Quebec's distinctiveness and its desire to form a nation, which was unanimously recognized by the National Assembly of Quebec, but trampled and scorned here a few months ago, Quebec will lose itself, unless the people of Quebec reflect on their future very soon.

• (1145)

**Mr. Yvan Loubier:** Mr. Speaker, I thank my illustrious colleague from Trois-Rivières for his question.

We have been aware of this trend since 1993. Perhaps it started a bit before that, but let us say 1993, accelerating after the 1995 referendum. The federal government is constructing a unitary state in Canada, a state that is not either confederal or federal, but rather on the way to becoming unitary.

Quebec's difference is being undermined. In Quebec, we are no better than the others, but neither are we worse. We have had a National Assembly for decades now. That National Assembly is more than just a place, or a label. It is called a National Assembly because it represents a nation. That nation is the Quebec nation.

Here, the Quebec nation is trampled under foot. Quebeckers have got the message. The next election campaign will, of course, address federal files, but it will also address the future of Quebec. We are going to explain, over and over, at every possible town hall meeting and every other opportunity we have, just what the federal government is involved in, that is, building a unitary state. It is ignoring the very Constitution it claims to be defending.

As I indicated earlier, the federal government's intrusions were costlier in 2002 than its expenditures in its own areas of jurisdiction. Imagine that. The motivation behind these intrusions is not pleasure, but a strategy. The government is systematically demolishing the National Assembly and what makes Quebec different. It is building the Canadian unitary state, while in 1867 it was a matter of a pact between two founding peoples.

That pact between two founding peoples fell by the wayside a long time ago. Those who say that federalism deserves a chance must be convinced. It needs no more chances. Our nationhood is being destroyed little by little. The powers of the National Assembly, the only assembly over which we, Quebeckers, have full control are being drained away. Here, our control is only 24%. That needs to be explained to the people of Quebec.

More and more of them are getting it. If we look at the tenacity reflected in the polls on sovereignty in Quebec, 47% of Quebeckers—and there is not even a referendum campaign going on—believe in sovereignty for Quebec and believe it will come to pass.

We have outrageous examples of what has happened here. I am talking not only about the sponsorship scandal, but also about the intrusions, about the social union, where Quebec was left out once again, as during the patriation of the Constitution of 1982. I am convinced that, with such outrageous examples, people will have enough of this regime.

It would be so simple, and this is what we will be explaining to our fellow citizens in Quebec, whom we have been representing so well since 1993, while the federal Liberals from Quebec are flouting them through their involvement in the building of a unitarian state here. We will remind them that it would be so simple if we decided for ourselves what more we could do with the 50% of taxes that we send to Ottawa, to meet challenges such as demography, population aging, regional development, particularly in rural regions, social and economic development, the family policy and parental leave that the federal government is refusing to provide us. It has young families waiting for this, out of stubbornness, because it is not a Canada-wide program.

*The Budget*

What the government is doing here is terrible. This is quiet violence. There is no war, no quarrelling; this is a democracy, and so much the better. But what the government is imposing on an entire people is extremely serious. Through the fiscal imbalance, it is taking away the tools of the only assembly representative of Quebecers. It is also undermining the morale of the troops by not providing adequate resources for health and education, and for families.

Only candidates and members of the Bloc Quebecois will bring the government to its senses and will convince Quebecers that the way ahead is not to send a group of MPs here for a lifetime, but one last time, to pave the way for Quebec's sovereignty and make it a reality. This is our role.

• (1150)

[*English*]

**Hon. Maria Minna (Beaches—East York, Lib.):** Mr. Speaker, I wish to inform you that I will be splitting my time with the member for Abitibi—Baie-James—Nunavik.

The 2004 budget follows very nicely on the heels of the Speech from the Throne which was in my view a speech that addressed the needs of Canadians and social issues in our country. The budget does much the same thing. It addresses the issue of social justice, or the social deficit as I sometimes refer to it.

We have addressed the issue of deficit and economic deficit tax cuts, \$100 million worth of tax cuts in the 2000 budget. I always felt that it was time that we needed to begin to address the issue of social deficit, as I call it, or social issues, because economic and social policies in this country to a great extent are one and the same.

This budget does that. It continues on investments that we have made in the past. It sets a road ahead that I think is very positive for us.

I will mention some of the areas that this budget addresses which are very positive. In the area of health, the budget flows \$2 billion to the provinces as promised in the previous accord. That brings funding in health to \$36.8 billion, which was provided in budget 2003.

It does not stop there. The Prime Minister will be attending a meeting with the premiers in the month of July. The ministers of finance are meeting to prepare for that meeting. They will be discussing the long term sustainability of our health care system.

Some critics have said that there is not enough cash provided right now. Even Roy Romanow said—and I have supported his report 100% and made representations to him when he was preparing his report—just recently that the system needs more than money. He said the system needs reform as well. We cannot make it sustainable without proper reform.

One example that I have given recently has been with respect to the issue of the reform of the primary care system in our country. I strongly believe that we cannot make our system sustainable without proper reform in the primary care area of our system.

I can give an example in my own riding of Beaches—East York. We have a good community health centre program which provides

doctors. They do not have a fee for service. They are paid a good salary that I believe doctors should get.

At the same time, the doctors who are receiving the salary are on call 24 hours a day, seven days a week. There is also a nurse practitioner because not all patients have to see a doctor. There is also a nutritionist that deals with preventive health care and the importance of nutrition. We all know, based on recent discussions, about the problems of obesity and the need for physical activity. This is one area that needs major reform.

With the doctors being on call, it means that people are not going to hospitals and clogging up the emergency rooms. That saves the health care system a great deal of money.

It is important to reform the system to make it sustainable and to look at the issues of home care, supportive housing and long term care. That will help seniors who want to stay at home longer and will give them the dignity of being in their own homes. At the same time it will make sure that hospital beds are not taken up by the need for long term care. These are all areas that have to be addressed if we are to make our system sustainable, but the government has provided \$2 billion.

We are not standing still. We are also looking at changes. The budget also establishes a new Canada public health agency as a focal point for disease control and emergency response and a new chief public health officer who will lead the agency. After the SARS situation which occurred primarily in Toronto but across the country, as well as West Nile and other preventive health care issues that we need to look at, this is a very important step for the government.

The budget will immediately provide funds of \$655 million in this fiscal year and over the next two years to improve Canada's readiness to deal with public health emergencies. This will include things such as increasing emergency response capacity, enhancing surveillance, establishing regional centres of excellence, expanding laboratory capacity and strengthening international coordination and collaboration. In addition, there will be \$400 million flowing from the Department of Health into the public health system. It will be dealing with assisting the provinces and territories for the next three years in support of a national immunization strategy.

In addition, the budget provides improved tax fairness for Canadians with disabilities and for caregivers. Again it goes to addressing the broader need in the health care system. There will be increased funding of \$30 million annually to support employment assistance programming delivered by provinces and territories for Canadians with disabilities. Again these are areas that address the broader issue of health. The government is taking some very bold steps in that direction.

Let me move to another topic, the area of learning, something which is very close to my heart. I have for some time worked hard and pushed for the establishment of an early learning program and child care in this country. In the year 2000 the government announced a children's agenda of \$2.2 billion for early learning. In this budget the early learning and child care will receive an additional \$75 million this year and an additional \$75 million next year.

*The Budget*

This is a continuing investment in children which is extremely important. The learning agenda goes from cradle to retirement. I call it lifelong learning. The budget addresses early learning from zero to six, but it also addresses post-secondary education, as well as learning for people who are employed but want to upgrade their skills or people who want to re-enter the labour force. It addresses those areas very well.

With respect to another program for children in the budget, the Canada learning bond will be provided at birth for children in families with incomes under \$35,000. The government will contribute over time to a maximum of \$2,000 per child.

The Canada education savings grant was introduced in 1998. It was created to help parents save for their children's education. Budget 2004 proposes the doubling of the matching rate provided by the federal government, to 40% for families with incomes under \$35,000 and to 30% for families with incomes between \$35,000 and \$70,000. These enhanced rates will apply to the first \$500 contributed.

A fair number of aboriginal people live in urban centres, in Beaches—East York and elsewhere in Toronto. The budget addresses that, as well as the needs for aboriginal people on reserves under the rubric of education. For first nations children living on reserves, the budget adds a further \$10 million over four years for early learning and child care, bringing our government's total investment to \$45 million.

• (1155)

We will also provide some 20,000 students from low income families with new grants worth up to \$3,000 to cover a portion of their first year tuition. This is a very big step in the right direction, in my opinion. I have been pushing for some time to have a grants system for students who want to attend post-secondary education but cannot afford it.

A new upfront grant of up to \$2,000 a year will be introduced for students with disabilities while maintaining the existing Canada study grant of up to \$8,000 per year.

The parental contributions expected from middle income families will be reduced, providing more access to student loans for 40,000 students.

Budget 2004 proposes to set aside resources to ease the eligibility criteria for interest relief, for increasing the income threshold used by determining eligibility for interest relief by 5%.

Effective January 1, 2004, the budget proposes to allow students to claim the education tax credit for education related to current employment, when not reimbursed by the employer. This means up to \$400 per month for full time students and \$120 per month for part time students. This again goes to the lifelong learning that I mentioned.

Looking at the long term, we are developing a workplace strategy. As an immediate measure the budget proposes to put in place a pilot project to provide matching funds for union based training centres with funding of \$15 million over the first two years. There is a great deal more in the area of education which I will not go into.

For cities and communities, the government has followed through on its commitment to forgive the GST. For cities, that means \$7 billion over the next 10 years, \$50 million a year for the city of Toronto alone. In addition there are infrastructure dollars of \$1 billion which goes from 10 years down to five years.

In summary, there is so much in the budget. I believe it is a budget for the people.

• (1200)

**Mr. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, my colleague mentioned that the government was not sitting still and then went on with a litany of all the wonderful things in the budget.

I have a few questions with regard to what was missed in the budget, things she said were there. She had a great dialogue on health care and the things that were supposedly being looked after, such as home care and catastrophic drug coverage.

A little over a year ago we had a health accord in the country. That was the February accord. Some performance indicators actually were in the accord. It said that they had to be in place by September of last year, that there had to be some baseline indicators of how we were going to go ahead with home care. There had to be some minimal criteria on a national home care strategy. On catastrophic drug coverage, the minister's own admission in early December was that absolutely nothing had been done on it.

When we look at what was really in the budget and what was not in the budget, why was the health accord completely missed? There was no mention of it whatsoever, no mention of any of the things that the government missed. There was not a mention of any of those things that it missed when the Prime Minister met with the premiers earlier this year.

Talk is cheap but where is the action and where is the performance when it comes to these issues?

**Hon. Maria Minna:** Mr. Speaker, it is quite clear that the health accord is being respected. As we said, part of the accord was the \$2 billion to which the government has kept its commitment.

I did not say that home care and catastrophic drugs were in the budget. What I said was that these are things, especially home care and the reform of primary care, which are important. The hon. member misses that. It is very expensive and it needs to be dealt with.

Part of the accord was to look at the reform of primary care as well, but that still has not happened in most cases. Reform does not always need cash, but what is needed is reform. What the hon. member does take into account is what I said very clearly, that the discussions will deal with home care and catastrophic care, but the reform of primary care means that within the provinces there needs to be some agreement between the provinces and the doctors.

*The Budget*

For instance in Ontario, there was supposed to be a reform of the primary care system. The example I gave, which is in my own riding, is an excellent one of how it works in small numbers, but the Ontario Medical Association impressed on the government to use a different system altogether, which is much more expensive and not really a major reform at all.

In essence, the new health networks or community health centres are not even starting as yet. We cannot bring down the cost of primary care unless there is real reform and real buy-in on the part of the doctors, on the part of the provinces, as well as the Government of Canada. These are areas that have to be addressed.

In the budget, however, there is a great deal of spending that deals with the public health system, for which the Government of Canada is taking total responsibility. There is also the appointment of a public health officer.

As I said before in other speeches in the House, I continue to support the Romanow report. I continue to push for the implementation of a catastrophic drug program, a proper home care program and the reform of the primary care health system. That has to be done in partnership with the provinces. It cannot just be done unilaterally by the Government of Canada.

● (1205)

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, I appreciate the comments from the member across the way.

I have some very major concerns about the budget in what it has not said. It has not said anything about culture. I read it very carefully to see what it had to say about culture. There is some band-aid money for the Canadian television fund, and that is great.

The Auditor General's report that came out recently was extremely damning about the government's record around built heritage, around published heritage, about how we are in fact keeping the cultural record of this country.

I am not seeing in the budget a recommitment to the CBC, to public broadcasting, to the artists in this country. I would like the hon. member's comments on that.

**Hon. Maria Minna:** Mr. Speaker, I think the hon. member already mentioned the funds to Telefilm Canada which were announced in the budget. That is a commitment to culture.

The commitment to the funding for the CBC, which I have supported 100% and continue to push for continued sustainable funding for CBC, is not being diminished. The CBC has access also to the Telefilm fund and other funds as well. The budget continues to support culture in this country and I continue to fight for it as well.

Some people in the House do not support public broadcasting. In my view, public broadcasting is fundamental to our country to maintain and sustain the CBC because that is the only way we can reflect our nation back to ourselves.

[*Translation*]

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Mr. Speaker, I want to thank the Liberal member for giving me the opportunity to speak to the following measures that were announced in the 2004 budget and which will have a direct impact on Quebec.

We know that health care is the top priority. Of the additional \$2 billion granted to the provinces and territories for health care, Quebec will get \$471 million. When we talk about this additional \$2 billion, it is important to tell people what Quebec will be getting.

Besides the \$404 million that will be transferred through Health Canada, the government has set aside, in the 2004 budget, \$665 million for this fiscal year and the next two in order to create the Canada public health agency and fund its main operations.

The money will be allocated, in part, to regional initiatives, like the creation of health-related emergency response teams in every region of Canada, including Quebec. Also, the provinces and territories will be provided with \$400 million over the next three years to support a national immunization strategy, to help relieve the pressures on public health systems that were identified during the SARS epidemic, and to deal with their urgent capacity problems. What this means is that Quebec will be getting an additional \$94 million.

I now turn to the issue of early learning and child care. The 2004 budget commits resources to the multilateral framework on early learning and child care to the tune of \$75 million in 2004-2005 and another \$75 million in 2005-2006. Quebec will be receiving \$35 million for this initiative.

There will be new horizons for seniors. For a number of years, I have been asking that the New Horizons program, abolished some years ago, be revived. The budget thus provides funding for a New Horizons program for seniors to give these people opportunities to take part in social activities, lead an active life and contribute to their communities. All the golden age clubs and seniors in Quebec will take part in this program; that is significant.

As for renewing equalization, the 2004 budget proposes specific changes to improve its operation and ensure more stable and predictable funding. We know that the 2004 budget contains 435 pages. We do not have time to explain exactly what equalization is, but one thing is clear. The improvements to equalization described in the budget will mean that the receiving provinces will share \$1.5 billion more over the next 5 years.

We have seen what has happened in the province of Quebec in previous years. We know that the program has been dangerously unstable. Since fiscal capacity varies with the economic context, equalization may be subject to periodic and spectacular adjustments. Bernard Landry, when he was Quebec's finance minister, therefore received a \$1.4 billion windfall because Ontario's economic growth was much stronger than predicted. At the time, Mr. Landry used this amount to achieve a zero deficit a year earlier than planned.

*The Budget*

This year is the opposite. Ontario's growth has been slower than predicted and the Quebec finance minister, Yves Séguin, is receiving \$350 million less. With such surprises, it is very difficult for the provincial finance ministers to come up with solid estimates. We can understand why Mr. Séguin spoke his mind publicly on this.

Because of these changes, the provinces will receive more than \$50 billion over 5 years through equalization. But the system must be reviewed. There must be a more stable and predictable system.

It is important to mention another issue, namely the GST rebate for municipalities. This measure was announced a few weeks ago by the Prime Minister. Municipalities will enjoy GST relief, to the tune of \$7 billion, over the next 10 years. They will then be able to use this money for critical priorities such as highways, public transit or clean water. For the first year alone, the GST relief for Quebec municipalities will exceed \$129 million.

The 2004 budget also deals with infrastructures. There are \$4 billion in Canadian funds for the strategic infrastructure fund. From 2001 to 2003, the government contributed to two highway projects in Quebec, namely highway 175 in the Saguenay region and highway 30.

• (1210)

As we know, Quebec municipalities will receive \$195 million from the \$1 billion committed to municipal and rural infrastructure. While this money was earmarked in the 2003 budget, the 2004 budget will accelerate the process. And this is important, because that money will now flow over five years, rather than ten years. The government is doubling the moneys for the province of Quebec and for my vast region of Abitibi—Baie-James—Nunavik.

As regards the environment and more specifically contaminated sites, Quebec will greatly benefit from this initiative. There are 3,828 contaminated sites in Canada. Quebec has the largest number of them with 765. These contaminated sites include the Cartier-Brébeuf national historic site and the Valcartier base.

There is also the indirect cost of research. The assistance provided in this regard will increase from \$225 million to \$245 million. Quebec's universities and research hospitals received close to \$56 million of the one-time initial fund of \$200 million, in 2000-2002.

It is important to mention this and talk about national programs. The Bloc members say, "The Liberal members do not rise in this House. The Liberal members are not present". Some describe the members as ghosts, but Halloween ended a long time ago. It does not come every month. Nonetheless, I know one thing, that I was not here from 1993 to 1997 and that a Bloc Quebecois member was representing my riding.

We could compare the time Bernard Deshaies spent here and the time since 1997, when I came back, and look at what was said. We could make a comparison. Bloc members do not make comparisons. They simply rise today and say, "The Liberals never say anything".

We speak up in the national caucus and in the Quebec Liberal caucus. We participate with motions, questions, interventions and statements. We deliver messages from our constituents to Ottawa.

As for the members, regardless of the political party they belong to in this House, they are still people. Even if some are absent, all members do good work, regardless of their political party.

Nonetheless, I must say one thing. In the programs, the mining flow-through shares and the tax credits are being kept in the budget. That is important. The softwood lumber program, which is a national program, was not cancelled. The money is there.

Agriculture is important. The Prime Minister announced \$1 billion in the West, but Quebec farmers are happy now. However, we must ensure one thing: that this program does not have a fixed date. It should perhaps be kept next year and subsequent years.

We must really pay attention when the Bloc members tell us the members do nothing. Last year there was mad cow disease. The hon. members will also recall the wild ruminant problem. American and Ontario hunters spent millions of dollars at game outfitters in Quebec. They spent \$200 million to \$300 million on hunting and fishing activities. I remember last August that not one Bloc Quebecois member spoke out. I understand they may have been busy mowing their lawns, or perhaps they had gone fishing somewhere in Quebec.

However, it must not be said that the Liberal members are not doing anything. I was the only Liberal member from Quebec involved in the issue of wild ruminants and mad cow, and our efforts were successful. We were successful thanks to the Association des pourvoiries du Québec. This was an important issue given the number of outfitters; I represent a vast riding of 802,000 square kilometres and 96,000 constituents. So, it was important and necessary to take action.

We also get involved in other areas, such as parental rights. We are currently negotiating day care rates with Quebec. I am perhaps one of the only Liberal members who wrote Jean Charest in Quebec to contest the \$2 increase. Why did I get involved? It is not just about \$2. Someone had to say that Quebec should not increase the rate by \$2 but rather return to the 1997-98 rate.

When the PQ government was in power, it introduced the change with regard to family allowances. It abolished family allowances. As a result, since then, each family pays between \$300 and \$600 more in taxes. Another \$2 is being added, but we must also think of families who do not send their children to day care and who have lost their family allowance. They pay for day care. In any case, family allowances must be restored and day cares must also be maintained.

We get involved often in all areas. We are there for the people in our ridings.

• (1215)

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC):** Mr. Speaker, it is a pleasure for me to take part in this important debate, perhaps the last budget debate until the election.

*The Budget*

[English]

This budget, I dare say, can be described as being long on promises and short on delivery. There is an alarming shortfall when one starts to examine the actual impact that this will have on the day to day lives of average Canadians in their backyards and in their back pockets. There is very little the government has to crow about in this recent document.

It was a safe budget. It was something the Liberals obviously redrafted in light of the current atmosphere of scandal, mismanagement and misappropriation of funds that has been going on in the public works department and, frighteningly, perhaps in other departments as well. It is an issue clearly of mismanagement that the government is trying to sweep away with this budget and portraying itself as somehow being prudent and fiscally responsible.

The fact remains that the government has had 10 years to get it right. We know things are starting to slip and Liberals are getting desperate when they start to bring out the name of a previous prime minister, the former Conservative prime minister, and try to lay blame at his feet somehow, castigate programs that they try to attribute somewhere else, knowing full well that after 10 years in government any suggestion that this was somebody else's fault is a huge dodge, a huge distraction. The truth is that the Prime Minister and his predecessor are two sides of the same coin.

It is the hundreds of millions of coins that went missing that should alarm Canadians the most. The Prime Minister and his predecessor are inextricably linked. Our current Prime Minister was the finance minister during the overwhelming majority of the tenure of the Liberal government.

When the right hon. member was overhead musing recently about the previous administration, what kind of prime minister could actually expect Canadians to take that type of characterization seriously? He was part of that previous administration, clearly.

I remind the current Minister of Finance, who also held posts in that government, similarly has to be held to account. The intent to somehow distance themselves and slide away from their own record is not working and not sitting well with Canadians.

We see in this budget a lot of rhetoric, a lot of misdirection, a lot of attempt to somehow distance themselves and put a wedge between them and their own record but that will not work.

I want to get back to the issue of the budget itself. There is a great deal of disappointment that is now resounding across the land. I spoke to a woman indirectly through my office today who pointed out the obvious. Wanda MacLean said that some of these promises, which were supposed to impact in such a profound way on education, health care, military spending and other areas, really is a pittance. In the case of Ms. MacLean, who has a 10 year old son Jonathan who suffers from autism, this special needs child will receive no significant or substantive help from this budget.

I say that knowing full well that the government, with great ceremony and great aplomb over its special needs program, has come up far short of what people like Wanda MacLean were hoping for. In fact, she tells me that she will receive an additional \$9.96 per

month as a result of these budgetary allotments, barely enough for a happy meal.

Ms. MacLean and others are not happy that the government specifically earmarked this issue as something it would address and yet when we look at the numbers we see less than \$10 in the pot for a mother with a special needs child. Sadly, part of the government's record is promising big but delivering little. There are many other areas to touch upon.

Mr. Speaker, I will be splitting my time with the member for Yellowhead.

• (1220)

The current Liberal government has laid out very little in terms of its vision of where it wants to take the country. There appears to be no comprehensive plan. That is another overwhelming conclusion one draws when looking at this budget.

Regarding post-secondary education, we had students in the gallery yesterday, and this week in Ottawa there are many students here from the Forum for Young Canadians who are participating in that terrific program.

Again the government had a golden opportunity to buttress and support students who are struggling with massive student debt loads in this country. Many of them have the equivalent of a mortgage when they graduate, but no home, no car and often no job. The expectation is that they will start to pay back that money almost immediately. Many of them, because of lack of opportunity, will leave the country in order to be able to try to keep those financial commitments.

There was a chance to put clearly in place incentives for young Canadians, those who have gone back to school and those who are upgrading, to stay and work and afford an education. It is the spiralling costs of education tuition that are a direct result of the clawbacks and the cutbacks from social transfer payments for which the government has been responsible now for a decade.

Again, it is directly laid at the feet of the current Prime Minister, who as minister of finance balanced the books, supposedly, on the backs of students, on the back of our health care system, which has been totally undermined, and on the backs of the provinces, by downloading these expenses. As well, we have also seen other disingenuous slight of hand attempts to take money from the EI fund and put it into general revenue, and to take money away from our military, clearly, leaving them so stretched, underfunded and under-equipped.

This ruse that has been perpetrated by the current Prime Minister is something that is going to receive great scrutiny and further examination as we head into an election. According to the government's own numbers from its consultant firm KPMG, this strategy that has been put forward, again in a very deceitful way, attempts to justify some of the program spending that continues. According to the government's own numbers, the firm has set out that \$150 million was spent on the gun registry this year. If we factor in how much it costs for a student to pay tuition for half a term at university, around \$5,000 in most cases, we see that this money being wasted on the gun registry could have paid to educate or could have paid the first year tuition of 30,000 students in this country.

Again it is a clear question of priorities: a useless gun registry that does not work, that does not protect Canadians—the Hell's Angels will not register their guns—or money put into student education, which again was supposed to be highlighted in this budget.

The budget leaves a lot of questions unanswered for Canadians. The Conservative Party would certainly believe in greater accessibility to education. We believe in eliminating barriers to post-secondary education, for example, doing away with taxable status on scholarships. Provincial jurisdiction of course factors very much into what we can do in health and education, but I would suggest that if we had given an ability to pay down as much as 10% on student loans annually as a percentage of income tax, there would actually be an incentive to stay and work in this country and get credit for that towards a student loan.

Some of the programs like the millennium scholarship fund have been an abysmal failure. The promise was to assist 12,000 graduates, but we know now, upon calculating it, that only 2,000 received this assistance. There were many broken promises with respect to interest relief in the past for student loan holders.

This is a question, like many others, that will be examined in the run-up to this election. Who would do it better, more responsibly, in a costed way? The answer in my view is the Conservative Party. Under the new leadership, under the new direction, this Conservative Party is going to be offering Canadians a clear alternative in the next campaign.

The budget also announced the CHST supplement, which was promised in the previous budget, a \$2 billion announcement. We are glad to see it coming. It is little, it is late, but still, there it is. It has been announced five times. That is not new. What the premiers and my own Premier John Hamm of Nova Scotia were looking for was a long term commitment to health care, to changing the equalization program.

**Mr. Janko Perić:** It's coming.

**Mr. Peter MacKay:** It is coming, the hon. member says. So is Christmas. What Canadians were looking for here was a clear sign of truth, a clear sign that this money was going to be there to help them through these tough times.

I know my time is at an end. I will turn the floor over to my colleague from Yellowhead.

• (1225)

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I caught the concerns of the hon. member about management. I wonder whether he has read the article by Bruce Little in the *The Globe and Mail* on March 18, "S&P gives Canada shining report". It states:

Canada has been handed a glowing report card by a major bond rating agency, which praises the country's open economy, sound public finances and stable political system.

In a report that would have been almost unthinkable a decade ago—

That of course happens to be the last time there was a Conservative government here.

—Standard & Poor's Corp. of New York said the country's strengthening financial profile, "impressive debt reduction", "successful inflation targeting", "strong

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public sector balance sheet" and "policy stability based upon a wide political consensus [all] augur well for Canada's long-term growth prospects".

I wonder what the member would say to the fact that the lower government debt has put Canada in a better position to meet the fiscal challenges of an aging population than many other countries. Canada now has a sustainable public pension system. The last time Canada was in a mess was when we were downgraded under the Mulroney government to a AA status. Two years ago we were restored to a AAA status.

I put it to the hon. member that those from outside the country think that the nation's finances are being managed very well, thanks very much, and they were managed very poorly under the previous Conservative administration.

• (1230)

**Mr. Peter MacKay:** Here we go, Mr. Speaker. It was Sir John A. Macdonald's fault, if we want to go right back to the very beginning and blame it on some Conservative. That seems to be the ploy here.

Let us be factual. We could go out and find some third party endorsements and try to pat ourselves on the back. There is no getting away from the fact that this government has been mired in the most corrupt and scandalous behaviour that the country has seen arguably in its history. It has misappropriated funds. There have been police investigations going on inside government departments. A Quebec Superior Court judge excoriated the departmental officials of BDC for the persecution they perpetrated on the head of a crown corporation.

The hon. member opposite knows full well that his government has an absolutely abysmal record as a manager of taxpayers' money. We have seen scandal after scandal emanating out from under the cabinet door. We have seen all sorts of examples of how the government has no respect for taxpayers' money. It has no respect for hard-working people who are at this very moment filling out their income tax forms to send to Ottawa, knowing full well that this government has lost \$100 million in one program, in one department.

The hon. member opposite can try to pump up the stats and suggest that those outside the country somehow have some begrudging admiration for where our economy is, but the truth of the matter is that our numbers have been tumbling in world rankings in the United Nations. Our country is losing credibility every day because of the abysmal management skills of this government and this Prime Minister. If the Prime Minister somehow ran his own personal shipping empire the way he handled the government's finances, he would have a couple of ships tied up in an old harbour somewhere, rusting out like the economy is under his watch.

The member really has no credibility to stand here and try to read from some newspaper article about somebody who said something good about his government's management skills. The proof is in the pudding. Canadians sitting at home filling out their income tax forms know full well where their trust should lie when it comes to this government and the management of their hard-earned dollars. They look at the gun registry, the HRDC scandal, and this horrible waste of money under the sponsorship program. Those facts, not some chronicled response by some individual speaking on specific elements of the economy, speak for themselves.

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The truth is there. Canadians know it. They are not going to buy this attempt to somehow roll back the clock and point the finger at somebody else.

**Mr. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, it is a pleasure for me to rise and give my comments on the budget. I am really torn because I would love to jump into the debate that just went on, both with regard to who has credibility on the file and past budgets and when I see what the Liberal Party has done to this nation and how we could have been debt free if we had not decided to go into deficit budgeting.

I will not do that. I really want to stick to my theme, which is health care. I want to first of all explain to this House, because so many get it wrong, that we are a party that is firmly committed to universal health care. We are a party that is firmly committed to timely access to quality care regardless of a person's individual ability to pay. We are a party that understands Canada's health care system is the number one concern of Canadians.

I do not think we have a Prime Minister who quite understands that yet. He is an individual who has absolutely no credibility with regard to health care. What he has done on health care in the last decade over the tenure of the government has to be understood before we can truly get into an understanding of what happened in this budget with regard to health care.

I will quote his words of last November 9 in the *Winnipeg Free Press*. He said, "The best proof of what I am going to do in the future is what I have done in the past". If that is indeed true, then it will be a sorry state for health care in the future, because what he has done in the past has absolutely destroyed it as far as pulling the dollars and cents away from health care and leaving it to drift over the last decade.

I know that full well. I worked in the health care system for 20 years. During that time period I remember going to Red Deer, Alberta, where we had to get the best minds in Alberta to decide what we were going to do to deal with the massive deficit of \$900 million in one year. To make a long story short, the removal of dollars from the federal responsibility in health care ended up on the backs of those good, hard-working men and women in the industry who took a 5% rollback in Alberta to deal with that deficit.

It is unbelievable to see a government unilaterally pull the rug out from under health care. It never discussed the idea of taking money away from health care. It just did it. The federal government never sat down with the provinces, which have the joint responsibility of delivering health care, to try to discern how to come up with a better way of perhaps adding efficiencies in the system or how it could be done over a progressive period of time. None of that took place. It was just automatic that the money was coming out of health care. It just left the health care system to fend for itself. It downloaded the responsibility.

That is the sorrowful state of what actually happened in the health care system during those early years. To make it all worse, the government hid behind what is called the CHST, the health and social transfer payment, a grouping of dollars that went to social services as well as education and health care for the provinces. The government could hide behind it. It said the actual number of dollars was more, but it was not. It just went into three different areas and

therefore it reduced the budgets. It was sleight of hand. We have seen sleight of hand even in this budget, sleight of hand on how the government is dealing with the actual dollars and cents.

However, before I get into the actual budget, I also want to talk about what kind of health care system we have left after that decade. We have a health care system where over a million people right now are on waiting lists for serious surgeries. Do members realize that the wait list period has doubled over the last decade? That is, during the last 10 years there was a doubling of the wait list in the country. Health care professionals have gone to greener pastures in the south to be able to find employment. That is what happened in the mid-1990s. It has continued to happen.

The sickest workplace we have in this country is the workplace within our hospitals. Our nurses use more sick time than any other workforce in the country. The shortage of doctors and nurses is acute and will continue to be acute.

This is the legacy of a Prime Minister who has neglected health care for the last decade. He has neglected health care in this budget.

It is interesting to look at the budget and see the dollars and cents that went into health care. There is a big to-do about the \$2 billion that went to health care—

**An hon. member:** Over and over.

**Mr. Rob Merrifield:** It is absolutely amazing. This was a promise in the health care accord. There is no one in the land, no prime minister and no one from any party who could be a prime minister, who would have gone into another election without giving that \$2 billion.

It is absolute nonsense for the government tried to trump it up and play a sleight of hand on this again, re-announcing and re-announcing the \$2 billion. This was \$2 billion as one-off money. Actually it was not one-off. It had already been announced in the health accord last year. I would challenge this government not to do this with health care dollars with the provinces. No wonder they are so upset about the dollars and cents in health care.

• (1235)

The budget says that \$34.8 billion will go into health care over the next five-year period. However, we have to understand, which the provinces do full well, that those dollars were re-announced and re-announced. A good part of that money was announced in the 2000 budget, just before an election. That was playing politics with health. That was a five-year commitment, and we are just into the third year now. Now the government is re-announcing that \$2 billion as part that \$34.8 billion.

When the provinces look at the federal government and its lack of commitment to health care, they say that it may be able to fool the guy on the street, but it is not fooling them. They know the dollars and they know the numbers. They say that the government is absolutely false in what it says because its fifty-fifty commitment to health care is no longer there, and it is still not there. Stable funding is still not in place for this government.

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Nonetheless, we can argue about whether the commitment is there. Last February an agreement was reached with the provinces. For the first time in a decade, provincial governments and the federal government came together and decided on a five-year agreement. Even in with that agreement, the government did not fulfil its commitment. Significant time lines were in the agreement, significant things that had to be done in that first year.

We agreed with a lot of what was in the accord. It said that provincial governments would be given flexibility to deliver on health care; it would reform the primary system. By September it would have the primary system indicators to tell us how we were doing, good, bad or indifferent, with regard to health care. The government has totally missed that deadline. It is not there today. It is not even being worked on. When the ministers met with the Prime Minister, just before the throne speech, there was not a word of that. Not only that, the bottom line indicators for a national home care program, which is part of the accord as well, were not there as well.

Therefore, we have a tremendous disconnect with what was agreed to by both orders of government last year to what has been happening and nobody is talking about it. It was not talked about in the throne speech. It was not talked about in this budget. In fact health care was scarcely mentioned in this budget.

What was talked about in this budget was what would be done with the public health agency.

It has been almost a year since we had the massive outbreak of SARS. SARS taught us some lessons, but the lessons should have been learned long before SARS hit. There were many warnings over the last number of years about the problem we would have if we did not look after the public health and protection of our nation. Diseases such as SARS, the avian flu and so on have ravaged many countries. Now we have firsthand experience of that, and we had been told it would come.

In fact we have been totally vulnerable from learning the lessons of SARS and actually dealing with it. We still do not have a chief public medical officer of health, somebody who can take the bull by the horns and play quarterback on a massive outbreak like SARS. That is really the job of the health minister, but if the minister will do not it, then we need somebody else who will. We are still sitting vulnerable on that. We still do not have a public health agency. Although it was mentioned in the budget, there have been no time lines for either one of those.

It is frustrating to see exactly what is in the budget and what is not. Why do we have to delay and delay? In fact the big discussion on the agency is the location of its headquarters, which is really interesting. It should either be in Vancouver or in Winnipeg, but my guess is it will be in Ottawa, not because of anything other than politics. It is unfortunate when we see governments playing politics with health care because it is too important.

We absolutely cannot be playing the politics of putting health care on a sustainable path and waiting until this summer to do it. The Prime Minister has had a decade of waiting for his time to become the prime minister. The answers for health care should have been foremost in his mind. It certainly is top in the minds of ordinary Canadians. Instead of coming forward in his first budget and first

throne speech and giving real answers to health care, they have been absolutely ignored. It is a shame and an absolute disaster.

• (1240)

The government has tried to play sleight of hand with money. It has tried to convince people that it is fiscally prudent, yet there has been scandal after scandal. This government has to be replaced. The corruption goes from the top to the bottom. There is only one answer. Canadians will judge the government accordingly in the next election.

**Mr. Sarkis Assadourian (Brampton Centre, Lib.):** Mr. Speaker, I was following attentively the comments made by the critic for the Reform, Alliance, Conservative Party of Canada.

I have to remind hon. members that this is the seventh consecutive budget with a surplus. Canada is the only country in the G-7 nations that has done so. The government has given approximately \$36.8 billion toward health care. It has also provided an additional \$665 million to deal with health emergencies, such as SARS, so we will be ready for the future.

I wonder if my colleague read today's *Globe and Mail* headline which read, "PM seeks 10-year medicare plan". The article states that the Prime Minister has asked the Minister of Health to prepare a sustainable 10 year plan for our nation in time for an upcoming meeting of the premiers in August.

Is the hon. member opposed to that plan? He said that he did not support the government nor the plan presented to Canadians in the budget. Everybody appreciates this plan with the exception of the hon. member. Could he comment on the points I have made?

**Mr. Rob Merrifield:** Mr. Speaker, let me start with the plan my colleague mentioned. It is unbelievable what the government has done with regard to studying health care and deciding what kind of plan with which to come forward. How much money did the government spend over the last decade? We sent that question to the Library of Parliament and it came back with the answer of \$243 million just to study health care. We do not need another study. We do not need to wait until summer to figure it out. We know the answer. What we need is some performance and some leadership, but we are not getting either.

Canada taxes higher than any of the OECD nations. When it comes to health care, Canada only rates 13th out of the OECD nations. As far as dollars per capita, Canada ranks third. If we look at the age of our population, Canada ranks first. Those figures came out of a study done by the Fraser Institute last year. That means Canada put in per capita higher than any other country. Just providing money will not solve our health care problems. We need to look at reforming it and putting it on a sustainable path.

Two weeks ago, the Conference Board of Canada said that health care in its present state was headed into a failure. It cannot be sustained in its present form. The board did not come up with those conclusions by accident—

**An hon. member:** Drawn out of a hat.

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**Mr. Rob Merrifield:** The board did not draw those conclusions out of a hat at all. It formulated them from a very careful study.

If those conclusions are true, then we have to stop playing politics with health care. That is what the government has done, and this budget has failed to deliver on it. We have to start working with the two orders of government in a collaborative way. This appears to be impossible for the government to accomplish. It is unfortunate because the only way we will accomplish that is to change the government. Canadians are ready to do that.

● (1245)

**Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, I would like to ask my colleague a quick question about funding for aboriginal people.

A shortage of funding creates all sorts of problems. For example, along the border of Yukon in northern B.C. there are a number of first nations that are trying to settle land claims. However, B.C. is not providing negotiators for those claims and this is causing great difficulty for the people who want to move ahead.

In this budget and in the estimates, over \$400 million in increased funding is being provided to aboriginals. Some of that money will go to land claims, some of it will go to programs, some will go to drinking water and some of it will go to aging rust. To help aboriginals get into the workforce, \$125 million will be available to them for training.

One of the members of Her Majesty's loyal opposition suggested there should not be any increase in funding for aboriginal people. Does the member agree with that?

**Mr. Rob Merrifield:** Mr. Speaker, I do not know what my hon. colleague is talking about with regard to that claim. Aboriginals are the unhealthiest population in the country. Some of the reserves are an absolute disaster.

The member has to realize that the provincial government is not responsible when it comes to dealing with aboriginal health matters. Only one government is responsible and that is this government. It has absolutely failed for a decade to deliver on health for first nations. It is an absolute disgrace what has happened to our aboriginals with regard to health care in Canada.

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, I am pleased to speak in support of the first budget tabled by the new Minister of Finance, and the government's seventh balanced budget in a row.

I want to take the opportunity to thank all members of my non-partisan community advisory council, representing all segments of my riding, for its valued support and input.

Budget 2004 demonstrates prudence and financial responsibility, something that members of my community advisory council called for during our annual prebudget consultation meeting earlier this year.

The budget begins to address the goals outlined in the throne speech and reflects the priorities of Canadians, with significant investments in public health, education, our communities and research and development, while maintaining a balanced budget and paying down the mortgage.

Contrary to what the NDP is telling Canadians, paying down the mortgage is extremely important not only because we cannot leave our children and grandchildren an unbearable debt burden that will choke their ability to deal with future challenges, but because the millions of dollars that we will save on servicing the debt can and will be reinvested in the priorities of Canadians.

This too is something that members of my community advisory council have repeated to me year after year.

Budget 2004 strengthens medicare by reconfirming the \$2 billion investment in Canada's health care system, bringing to \$36.8 billion the funding provided under the health accord. This translates into an extra \$778 million in health funding for Ontario.

It provides an immediate investment of \$665 million for the new Canada public health agency to be a national network for disease control and emergency response. This is on top of the \$400 million that will be transferred to the provinces over the next three years to support a national immunization strategy and to reduce stresses on provincial health systems.

The budget is also providing support for families and children with the introduction of a new Canada learning bond, as well as other grants targeting students from low income families and students with disabilities. It also proposes speedier implementation of the multilateral framework on early learning and child care.

I am pleased to see that the Minister of Finance has acknowledged the hard work of our men and women serving with the Canadian military and police in high risk areas around the world, by exempting them from paying income tax.

I have spent time on the ground with and under the same living conditions as members of our military. I can tell members that they deserve this tax exemption not only for their service, but for their bravery and for the tremendous toll their absence takes on their families.

It is also important to recognize the additional resources being made available to support Canada's participation in peacekeeping missions in Afghanistan and Haiti, as well as the further \$650 million for security issues and additional capital funding.

The implementation of the government's commitment to fully rebate the GST paid by municipalities is great news to my riding of Cambridge. For Ontario, the additional benefit to municipalities will be \$243 million in the first year alone.

● (1250)

Coupled with this is an acceleration of the \$1 billion municipal rural infrastructure fund, vital to North Dumfries township in my riding. This means that our cities will have \$7 billion in available money over the next 10 years.

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In my own riding of Cambridge, federal infrastructure support has gone to major projects like the University of Waterloo School of Architecture, as well as critical priorities like road improvements.

The \$8 million infusion and the annual \$10 million to the new horizons for seniors program is welcomed news. The goal is to keep seniors active in life by providing them with a wide range of community based projects and social activities.

Just yesterday, StatsCanada reported on the composite leading index, an early measurement of economic performance, which rose in February as manufacturing picked up.

Another news report yesterday in my riding of Cambridge and the region of Waterloo, known as Canada's technology triangle, reported a 20% increase in exports from 2000 to 2002. That is \$10.7 billion worth of products. The regions of Cambridge and Waterloo made up 5.2% of Ontario's total exports and 2.7% of all Canadian exports in 2002.

Our economy has remained competitive while others have faltered because the government recognized long ago that Canadian businesses and workers must have the tools they need so that they can build a 21st century economy. That is why I welcome the support in budget 2004 to increase commercialization of the research conducted at our institutions of higher education.

Many companies in my riding, like those in the printing industry, will welcome the increase in the capital cost allowance rate for computer equipment to 45% and, in the rate of broadband, the Internet and other data network infrastructure equipment to 30%.

With one in six Ontario jobs directly or indirectly related to the auto sector, more so in my own riding of Cambridge, and with the changing patterns of auto investment, the announcement to work toward a national strategic framework for the Canadian auto sector in the 21st century is very important.

I want to thank the Minister of Industry, the Minister of Finance and the Prime Minister for listening to the members of the auto caucus, as well as the national caucus on the importance of the auto sector.

As the chair of the auto caucus, I am pleased that all those voices were heard before the budget was announced. The budget's emphasis on research and development, commercialization of research, and other initiatives will help support innovative work in the next generation of smart, fuel efficient, hybrid, and fuel cell vehicles and renewable fuels.

Let me provide some facts to the House on how important the auto sector is for the Canadian economy. In that sector we have presently 217,000 employees and they are employed in motor vehicle manufacturing, motor vehicle trailer manufacturing, and motor vehicle parts manufacturing. Of those, 97% are permanent workers. That sector's manufacturing GDP is 12% of Canada's total GDP.

● (1255)

Six assembly plants are located in Ontario and about 550 auto parts plants are located in Ontario, resulting in 97% of Canada's automotive production originating in Ontario. These facts are very important for many of us. That is why I am especially pleased that

the auto sector is mentioned and that the Minister of Industry will take the next step in the very near future to fulfill the obligations that were mentioned in the budget.

This budget comes on the heels of a \$1 billion investment to help Canadian farmers and beef producers, something extremely important to the agriculture sector in North Dumfries township of my riding.

Canadians recognize that unexpected challenges can and do arise and that the government must be prudent with its plans if it is going to be able to respond. That is why the Minister of Finance has emphasized fiscal responsibility and prudent planning.

The leader of the New Democratic Party thinks we should have spent more money. The leader of the former Canadian Alliance, now Conservative Party, said that we should give tax cuts and spend more money on health. However, they do not have an answer as to where they would get that money.

The government is investing in the priorities of Canadians in a moderate manner and that is what the people want. For the last 10 years, Canadians were telling us that we should be accountable as a government, that we should take care of finances, and balance our books. The opposition at that time, the Reform Party, promised that it would balance the books by the year 2000. We did it by the year 1998.

I have nothing to be ashamed of in being a member of the Liberal Party, a member on this side and a member of the team that listens to Canadians and balances our books. Even today, I am more proud to be a member on this side because I have full confidence that the present Prime Minister will listen to Canadians and respond responsibly.

● (1300)

**Mr. Roy Bailey (Souris—Moose Mountain, CPC):** Mr. Speaker, I want to mention an item in the budget with which most Canadians agree, and that is the item that falls under the athlete assistance program. There will be a slight increase in that and I think Canadians in every province agree with that. Certainly, I know it is true in the Province of Saskatchewan.

I note that the government is spending roughly \$1.75 million or maybe a little more now in monthly living and training allowances for these people because they are amateurs. We agree with that too. One thing that hits back home in my province is that a senior card member being trained gets an allowance of \$1,100 a month for living and training expenses, and a junior gets \$500 a month. The amateurs who play in the Saskatchewan junior amateur hockey league get zippo, but the federal government charges them. It charges these people who have no salary EI, CPP or other deductions. It is totally unfair and done only in Saskatchewan.

*The Budget*

I would like to ask my friend from Cambridge, does he figure that this is an equality thing that is happening with Saskatchewan paying this price while amateur athletes chosen by the federal government get exemptions?

**Mr. Janko Perić:** Mr. Speaker, I partially agree with the budget and I do realize that there is a need for more financial support. I have in my riding of Cambridge a very well known gymnastic club. That club trained not only national but internationally known gymnasts who participated in the Olympic games. I believe there is room for improvement and we have to work together to improve and support athletes.

•(1305)

**Hon. Brenda Chamberlain (Parliamentary Secretary to the President of the Queen's Privy Council for Canada, Lib.):** Mr. Speaker, I wish to congratulate the hon. member as chair of the auto caucus. I know how hard he worked to get that piece in the budget, and the strategy to move forward in the auto sector.

Obviously, in Guelph—Wellington I have quite a few car plants and manufacturing plants that are dependent on this industry so it is very important.

The thing I want to address today though in the budget is the new horizons program. That has been a program that the seniors have wanted and needed to be expanded federally for a long time. It is tremendous.

I can say about my own mom and dad, when they were alive, they were able to stay in their house because of programs similar to this. It really does make it better for people, and ourselves eventually who will have to stay at home and will not want to go to an old age home or to the hospital. It will help people to be able to do that.

I am getting calls from seniors right now saying how pleased they are with this in the budget. Has the hon. member any thoughts on this and is he receiving this good news as I am in Guelph—Wellington?

**Mr. Janko Perić:** Mr. Speaker, the new horizons program and the \$8 million in initial funding is great news for seniors. I believe that my colleague from Guelph—Wellington will agree with me that we must work together, not just on this side but on both sides, to improve that program and to get more funding for a program that will benefit seniors.

**Mr. Svend Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, I should indicate that I will be dividing my time with my colleague, the hon. member for Churchill.

It is a privilege to rise on behalf of the people who I have the honour of representing in Burnaby—Douglas and speak today to the government's priorities, because that is what the budget is ultimately about. It is about values, about priorities and about vision. On each of those benchmarks, the government and the new Prime Minister have failed miserably. Not only have they failed my constituents in Burnaby but they have failed all Canadians, and beyond that. They have shamefully failed to respond to the desperate plea of the international community for Canada to show leadership on a whole range of issues.

In the brief time that I have to speak to the budget this afternoon, I want to concentrate on two or three key issues. My colleague from

Churchill will speak passionately about the shameful failure of the government to show any leadership whatsoever with respect to the concerns of the first nations people, the aboriginal peoples in Canada.

The Speech from the Throne held out the hope that perhaps the government might at last recognize the destructive impact of its policies on first nations and aboriginal peoples, both urban and rural, but there was nothing. Despite the call for additional resources for housing, for health care and a whole range of other issues, the government has miserably failed aboriginal peoples.

Indeed, in the area of aboriginal and first nations health, the throne speech called conditions on reserves shameful and acknowledged the immediate need for the federal government to remedy this problem. The reality is that this budget has done nothing whatsoever to respond to the health concerns of first nations people.

The government's non-insured health benefit program to provide health care to first nations is notoriously underfunded and is hindered by all sorts of Byzantine regulations, basically with Health Canada bureaucrats nickel and diming first nations people at every step and the regulations for providing travel services in isolated communities. I know my colleague from Churchill will be speaking to this, but the program is appalling and has become worse, not better. There is no hope whatsoever for aboriginal peoples in this budget.

As the spokesperson for my party on international human rights, I want to point out the personal betrayal of the Prime Minister with respect to Canada's place in the world. We all remember Bono standing up on the stage at the leadership convention arm in arm with the Prime Minister saying "look, we'll be there", pushing the Prime Minister, saying "if you don't come back with some significant funding to meet Canada's global commitments in the fight against HIV-AIDS, malaria and tuberculosis, I'm going to be a pain in the ass of the Prime Minister". Those were his words.

Bono must be embarrassed and ashamed of the leadership of the government because there is not one new penny of funding above and beyond Canada's shameful current commitment to the global fund on HIV-AIDS, tuberculosis and malaria. The foreign affairs committee unanimously called for a tripling of Canada's commitment to meet our obligation. Bono pleaded with his friend, the Prime Minister, to show leadership. The answer we got on budget day was "forget it".

Yesterday was World Tuberculosis Day and we heard from the representatives of the world tuberculosis society about how this government has failed there. The reality is that not one new penny went into the global fund for HIV-AIDS, malaria and tuberculosis.

It is in the area of health care that perhaps the government has failed most miserably. It is not as if it does not have a series of important recommendations as to how to move ahead.

*The Budget*

●(1310)

I must say that one of the greatest needs is for ongoing stable funding and a government that is prepared to meet its commitment of 25%. I do not think that is asking too much. Not that long ago it was 50%, but we are just calling on the government to meet the 25% benchmark that Roy Romanow urged upon the government. It has fallen far short of that. There was a one time injection of \$2 billion but nothing in terms of increases in stable long term funding.

Let us put aside the question of funding for a moment and ask what the government's priorities really are. There is no doubt that the effect of starving the health care system of the resources that are desperately needed is to strengthen substantially the power of private for profit health care in Canada.

The Prime Minister has already appointed a parliamentary secretary whose responsibility is P3s, public-private partnerships. If we have any significant increase in public-private partnerships in this country that will lead to the erosion and ultimately the destruction of universal public health care. That is the slippery slope that the government has taken us down by its years of underfunding the health care system. We do not have to look very far in my own province of British Columbia.

In British Columbia we know that as a result of the provincial Liberal government there are already serious attacks on our public health care system. We have a False Creek surgical centre which clearly violates the basic principles of the Canada Health Act.

When the provincial, Gordon Campbell, government was actually going to take steps, amazingly enough, to deal with that, it brought in legislation, bill 92, under the former prime minister. What happened? The new Prime Minister became Leader of the Liberal Party and Gordon Campbell said "No problem. We are going to ditch that legislation because we've got a Prime Minister who understands the needs of private health care in British Columbia".

I remember when the member for Esquimalt—Juan de Fuca crossed the floor from the Conservative Party to the Liberal Party. He was thrilled. This was a member whose ideas on two tier health care were so out to lunch that even the Conservative Party said that it did not want to go there. He took his ideas over to the Liberal Party. What happened? He said that he was thrilled to be a Liberal because the Prime Minister understands that the Canada Health Act is not that important and understands that the Canada Health Act is not a sacred document.

No wonder the same Prime Minister hired the key lobbyist for private health care in British Columbia, Bruce Young, who was working for Hill & Knowlton, as his top adviser for British Columbia. What else do we need to know in terms of the priorities of the government when it comes to health care?

More important, where is the government's leadership on the issues of home care and pharmacare? How many times have Liberals promised there would be action? As we know, these were key recommendations of the Romanow commission in terms of a national drug agency. We know that drug prices are contributing greatly to the increase in overall health care expenditures in Canada.

Home care is an essential priority and yet what are the government's choices? It had a choice in the budget between putting money into home care and into pharmacare and into dealing with the concerns of young people, students who find the doors closed to them for post-secondary education.

I was door knocking recently in Burnaby on Spruce Street and met with a couple whose young son was told that there was no space for him in university because the average grade required to study sciences at U.B.C. was 89%. For those students who are graduating they are graduating with massive debt loads.

●(1315)

The government had a choice. It could have put funding into health care, into education or into reducing the ratio of debt to GDP. Not many of my constituents lie awake at night agonizing about the ratio of debt to GDP. If we had a choice between \$3 billion going into health care, home care and pharmacare, into decent education, into the environment, into housing, or going into lowering the debt or going into corporate tax cuts, I can tell members that the constituents of Burnaby—Douglas would say that the government's priorities are totally wrong and they would send that message, in the next federal election, loud and clear.

[*Translation*]

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I listened as much as possible to what the hon. member across the way has had to say. He made much reference to international matters. As you know, I was Minister of International Cooperation, and I must say that it is not for nothing that the government says the following on page 16 of the budget speech:

Canada has committed to double our international assistance budget by 2010–11.

The next sentence reads:

Today we are taking an important step toward this goal by increasing this assistance by \$248 million for 2005-06.

So, starting next year, \$248 million will be invested.

Two paragraphs later on the same page, there is again reference to our international commitment, but this time in connection with peacekeeping. For these remarks I am wearing a different hat, that of president of the Interparliamentary Forum of the Americas. We are all aware that Haiti is the most troubled country in the Americas and one that is so much in need of our assistance. The budget speech says:

This budget provides \$300 million for ongoing operations in Afghanistan and for Canadian participation in a United Nations' multinational force in Haiti.

Does the hon. member not support these measures, and does he feel, as he seems to have just implied, that they are inconsequential and unimportant?

*The Budget*

**Mr. Svend Robinson:** Mr. Speaker, obviously, I support increasing the budget for international aid. Still, let us not forget that it was the Prime Minister who, when he was finance minister, made massive cuts in foreign aid funding. The cuts were so deep that we dropped to 17th place among OECD countries. The rate is 0.26%. That is shameful. The Prime Minister is the person responsible. It is as if someone stole your money and now says that he will give you a little back to make amends.

Obviously, we will support the increase. Still, the basic question remains. Why has the Liberal government, why has this Prime Minister, refused to accept the unanimous recommendation of the Standing Committee on Foreign Affairs and International Trade to triple our contribution to the global fund to fight AIDS, tuberculosis and malaria? That is the question. The hon. member did not answer the question.

There was this recommendation. At the leadership convention, Bono asked the Prime Minister to make a commitment to triple the contribution. There is nothing, not a cent. That is truly shameful.

• (1320)

**Mr. Yves Rocheleau (Trois-Rivières, BQ):** Mr. Speaker, I listened attentively to my eminent colleague from the NDP. He made many references to the first nations, the aboriginal nations, but he never mentioned the existence of the nation of Quebec, no more than the budget speech did.

We see that the budget speech undoubtedly takes its inspiration from the social union framework of 1999, by which the government gave itself permission to deal more directly with citizens and corporations, bypassing the provinces.

Does my hon. colleague agree with the fact that the government, probably with the goal of constructing an increasingly unitary and increasingly centralized country, is making direct interventions with regard to students, the handicapped, early childhood, and wants to deal more and more with municipalities, or set up a national securities commission, to which Quebec is opposed, because Quebec is a nation? What does he think will be the fate of the nation of Quebec in this big, beautiful Canada, if, in his opinion, the Quebec nation does exist?

**Mr. Svend Robinson:** Mr. Speaker, we have never denied the existence of the Quebec nation. The NDP has recognized it very clearly and I have no problem recognizing it today.

It is a question of leadership on the part of the federal government. Obviously, in many issues, there is a lack of leadership by the federal government. There is a great imbalance when it comes to Quebec and funding in national programs; that is certain. We recognize this, and our leader, Jack Layton, spoke eloquently about this issue. That is why many more Quebecers know that there is an alternative progressive party in Quebec, which will produce very interesting results in the next election.

[*English*]

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, I am pleased to join in the debate on the budget.

It would have been nice right before an election to have a budget with which we could go into the election saying that we cannot trust the Liberals to keep their promises, that they will never follow

through on what is in the budget. That is just the way the government is before the election.

However, I have to admit that I was greatly shocked, simply because I am used to the usual Liberal way of doing things. They will talk from a social perspective, much like the Prime Minister did in the throne speech, that everything is wonderful and they are going to do all these things and they make all these promises. The Prime Minister could not do it in the budget. Something must have caught his conscience and he said, "I do not know if my corporate friends will support me in the next election if I do not follow true to them."

Quite frankly, going into an election, I am pleased with the budget. I am darn pleased. After the election if he came forward with the usual kind of budget which gave everything, of course we would cheer. This was quite an interesting twist to things. I hope Canadians realize that if the Prime Minister, a month after the throne speech, could not follow through on a promise, then they had better not plan on the Prime Minister following through on any of the promises he was making on the side to people all throughout his leadership campaign.

I am sure he is even doing it now saying, "I could not put it in the budget right now because it would have looked bad. I am still going to make sure people get this and this". I think we all expect that is what the Prime Minister is doing out there.

This is a budget that reflects the government's lack of priorities. It reflects the government's lack of vision. The budget reflects a government that is so out of touch with the people of Canada that it is incredible.

The Prime Minister probably travelled throughout Canada on his leadership campaign and spoke to a good number of Canadians. It is quite apparent which Canadians he spoke with, but he should have got a fair idea of what Canadians wanted and it is not there.

Let us follow up on the issue of health which the member for Burnaby—Douglas mentioned, which is the number one priority of Canadians. If there is anyone in the House who is willing to stand up and say Canadians do not consider health care to be their number one priority, then they should stand up and be counted because they are out of touch with Canadians as well. Health is the number one priority.

Canadians understand that the dollars have to be there to pay for the services. They understand that. Quite frankly, to my colleague from across the way, the secretary of state for privatization, we fully understand that. We did in Saskatchewan in the early years of medicare and we have continued to do that. In the province of Manitoba we want to make sure that the funding is there so that we can follow through.

Canadians want the dollars put into the budget for health care. They want to have a stable economy. They want us to have the money to support additional programs, but with a government that would finagle with putting over \$200 million into Liberal patronage funds, it does not care about Canadians. The government does not care about Canadians and about ensuring that the dollars are there. The Liberals are just looking out for, not even 40 acres, probably it is about two acres as it is just that little group of whoever is around the minister of the day.

*The Budget*

Canadians want to see the dollars go into health care, as do we. They want to see an overview of the system. Where changes to the management can be made to improve the system, let us do it. Canadians want the money to go into health care. Canadians want a not for profit health care system. Canadians absolutely do not want someone profiting from the ill health of someone else. The government's shameful example is not acceptable.

• (1325)

I want to also mention the situation with aboriginal health. The aboriginals are the most vulnerable group within our country because of the conditions they have been forced to live in, as a result of government policy over the years. It put them on reserves with inadequate housing, inadequate water and sewers and a lack of amenities that would be necessities in any white community.

I am going to say it because it is darn well true, the amenities in any white community were not put into the aboriginal communities for which the federal government is responsible, and it was a number of federal governments. The result within those communities has been poverty, poor living conditions and ill health within the communities.

There is something I recently found out. First nations should get their health care provided just like the rest of us. They have what they call non-insured health benefits. Any one of us can pick up an insurance policy to get some extra benefits. Everything that is covered by medicare gets paid by medicare. It is the insurer of last resort for those things that one is covered for. I want to talk about what Health Canada is doing to aboriginal people.

Assume that an aboriginal person would get an insurance policy to cover him or her for those additional things. Individual first nations members would pay for it themselves. In case anyone thinks it is coming out of the taxpayers' pockets, it is not. Individual first nations members pay for it. What does Health Canada tell them? They are told that the insurer has to pay for all of the individual's health care, and they operate differently. The most vulnerable people in our society are being treated like that by the government. It is not acceptable.

The government spouts off about all the dollars it is putting into education and research. Let us hear a really important part of this which maybe the government passed over, or maybe Canadians did not hear. It is additional funding to improve the capacity for the commercialization at universities, hospitals and other research facilities. We wonder why we get nervous when there is a secretary of state for privatization, when one of the government's major goals is the commercialization of universities and research.

Tell me, how much commercial profit is there if someone has an illness that only deals with maybe a small percentage of the population and drug companies are not going to make a profit by treating them? Do we think any effort is going to be made to find improvements for that condition, to find aids to assist with it and to do the research? If there is no commercial profit, do we think that is going to happen?

That is why a focus on the commercialization of universities and research is not acceptable. It is a disgusting vision for any nation,

that all we would be looking at is the commercialization and that it would be espoused as something great.

This has been mentioned already, the broken promise, and it is happening to communities and cities with the gas tax. I hope people do not lose sight of that because if it was not in this budget, we are not going to see it, and anyone who believes the Prime Minister is really off in another realm.

The GST rebate is very commendable but it would make more sense to not have municipalities have to pay it in the first place. Is there not a way of putting in place a system where municipalities are registered as GST exempt for certain products so they do not have to pay it?

Why would we put in place a whole rebate system where we say that something is not covered anymore or that they will have to pay it on something else further down the road? It would make a lot more sense for municipalities and for that matter school boards and other educational institutions, not to have to pay it.

The government was very proud of its commitment to education, proud of ensuring that it is forcing students to have an even greater debt load in order to get their education.

A simple thing would have been to provide funding to keep tuition fees down. We can forget all the fancy little tricks that were put in where people get a certain amount of money if they have a child under a certain age, as long as they are not getting the national child tax credit in that family, then they will get a certain amount, all these little loopholes.

The Prime Minister as finance minister found all the loopholes he possibly could in the tax system, but we had hoped that there could have been a whole lot more vision and commitment for Canadians.

• (1330)

My colleague from Burnaby—Douglas also mentioned the failure to aboriginal people and there is no question about that. That was a real disappointment. The Prime Minister had gone around saying that he was going to be there for us. He did not last a month before he turned his back on the aboriginal people of Canada, once again. I hope they will not let the Prime Minister get away with it.

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, I want to pick up on the issue that the hon. member talked about, which was the commercialization of research, which is apparently disgusting in her mind. The Government of Canada has made a focus on research and development a priority. That is two words: research and development. It has put universities back in the game so that we are now regarded as leading in that area.

I had a really interesting conversation with Dr. Robert Birgeneau, the president of the University of Toronto, who whenever he sees us never fails to thank us for all of the research chairs and granting councils.

*The Budget*

When the minister did his pre-budget tour, one of the things that continually came up was the fact that we were failing to commercialize the research that we were doing. As a consequence, we were kind of getting the worst of both worlds. We were creating the research and then somebody else, presumably outside the country, was benefiting from the research. We were not going to get any productivity gains out of it. We were not going to get any of the enhancements in life that Canadians are justifiably entitled to out of their research dollars.

Therefore, I put it to the hon. member, how does she square that circle? This is sort of a half economic theory. The NDP seems to like to spend money, but it certainly does not seem to like to create any of the conditions that might create wealth so that the lives of Canadians are enhanced. Why is she objecting to Canadians benefiting from their own research?

● (1335)

**Mrs. Bev Desjarlais:** Mr. Speaker, there is certainly no objection to benefiting from one's research. I would suggest that there are probably a good number of scientists and researchers whose benefit is more than just the almighty dollar and the commercialization of the product.

My concern over the government taking this course is that it has become solely focused on the commercialization aspect. I have sat in on numerous industry committee meetings where we talked about all this stuff. I was extremely disappointed that as a nation this was becoming our major focus, instead of supporting scientists and researchers who want to do their work for the benefit of humankind.

I think of the scientists of years ago: Banting, Best, Salk and all the ones we were taught about as we were growing up. Their commitment was for the improvement of humankind. I am sure many of us would speak very highly of them forever on.

We had a situation where it was no longer commercially beneficial to produce a certain type of insulin, so the companies quit making it. It was the first insulin produced here in Canada. The company had been sold off, so it quit making it. Therefore, the individuals who wanted it could not get it. They were forced to go to another kind that did not work as well with their systems. This was done because it was not commercially beneficial. That is the problem with a sole focus.

I do not suggest for one moment that research should not have an opportunity to benefit; however, I have listened to a number of researchers who really do not want to go that route, but they are forced into that route. Otherwise, they will not get the assistance they need to do their research. That is an issue.

When the government is going to put taxpayers' dollars into these projects, there should not be the sole intent of a commercialization of the product. That is what the issue is about.

[*Translation*]

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, I will try to be brief. I simply want to come back to an earlier comment by the hon. member for Burnaby—Douglas. He said that Quebeckers will have an alternative progressive party, as if they did not already have one in Quebec, in the next election.

My friend from Burnaby—Douglas said that the New Democratic Party had recognized the Quebec nation. I agree that he has done so, and even though his party has also recognized Quebec, it has not given any substance to this concept. As they say in English:

[*English*]

You can talk the talk, but can you walk the walk?

[*Translation*]

His entire party, with the exception of two members including himself, voted in favour of the so-called clarity bill, preventing this nation from truly exercising its right to self-determination.

What is the point in recognizing a nation if that nation is not free to decide its future?

[*English*]

**Mrs. Bev Desjarlais:** Mr. Speaker, I am pleased to answer the question for the member for Burnaby—Douglas. I will indicate that as New Democrats we believe in the right of self-determination for Quebeckers and for first nations. However, we also believe in a unified Canada. In the scope of recognizing the right of self-determination, there are a good many of us who will do our darndest to promote a unified Canada.

[*Translation*]

**Hon. Serge Marcell (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, I will be sharing my time with the Parliamentary Secretary to the Prime Minister.

It is a great pleasure for me too to speak on the budget speech itself. Obviously, many things included in this budget have not been emphasized by the opposition, because that is not how the game is played. Its role is not to make the government look good.

I want in particular to stress, with regard to the financial management of Canada, certain essential points that ensure that Canada is now and will be able in the future to position itself and fulfill its obligations to Canadians as well as its international responsibilities.

In the period between 1980 and 1990, there was an average annual deficit of \$30 billion. In fact, we only calculated ten times \$30 billion, for an accumulated deficit of \$300 billion. For those listening, each year a government tables its budget and says that, this year, the deficit is \$50 billion or \$40 billion, this means that this amount has to be borrowed on the market and added to a growing debt. It is as if someone buys a car on credit for \$20,000 and also buys other things on credit. That person's debt increases accordingly and will have to be repaid on an annual basis.

When the government's financial structure was reorganized, after the Liberal Party came to power in 1993, the Conservatives had left an operating deficit of \$42 billion in addition to the debt. So, the accumulated debt that had to be repaid was nearly \$600 billion. This debt was further increased by an amount borrowed annually to ensure a balanced budget.

*The Budget*

In the space of six years, the \$554 billion debt has been reduced by \$52 billion. That is nothing to be sneezed at. Are hon. members aware that, in the recently tabled budget for this year, \$35 billion out of \$187 billion is earmarked specifically for the debt, the debt charges? That is \$35 billion out of \$187 billion.

By reducing the debt by \$52 billion over the past six years, the Government of Canada has been able to save \$3 billion annually in interest it is no longer paying. The objective of this budget is to further reduce the debt so as not to leave that financial burden for those future generations. If we are to guarantee pension funds for Canadians, we must be absolutely sure to have a sound financial foundation, one that is clean and clear, meaning that it will not be necessary to make payments and borrow every year.

In this case, Canada has been able to reduce its debt by \$52 billion, which makes for a ratio to GDP that is something of a record. Moreover, the IMF recently described Canada as the country with the best financial management of all G-7 countries in the past 10 years. Those are not our words but the words of international bodies which analyze the situation in various countries and hold Canada up as a model.

Among the G-7 countries currently experiencing budget structuring problems, we need look no further than France, which is a member of the European Union. It has to make adjustments in order to meet the criteria for EU membership. Last year's budget was a deficit budget, which leaves it with a larger deficit than the criteria for European membership stipulate.

All of the G-7 countries have been looking at deficits. The only one currently with a balanced budget for the past six years, and about to add a seventh is Canada. So, we are a model to look to.

• (1340)

However, here we navel gaze and we try to analyze the performance of a government by comparing it to that of another government. Of course, we could mention all sorts of things. However, when it comes to the budget, if we make comparisons with all the other countries, I think we are a model for the world. This is what we call to show fiscal prudence with taxpayers' money.

What has been the impact of balancing budgets and reducing the debt over the past seven years? What has been the impact of saving about \$3 billion in interests annually by paying off the debt? These measures have allowed us to keep interest rates very low.

I remember that, in 1970, when I bought my first property, I got a 5.25% rate. Now, in 2004, 34 years later, the rates are the same. The bank lowered its rate again in recent weeks. This means that a young person who wants to buy a house now will pay an interest rate that is basically the same as in the seventies. In fact, in real terms, the rate is now lower, because the dollar was worth more in 1970 than now.

So, managing public finances very prudently, gradually paying off the national debt and tabling balanced budgets have ensured that we can now maintain interest rates at a fairly constant level. This benefits Canadians and it allows investors to come and settle here, thus helping our economy grow. Such savings help create wealth, and also allow us to invest in the health and social systems that our fellow citizens truly need.

There is one thing that went unnoticed in the budget. We saw that, according to the New Democratic Party, the Conservative Party and all the opposition parties, the biggest loser is the public. Oddly enough, there is something that the opposition failed to mention about the budget. It is a measure that may not necessarily be included in this budget, because it was announced a while ago, to be implemented over a five year period beginning on January 1, 2001. In other words, this measure is still in effect this year.

The finance minister at the time had announced a \$100 billion tax reduction plan over 5 years. Is the House aware how much that represents for that year as a tax decrease for everyone in Canada? It is a decrease of \$32.3 billion that the people will be entitled to. That is a tax decrease for this year, 2004-2005, of \$22.3 billion for the citizens. That is not mentioned. When they say that the people did not get a tax reduction, it just shows that political memory is very short-term. Something like three or four months.

In 2000-2001, the finance minister—who is now the Prime Minister—announced a plan to reduce taxes by \$100 billion over 5 years. This year the same formula applies. Canada will enjoy a tax reduction of \$31.1 billion, of which \$22.3 billion goes to individual citizens and \$4.4 billion to businesses.

It also puts more money in the taxpayers' pockets. It makes it possible for Canadians to get into the market and invest.

A while ago, I mentioned interest rates remaining very low, but I also want to talk about the more than \$30 billion decrease in taxes that is going into people's pockets. When we do the math, what does it mean? It enables people to spend.

In recent years, particularly in 2002 and 2003, these measures have led to a construction boom across Canada. So, construction materials were purchased, companies had to manufacture these materials and expanded their operations. This resulted in jobs being created.

All these measures by the Liberal government have ensured that today nearly all sectors are receiving investments to consolidate the Canadian economy and ensure it improves each year.

After September 11, as everyone remembers, there was a major economic slowdown in the United States.

• (1345)

Everyone thought that this would seriously affect Canada. As a result of the budgetary measures adopted at the time by the federal Liberal government, Canada weathered the economic ups and downs affecting North America. Canada's economy stayed on course.

*The Budget*

The proof is that our unemployment rate is one of the lowest around. Unemployment is approximately 7%. This is incredible. Canada has created the most jobs per capita of all the western countries. Nonetheless, measures were implemented to ensure that today Canada's economy has a solid foundation. Furthermore, this gives all Canadians hope for the future.

In order to guarantee pensions for future generations fifty years down the road, we need to plan today. In my opinion, this budget is extremely progressive and will ensure that Canadians have a strong economy in the coming years.

• (1350)

[English]

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Mr. Speaker, I took particular note of the member's argument that we have to compare ourselves to other countries.

I came across a study a couple of months ago from the International Monetary Fund that looked at the OECD countries, at the demographic problems regarding our countries and at the unfunded liabilities that exist in societies, and they quantified the debts. Can anyone guess what country was in the worst shape out of all the OECD countries in the world? Canada was dead last.

When we take in unfunded liabilities and our demographic problems in Canada added to our existing debt level, the debt to GDP ratio goes from 42% to 400%, an unsustainable level.

I have heard nothing from the government about this report. The Liberals seem to have selective memory syndrome. They want to take a slice of something and look at it, and they do not want to look at something like that. That is a pretty credible report and it is frightening.

I look at what our young people may be facing because of the government's mismanagement, of its head in the sand attitude and of its platitudes. Somebody will pay for this mess later on. The train is coming down the tracks and the sound is not very good.

I would like the member's response to that international monetary report. Does he think it is an incredibly poor report or what?

[Translation]

**Hon. Serge Marcil:** Mr. Speaker, it is obvious that the main challenge facing our country in the years to come is demographic. This applies to Quebec equally, the place I live, and the place where I was born.

Our greatest challenge is a demographic one. Canada ranks second, after Russia, in geographic size. We have a population of 31 million. So we have a huge area to cover with that total population.

If we compare that to the United States, they are 300 million strong, or 10 times our population. Quebec's population is close to 8 million, and our territory is three or four times larger than France, with its 70 million. So we have a population problem. That is Canada's problem.

Returning to Quebec, we have the same problem. It makes our lives expensive. Any improvements we want to make are costly. For instance, if we want to put in a highway between Montreal and Quebec City, there are only 7 million of us to pay for it. When one is

built between Boston and New York, there are 50 million people to pay for it. There is the effect of mass, the effect of volume.

So, in order to give a more precise answer to my colleague, I must say that the major challenge for Canada at this time is demographic. A heavy stress must be put on immigration. We must open up our borders and welcome people coming from overpopulated countries, so that Canada may become a host country for people from all over the world.

**The Deputy Speaker:** With the cooperation of the House, I would perhaps give a little more time for questions and comments, to avoid giving the floor to someone for only a few minutes before proceeding to statements by members.

The hon. member for Champlain.

**Mr. Marcel Gagnon (Champlain, BQ):** Mr. Speaker, I would like to address the last comments made by the member opposite. He said, "The major challenge for Canada at this time is demographics". I would say that the challenge currently facing us is democracy.

It is incredible what you are doing to democracy. You know, when you are busy bragging about your—

• (1355)

**The Deputy Speaker:** It is not so much whether or not you are looking at me that matters. Comments must be made through the Chair, and not directly at a colleague who may or may not share the same point of view.

**Mr. Marcel Gagnon:** Mr. Speaker, I will speak through you, of course. I am deeply shocked when they praise the zero deficit in a balanced budget.

I would like to know if my Liberal colleague would be proud of his accomplishment if he had paid off his debt by taking his neighbours' salaries and palming the expenses off on them? That is exactly what Canada is doing. I am not proud of this balanced budget.

The budget was balanced at the expense of the employment insurance fund—which does not belong to them—to the tune of \$45 billion, in addition to the \$3 billion that was stolen from seniors. The balance also rests on cuts to health services and education for Quebec and the other provinces. It is easy when the government grabs money in areas outside its jurisdiction, and there is nothing we can do to stop it. In Quebec, 55% of our taxes go to the federal government. We have to get down on our knees to get that money to come back to Quebec. When it does come back, we hear about it for years, as though we had asked for a handout. Yet, we do not even get what we are owed.

Personally, a balance like that does not make me proud. I would be proud if the federal government had balanced the budget honestly.

**Hon. Serge Marcil:** Mr. Speaker, I am pleased that the hon. member for Champlain has asked me that question.

The people's money belongs to the people; it is managed by governments that are elected by the people. That is our basic principle. We are talking about democracy and they are talking about theft because it is the only word in their vocabulary.

I would like to ask him this question: in his former government, in Mr. Parizeau's time, how much did you steal from the people when you decided to freeze the savings of the people of Quebec in the Caisse de dépôt during a referendum? When you decided to—

**Some hon. members:** Oh, oh.

**The Deputy Speaker:** Order, please. It appears that the generosity of the Chair may not always be the wisest way to proceed. I would simply like to remind the hon. member on the government side that when he is speaking to his colleagues, all interventions must be made through the Chair.

If we want to continue our debate in a proper parliamentary manner, it would be wise to conform to the usual practices and make our interventions through the Chair.

We will now proceed with members' statements.

## STATEMENTS BY MEMBERS

[*Translation*]

### NEW HORIZONS PROGRAM

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Mr. Speaker, for many years now, I have been fighting to restore the New Horizons program, which granted subsidies to seniors' groups for projects, thereby contributing to their well-being. This program highlighted volunteer initiatives by seniors for seniors, which also encouraged them to get involved in activities to stay physically fit.

On numerous occasions, during Quebec and national caucus meetings, I had indicated my desire to create a program to better meet the needs of seniors throughout Canada with additional funding.

In closing, I am pleased that budget 2004 also allocates \$8 million in 2004-05 and \$10 million annually thereafter to the New Horizons program. These funds will help our seniors take part in social activities, lead an active lifestyle and contribute to their communities.

\* \* \*

[*English*]

### CANADIAN FOOD INSPECTION AGENCY

**Mr. Randy White (Langley—Abbotsford, CPC):** Mr. Speaker, the avian flu is in my riding of Abbotsford. I have met with our provincial minister of agriculture and our province's chief veterinarian to further understand the problem.

I have also met with the Canadian Food Inspection Agency to assess the damages. For three hours last night I listened while producers asked many questions of the CFIA. It is important for everybody to know that this flu affects birds and not people. I want to applaud the Canadian Food Inspection Agency for such a thorough investigation of the issue.

I also want to say that the government will be reimbursing farmers for destroyed birds, but we want the government to understand that there are other costs, such as cleanup, lost production time and lost

*S. O. 31*

birds due to the flu, that have to be looked at. We will be back to the government on that issue.

\* \* \*

• (1400)

## ABORIGINAL AFFAIRS

**Mr. Brent St. Denis (Algoma—Manitoulin, Lib.):** Mr. Speaker, as the federal member of Parliament for the large northern Ontario riding of Algoma—Manitoulin, soon to be renamed Algoma—Manitoulin—Kapusking, I have had the opportunity to become very involved with our first nations. I have often said that we have much to learn from our aboriginal citizens and neighbours. Foremost, I find the natural spirituality of our first peoples to be inspirational.

It is important that Canadian society at large help to protect and preserve Canada's aboriginal heritage by working in partnership to support local initiatives to preserve aboriginal culture. If we do not act now, then many of the languages and stories of Canada's original inhabitants may be lost forever.

I want to commend the Kinnomaadoog project of the M'Chigeeng First Nation on Manitoulin Island. By working to preserve the stories and languages being passed on by community elders, this project is doing us all a great service.

I want to thank the leaders and participants in this excellent project.

\* \* \*

[*Translation*]

## GÉRARD PARADIS

**Ms. Raymonde Folco (Laval West, Lib.):** Mr. Speaker, Gérard Paradis, a Canadian from Laval-les-Îles, has gone to Colombia under the auspices of Canadian Executive Service Organization, CESO. This organization contributes to activities as part of Canada's contribution to stimulating development in economically disadvantaged countries through the efforts of highly qualified volunteers.

Mr. Paradis' expertise will help a chemical company improve the distribution of its products and develop a strategy for marketing new and improved products. Volunteer work has a profound cumulative effect on nearly all sectors of our society by encouraging their growth and development.

I join the people of Laval in thanking Mr. Paradis and the millions of volunteers working throughout the world to improve the lives of those most in need.

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[English]

#### ORDRE DE LA COURONNE

**Ms. Nancy Karetak-Lindell (Nunavut, Lib.):** Mr. Speaker, I am happy to announce that two Oblate Fathers, who have spent their lives in the Kivalliq region of Nunavut, Father Charles Choque and Father Joseph Meeus, have been awarded the Ordre de la Couronne.

This special recognition from King Albert II of Belgium was awarded to Father Choque and Father Meeus for their long and exceptional commitment promoting the culture, values and spirituality of the Inuit with whom they ministered.

The Ambassador of Belgium, Mr. Daniel Leroy, will confer the order upon the two fathers in Rankin Inlet at the end of May.

I ask my colleagues to join me in congratulating the new knights.

\* \* \*

#### RENFREW COUNTY

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, the innovative way to assist eastern Ontario in bringing diversity to our local economy would be to designate Renfrew County with northern status. It has been recognized on both sides of the House that eastern Ontario needs more effective economic development.

The people of Renfrew—Nipissing—Pembroke share many of the challenges of a resource based economy with their neighbours in northern Ontario. In the past, the decision to extend northern status south of the French River was based on politics. From border closures to ruminants, the softwood lumber dispute, SARS, West Nile virus and rising energy prices, the people of Renfrew County and the city of Pembroke need a break.

I call upon the Prime Minister to cherish his Ottawa Valley roots and rise above petty partisan politics to grant Renfrew County northern status before an election is called. It is all about Canadian jobs.

\* \* \*

#### DOMINIC AGOSTINO

**Ms. Paddy Torsney (Burlington, Lib.):** Mr. Speaker, yesterday Canada lost a great parliamentarian and a great Canadian. Dominic Agostino, MPP for Hamilton East, died leaving a gaping hole in our political landscape.

Over the years, Dominic served as a school board trustee, a city and regional councillor, and at Queen's Park since 1995. A fearless fighter, Dominic was energetic, passionate about his community of Hamilton, his province and his country. He dedicated his entire adult life to fighting for the underdog.

Along the way, he earned the respect of his political allies and his opponents, described by one as Mike Harris' worst nightmare. His huge family of friends will miss him greatly. I will miss seeing Dominic at political events where he always had a huge crowd of admirers around him enjoying his ideas, his humour and his loyalty.

I know all colleagues will join me in sending our thoughts and prayers to his family. Those of us who knew him will have many

fond memories to cherish of a wonderful person we were lucky to have had enrich our lives.

\* \* \*

● (1405)

[Translation]

#### JEAN VIGNEAULT

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, last week Saint-Hyacinthe and area lost a major figure, when Jean Vigneault, editor in chief of the *Courrier de Saint-Hyacinthe*, editorial writer, radio personality and voice of conscience, died more quietly than he had ever lived.

Jean Vigneault loved a good fight, particularly a political fight. I have more than once been the victim of his tongue and pen, and they were always sharp. Yet I knew him to be a man of unfailing social commitment, well aware of his influence and making admirable use of that sharp pen to bring about improvements for the common good.

Our last battles on the same side were about employment insurance and keeping the faculty of veterinary medicine. We were at least partially victorious.

Although we did not share the same point of view about the future of Quebec, I kept hoping to be able to convince Jean Vigneault of my views, and as a result of all our discussions we just naturally came to be friends.

My sincere condolences to his wife and family. We will long remember Mr. Vigneault, and our best memories will be of his powerful jibes in the print media.

\* \* \*

#### GREECE

**Hon. Eleni Bakopanos (Ahuntsic, Lib.):** Mr. Speaker, this weekend more than 300,000 Canadians of Greek origin will be celebrating the 183rd anniversary of Greece's independence.

[English]

My constituents of Hellenic origin and all members of the greater Hellenic community of Montreal and across Canada have contributed to building this great nation by upholding the very same ideals of democratic principles, liberty and individual rights held by their ancestors and shared by all Canadians. These concepts and values originating from Greece have been the basis of the democratic system of government of all modern nations including Canada, my second "patrida".

[Translation]

I am proud of my Greek origins, as I am proud to be a Canadian. Canada offers an excellent example of a country pursuing the ideals of Hellenism: freedom, democracy and justice.

[English]

Today and over the weekend, I invite all members of the House to join their constituents of Hellenic origin in the numerous celebrations, such as receptions, parades and wreath laying ceremonies that will take place across Canada and proclaim:

[Editor's Note: Member spoke in Greek and provided the following translation:]

Long live Greece. Long live Canada.

\* \* \*

#### GREEK INDEPENDENCE DAY

**Mr. Rahim Jaffer (Edmonton—Strathcona, CPC):** Mr. Speaker, on behalf of the Conservative Party of Canada, the official opposition, I would like to extend to all members of the Greek Canadian community our most heartfelt wishes of support in celebrating Hellenic culture in Canada today, on this Greece's independence day.

On March 25, 1821 Greece declared its independence after 400 years of being under the siege of the Ottoman Empire. I commend all those who gave their lives for peace, justice and equality. I pay tribute to all the brave men, women and children who put their country ahead of everything else.

Canadians of Greek origin remember this day as the day of their independence. It is in this spirit of independence exemplified by the many Greeks in Canada today that makes this country stronger.

I invite all members of Parliament to join in congratulating the Greek community in Canada today.

\* \* \*

[Translation]

#### ARTS AND CULTURE

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, on May 2, 2001, a major investment in Canadian culture was announced: more than \$500 million over three years, in a program called "Tomorrow Starts Today".

[English]

I am pleased to confirm that this investment is renewed for a fourth year, that is, for 2004-05. There will be an additional \$207 million invested in 2004-05 in the arts, in book publishing, in heritage and historic sites, in electronic content, in sound recording and in cultural export.

[Translation]

This investment is being used to train a generation of young artists who are more representative of Canada's diversity; strengthen local cultural infrastructure across the country; make Canada's municipalities more aware of the great potential of local culture, using various means; improve the infrastructure needed to preserve Canada's historic sites; and provide on-line access to Canadian culture in both French and English—

**The Speaker:** The hon. member for Winnipeg North Centre.

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• (1410)

[English]

#### RACISM

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, this week began with the International Day for the Elimination of Racial Discrimination at a time when new incidents of racism pose a serious challenge.

Parliament has risen to this challenge and so have communities everywhere. I think about the outpouring last night in Toronto against horrible anti-Semitism. I think about amazing developments in my own community of Winnipeg North.

The students at Shaughnessy Park School just won an award for their video *What's Wrong With This Picture?* in the "Racism: Stop It!" national video competition.

The Unity Group from Maples Collegiate has been awarded the YMCA Youth Peace Medal in recognition of outstanding anti-racism efforts.

Grades 4 and 5 students at Prairie Rose School recently completed an incredible project centred on the Holocaust inspired story *Hana's Suitcase*. I am especially inspired by one student's line, "The important thing about *Hana's Suitcase* was that we learned children have the power to change the future".

I look at these achievements and the spirit they represent and I know we will win this battle against racism.

\* \* \*

[Translation]

#### EMPLOYMENT INSURANCE

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ):** Mr. Speaker, last Sunday the hon. member for Portneuf, who was accompanying the Liberal candidate in the new riding of Charlevoix—Montmorency, declared, as reported in the March 22 edition of *Le Soleil*, that "the greater Quebec City region wants us to take action before the election" regarding the situation of unemployed workers who are suffering because of the unjust employment insurance program established by the Liberal government.

We must wait no longer. We must help the seasonally unemployed workers of the Charlevoix and Haute-Côte-Nord region who, for the most part, are receiving no benefits at this time and who are having problems putting food on the table. While the federal government keeps piling up surpluses, workers in the seasonal industries are going hungry.

For a long time, the Bloc Québécois has been proposing the creation of an independent employment insurance fund. Nevertheless, the Liberal government is pretending to seek solutions that we have already found.

Let the government do its work rather than mocking the workers by refusing to meet with them to settle their problems once and for all. I hope that the Liberals will unanimously support the motion by the hon. member for Charlevoix that would give seasonal workers a special status, no matter which economic region they live in.

*Oral Questions**[English]***GREEK INDEPENDENCE DAY**

**Mr. John Cannis (Scarborough Centre, Lib.):** Mr. Speaker, today, March 25, marks Greek Independence Day. It is a day when Canadians of Hellenic descent will be celebrating the anniversary of the liberation of their former homeland from 400 years of occupation under the Ottoman Empire.

In 1821 the Hellenes revolted against their oppressors and embarked on their successful war of independence. On this day Hellenes will commemorate a dark period in Greek history when Hellenes lived under the repressive rule of the Ottoman Empire.

On this day also, Hellenes will be celebrating and paying tribute to the courageous spirits of their ancestors who stood up against their oppressors and successfully fought in order to restore the democracy and freedom that was lost for so many years.

As Greek Independence Day is observed today, Greeks everywhere are especially proud as they look forward to celebrating the return of the Olympics to their homeland in Athens. They will once again be given the opportunity to host this great event that brings together all nations in the spirit of peace and democracy.

*[Editor's Note: Member spoke in Greek]*

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**ADVERSE DRUG REACTIONS**

**Mr. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, medication errors continue to claim the lives of Canadians.

Last week it was revealed that two dialysis patients lost their lives when they were given the wrong IV solution, potassium chloride instead of sodium chloride. At least nine Canadians have been killed this same way in the last four years. Hospitals are taking steps to prevent this from happening again, but how many more lives have to be lost before Health Canada fixes this problem?

Up to 10,000 Canadians die each year due to adverse drug reactions. Less than 10% of those events are actually reported.

Last month I tabled a motion again calling for the government to consider mandatory reporting of all serious adverse drug reactions. The House approved my motion, but the government has still not moved toward mandatory reporting. Does a vote in this House not actually mean anything?

Men, women and children are dying because of medication errors. We can and we must do better. The problem will only get worse unless we act now.

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**CLIMATE CHANGE**

**Mr. Alan Tonks (York South—Weston, Lib.):** Mr. Speaker, the United Nations Framework Convention on Climate Change came into force on March 21, 1994. A decade after its adoption 188 governments, including Canada, are now parties to the convention and it is approaching universal membership.

The convention and the Kyoto protocol are important steps forward in the global effort to address climate change as laid out by

the convention's ultimate objective, which is to stabilize atmospheric concentrations of greenhouse gases to a level that prevents man-made interference with the climate system.

The convention's objective provides us with a long term beacon to follow as we make the significant emission reductions and technological and behavioural changes necessary to properly address climate change.

We understand that we must plan to meet the Kyoto commitment in a way that produces long term and enduring results. That decision is a decision that all Canadians—

• (1415)

**The Speaker:** The hon. member for Saskatoon—Rosetown—Biggar.

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**EMPLOYMENT INSURANCE**

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC):** Mr. Speaker, the Auditor General released her report which highlighted a number of significant problems in Canada's employment insurance program.

The program has a \$43.8 billion surplus, a surplus created through the overcharging of workers. Workers who need to access the program get a busy signal 65% of the time. Those applying online have their forms filled out manually by bureaucrats after they apply.

Does the government care? No, the Liberals do not. If they did, I would not have been in committee this morning looking at empty seats on the government side before the meeting was cancelled by the Chair.

The committee has two parliamentary secretaries sitting on it. Where is the ministerial accountability? Shame on the Liberals for not showing up to discuss such serious issues.

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**ORAL QUESTION PERIOD***[English]***SPONSORSHIP PROGRAM**

**Mr. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, in his 1995 budget the Prime Minister claimed he was going to eliminate waste and abuse. At the same time, he was converting unity moneys to a private fund dispensed on the signature of the Prime Minister.

Why did the Prime Minister allow this secret Liberal slush fund to exist under his watch?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, as I said yesterday, the unity fund began in 1992. It was started under the previous Conservative government.

At the same time, the 1995 budget was the budget that ultimately led to the elimination of the Tory deficit.

*Oral Questions*

**Mr. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I would like the Prime Minister to be clear on this because PCO officials have apparently confirmed the creation of this fund, disbursed on the signature of the Prime Minister in 1996, not in 1992, as the Prime Minister implied yesterday and today.

Can the Prime Minister be clear? Is he saying Mr. Mulroney also dispensed secret funds on his own signature when he was Prime Minister?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, there is nothing secret. All of these moneys were expended in the public accounts and in fact reserves were set up. Reserves were set up under the Tories and Liberal government.

The problem is that the opposition members are so full of innuendo and slander that they fail to understand what is a normal accounting procedure used by the Conservatives and the Liberals.

**Mr. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, it is interesting that for a fund we all know about, we have no lists of how the moneys were actually spent.

The PCO mandate was changed in 1996. Since then, nearly half a billion dollars have apparently been authorized on the authority of the Prime Minister.

Why did it take the Prime Minister nearly 10 years to eliminate this practice?

**Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, I have argued many times in the House that the opposition would profit from spending a little more time on the estimates. All of these funds are identified in the estimates. All the disbursements are identified in the public accounts.

If the opposition members would like me to walk them through the public accounts and show them where to find it, I would be more than willing to do it.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC):** Mr. Speaker, this morning in the public accounts committee former public works minister Alfonso Gagliano had his credibility and testimony blown out of the water by a former projects manager, Huguette Tremblay, assistant to Chuck Guité at public works.

Gagliano's documentation is clearly even more important now with this powerful testimony that leaves his credibility in tatters.

My question is for the Prime Minister. Will he explain why Liberal members of the committee are blocking attempts to examine all the pertinent documents that will lead us to the bottom of the sponsorship scandal?

**Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the committee is requesting information. Whatever is requested that is relevant to chapters 3, 4 and 5 of the Auditor General's Report will be provided.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC):** Mr. Speaker, I can tell you that is not happening.

Madam Tremblay testified that Chuck Guité met weekly with Mr. Gagliano during his tenure as minister. She testified that contracts were rarely in writing; there was a lack of control; things were

deliberately sloppy; and MPs were involved in the decision making process, including the current minister of the Privy Council.

What other current ministers were involved in the decision making of the sponsorship scandal and what did that minister tell this Prime Minister about his meeting with Gagliano?

● (1420)

**Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, some of these questions are starting to be rather interesting in terms of the rules of the House.

My understanding is that some of these matters are to be debated only if a report has been tabled. We are quite happy that this morning the committee adopted a motion stating that it will be looking at an interim report by mid-April.

[Translation]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, minutes after the release of the Auditor General's report, the Prime Minister stated that he did not know anything about the sponsorship scandal.

How can the Prime Minister plead ignorance when it was he who, as finance minister, for eight years, budget after budget, gave at least \$400 million for the Canadian unity fund, which is the secret fund that was used to fund the sponsorship scandal?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, there is nothing secret about this. There are a number of funds. If one looks at the government accounting procedures, whether it is a Liberal government, a Conservative government or a provincial government, there are funds set aside. Everyone knows that and it is public knowledge.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, the government did not announce the existence of that fund, but it announced its abolition. This is rather strange.

The Prime Minister is trying to put the blame on Mr. Mulroney regarding the creation of this fund. However, at the Privy Council, the Prime Minister's own department, they recognize that the conditions governing the use of this secret fund, the conditions that led to the worst abuse, were set in 1996, and it is also in 1996 that the sponsorship scandal began.

Who was finance minister in 1996? It was the Prime Minister. Under these circumstances, how can he claim that he did not know?

**Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.):** Mr. Speaker, this is a perfectly appropriate fund and the money was used for regular programs in various departments. Those were projects that met Treasury Board requirements and each one appears in the public accounts.

*Oral Questions*

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the problem is that this was a normal reserve that was used for abnormal things. We know that the Prime Minister's secret fund resulted in the sponsorship scandal after 1996. However, we believe that, between 1992 and 1996, this fund generously provided by the Minister of Finance at the time may have been at the heart of another scandal, the Option Canada scandal.

Can the Prime Minister confirm that the \$4.8 million that disappeared from Option Canada, which even the auditor at the time could not trace, indeed came from this secret fund?

**Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.):** Mr. Speaker, the Terry Fox Centre and the Katimavik program are examples of perfectly normal programs that were approved by the Treasury Board, like any other program at the time.

One thing is certain. When the Government of Canada promotes national unity, it is mandated by the public to do so, but when the Bloc and the PQ promote sovereignty, they hide this fact during the election campaign and get elected despite their blueprint for sovereignty. And their Conseil de la souveraineté was completely against—

**The Speaker:** The hon. member for Roberval.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, we know that, when it comes to promoting national unity, anything goes on the other side. The former prime minister said it, “The end justifies the means”. It does not matter that millions of taxpayer dollars were wasted, it does not matter that \$250 million of our taxes went to bonuses for their cronies.

I have a question for the Minister of Health. Can he stand up and tell the people of Quebec and the people of Canada that the end justifies the means also for him when it comes to Canada?

• (1425)

**Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.):** Mr. Speaker, I would like to know how much these people contribute to the Société Saint-Jean-Baptiste. The Bloc recently paid for an ad in which Mr. Falardeau tried to tarnish the reputation of individuals such as Claude Ryan.

The Bloc paid for and distributed a rag in which Falardeau shamefully insulted certain individuals. Those people are in no position to preach to anyone. Our new unity approach is going to work despite the bickering.

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[English]

**FOREIGN AFFAIRS**

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, my question is for the Prime Minister. I might add that we are sending his answer to Bono, so I hope he thinks about his reply.

The bill that is supposed to provide affordable drugs to Africa is fatally flawed. It contains the first right of refusal for big drug companies, something that the NGOs and the experts know fatally flaws and undermines the bill. The Prime Minister has been in office

for three months, yet this bill is identical to the bad one that was introduced by Jean Chrétien.

If helping Africa is a priority, why has the Prime Minister done nothing to fix this bill and ensure that the people who are suffering get the drugs that they need?

[Translation]

**Hon. Lucienne Robillard (Minister of Industry and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec, Lib.):** Mr. Speaker, this legislation, which is very important for getting pharmaceuticals to the least developed countries, is currently under consideration by the parliamentary committee.

Members from all parties have had an opportunity to listen to various stakeholders in the pharmaceutical industry as well as our NGOs. We count on everyone's cooperation in order to improve this bill.

[English]

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, the question was, what has the government done to fix this bill? The government seems to be happy with a flawed bill.

However, it goes beyond that. As Bono also pointed out, Canada's commitment to the global fund is one-third below our obligation. The global fund was completely missed in the throne speech. It was not mentioned in the budget.

Again, why was the global fund ignored? Are these commitments simply Liberal window dressing that mean nothing for the people that they are intended to help? Where is the Liberal commitment? Why does it not come through?

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, the government has made a very serious commitment to the poorest countries of the world and we will honour that commitment.

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**SPONSORSHIP PROGRAM**

**Mr. Vic Toews (Provencher, CPC):** Mr. Speaker, today the public accounts committee heard that the current President of the Privy Council met with Chuck Guité, the official in charge of the sponsorship program.

When did the President of the Privy Council disclose to the Prime Minister his direct involvement in the sponsorship program?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the fact is that the statement just made by the hon. member is false.

**Mr. Vic Toews (Provencher, CPC):** Mr. Speaker, a career public servant of 29 years, Huguette Tremblay, with everything to lose and nothing to gain, put the current President of the Privy Council at the scene of the crime.

Why will the Prime Minister not release the Gagliano papers so that Canadians can determine what the involvement of the President of the Privy Council was in respect of the sponsorship pie?

*Oral Questions*

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the hon. member's reference to the public servant who gave testimony this morning refers to someone who the Prime Minister has encouraged to come before these processes and provide evidence.

The hon. member for Provencher, at the public accounts committee this morning, said himself, with respect to other testimony, that unless the testimony was corroborated in a material respect, he did not intend to give these two allegations any weight. He said this morning that we need to focus on what is relevant.

**Mr. Jason Kenney (Calgary Southeast, CPC):** Mr. Speaker, last week Alfonso Gagliano testified that he only met with Chuck Guité two or three times a year. Today, Madam Tremblay said it was a weekly affair.

The President of the Privy Council claimed he knew nothing and had nothing to do with the sponsorship program. However, again Madam Tremblay testified that he was over at that office meeting and talking with Chuck Guité.

It is clear that the President of the Privy Council was involved in political interference. Did he advise the Prime Minister of that?

• (1430)

[Translation]

**Hon. Denis Coderre (President of the Queen's Privy Council for Canada, Federal Interlocutor for Métis and Non-Status Indians, Minister responsible for la Francophonie and Minister responsible for the Office of Indian Residential Schools Resolution, Lib.):** Mr. Speaker, there are limits to telling lies. I have never met with, never spoken to and never seen Chuck Guité in my life. These are lies. This is a breach of my privilege.

[English]

That is not accurate.

**Mr. Jason Kenney (Calgary Southeast, CPC):** Mr. Speaker, it is the Alfonso Gagliano defence all over again. When caught, deny. We are starting to get to the bottom of this.

I would like to know, why is it the Prime Minister ordered his Liberal members of the public accounts committee to refuse public access to the diaries and the records of the former minister of public works, who has now been revealed to have misled the public accounts committee in testimony today? Why?

**Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, we have been told many times that committees are masters of their own destiny.

A committee makes a request for information. Whatever is pertinent to chapters 3, 4 and 5 of the Auditor General's report will be reviewed and provided.

[Translation]

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, the Prime Minister has always denied any involvement in the sponsorship scandal by claiming he was not close to Jean Chrétien's team. However, when \$4.8 million disappeared without a trace from Option Canada in 1995, several people very close to him were directly involved. Claude Dauphin was president of Option Canada.

Francis Fox sat on the Canadian Unity Council, as did Rémi Bujold, who is closely connected to the Prime Minister.

How can the Prime Minister claim that he was kept on the sidelines and in the dark when his now close advisers held key positions at the time?

**Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.):** Mr. Speaker, when this country's unity is under fire, the government always has the responsibility to ensure that unity is maintained. When we go to the polls, we say, "Elect us, we will protect the unity of Canada". They go to the polls saying, "Vote for us, we will not mention sovereignty for a while; vote for a good government". They are hypocrites. That is what they are. On this side, we have a clear mandate to defend Canada.

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, if anyone is hypocritical here, it is him, the king of all hypocrites.

**Some hon. members:** Oh, oh!

**The Speaker:** Order, please. As members know, the use of the word "hypocrite" to describe a member is unacceptable. We may have problems with people as a group, but the members themselves are never hypocrites. We must refrain from using such language in the House.

The hon. member for Longueuil is well aware that this is not acceptable. She may now proceed with her question.

**Ms. Caroline St-Hilaire:** Mr. Speaker, since the start of this secret fund which fed the sponsorship scandal and the scandal at Option Canada, people very close to the Prime Minister played very important roles. The Prime Minister's advisers, ministers, friends and colleagues were all involved at one level or another in this affair.

How can the Minister of Health and the Prime Minister try to convince us that the latter was outside all this and was not informed, when his close advisers were part of the gang gravitating around the secret fund from the start?

**Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.):** Mr. Speaker, we never hid the fact that we were promoting Canadian unity. It is completely normal that the Prime Minister's entourage and I have supported Canadian unity for the past 30 years.

Our strategies are always open and transparent. We do not hide like the PQ wing in this House, the friends of Falardeau who spread obscene rumours about people like Claude Ryan, which the member for Trois-Rivières is repeating in this House. Such behaviour is scandalous.

\* \* \*

• (1435)

**THE ENVIRONMENT**

**Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ):** Mr. Speaker, yesterday on Télé-Québec the former heritage minister stated that the Prime Minister and the Deputy Prime Minister joined forces to exert pressure against Canada's signing the Berlin mandate on the environment, because they did not want Canada involved in this.

*Oral Questions*

Will the Prime Minister acknowledge that, after such a revelation, his credibility in relation to the environment is seriously in question, and that this merely confirms that he sides with the oil and gas industry?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I recall the discussion quite well, and also the fact that Mr. Gray went to Berlin and had the support of all ministers.

**Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ):** Mr. Speaker, the former minister also said that her two colleagues even went before cabinet to prevent her from signing the Berlin mandate.

Given these critical comments from his colleague, can the Prime Minister tell us what credibility can be given to his supposed determination to implement the Kyoto protocol?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, former Deputy Prime Minister Gray had responsibility, assumed that responsibility fully, went to Berlin and signed the mandate. He had our support.

\* \* \*

[English]

**SPONSORSHIP PROGRAM**

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, this morning in the public accounts committee Huguette Tremblay confirmed that the President of the Privy Council contacted Chuck Guité. She confirmed that this morning.

A minute ago, the Prime Minister stood up and essentially said that Ms. Tremblay is lying. Is that his position today?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the public accounts committee is hearing evidence from various people and has obviously been getting different points of view, different evidence. The process is to find the truth. It is not complete yet. What the hon. member referred to has contradicted in the House a statement by that witness.

Members of this cabinet have said they will come forward to any of these processes to say what they knew, if anything, or to defend themselves, and we stand ready to do that. That is why these processes are continuing, but that allegation this morning has been directly contradicted by this minister.

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, we are getting a lot of different stories from the government. Maybe I will ask the minister directly. My question for the President of the Privy Council is, has he ever contacted Chuck Guité in any possible way? Has he ever provided political direction to Mr. Guité? Will he give us an answer, yes or no?

**Hon. Denis Coderre (President of the Queen's Privy Council for Canada, Federal Interlocutor for Métis and Non-Status Indians, Minister responsible for la Francophonie and Minister responsible for the Office of Indian Residential Schools Resolution, Lib.):** Mr. Speaker, the answer is no.

**Mr. Chuck Strahl (Fraser Valley, CPC):** Mr. Speaker, it is becoming clear that the Liberals are having trouble following their own train of thought. The Prime Minister says that there was political direction, a small group of people giving political direction, behind this entire scandal. He is mad as hell and touring the country about it, but today he says he denies the witness is telling the truth.

The witness is somehow misleading what? The committee? The House? The minister?

Why does the Prime Minister not get to the bottom of this and release Mr. Gagliano's papers, which will reveal the truth about this entire sordid affair?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the processes are set up. There will be a public inquiry in public, judicially. We have the public accounts committee. It will hear evidence from various people.

These are fact finding processes. Let the processes go forward, and if any of those processes require documents, let them ask for them and the government will produce them.

**Mr. Chuck Strahl (Fraser Valley, CPC):** Mr. Speaker, the processes, as the minister calls them, have asked for papers. They asked for them in the public accounts committee and the Liberal members denied it.

The Prime Minister says there was political direction behind the sponsorship scandal. Is the president of the PCO the director? Is that the political direction? Where is this political direction? The Prime Minister says he knows where it is. Why does he not release the Gagliano papers and get to the bottom of this so that we can shed light and shed the truth on what went on in the sponsorship scandal?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the reason that the government asked the opposition to accelerate the hearings of the parliamentary committee, the reason that we asked Judge Gomery to take on the inquiry, the reason that we set up Mr. Gauthier, was to get to the bottom of this.

We appreciate very much the fact that Ms. Tremblay appeared this morning and we want other people to come forward because we do want to get to the bottom of this. We want to find out exactly what happened and we want those who did it to be punished.

\* \* \*

● (1440)

[Translation]

**PUBLIC SERVICE**

**Mr. Eugène Bellemare (Ottawa—Orléans, Lib.):** Mr. Speaker, I asked a question of the President of the Treasury Board on Tuesday concerning the government's expenditure review program.

[English]

The minister did not answer my question. The morale of our career public servants is important for me and they deserve a clear answer. I will ask the minister once again. Does the government's expenditure review mean job cuts in the public service?

**Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, I wish to apologize to the member. When he previously asked this question, I was musing on the fact that he was the only member of the House who has been asking questions on the public service, the only one who showed any interest at all in the 450,000 people who work for us.

My answer to his question is no.

\* \* \*

[Translation]

#### INSURANCE COMPANIES

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, according to a recent report of the Insurance Bureau of Canada, in 2003, the 200 general insurance companies made profits of \$2.6 billion, which represents a 700% increase over 2002. Meanwhile, seniors, young people and low income individuals are forced to sell their vehicle or to break the law by driving without insurance, because their premiums sometimes exceed payments on their car.

Does the federal government intend to do something to stop these companies from robbing Canadians?

**Hon. Denis Paradis (Minister of State (Financial Institutions), Lib.):** Mr. Speaker, as we saw in the budget, the government is acutely aware of the needs of Canadians.

As regards insurance premiums specifically, these premiums are set by the provinces. I believe it is important to have an ongoing dialogue between the federal and provincial governments to ensure that the big winner is the Canadian taxpayer.

\* \* \*

[English]

#### FOREIGN AFFAIRS

**Mr. Svend Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, my question is for the Prime Minister. Next month, His Holiness the Dalai Lama will be visiting Canada to conduct religious teachings and to meet with parliamentarians, including the foreign affairs committee.

I want to ask the Prime Minister whether he will agree to meet with His Holiness the Dalai Lama, as almost half the members of the House from all parties have requested of him, and will he agree to consider serving as an intermediary in talks between the People's Republic of China and His Holiness the Dalai Lama?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, we have received representations in respect of the visit of the Dalai Lama. We have a great deal of respect for His Holiness as a Nobel Prize winner and as someone who is coming to our country and will be treated with a great deal of respect.

In terms of whether or not we would have official government discussions with him, that is another matter, but that does not mean in any way that we in the House and everyone on this side of the House in particular do not regard the Dalai Lama with the highest of respect and the veneration he is due.

\* \* \*

#### SPONSORSHIP PROGRAM

**Mr. Jason Kenney (Calgary Southeast, CPC):** Mr. Speaker, the President of the Privy Council denies ever having contacted Chuck Guité. Chuck Guité was replaced in that office by Pierre Tremblay.

I would like to ask the President of the Privy Council if he met with Pierre Tremblay while he was running the sponsorship

#### Oral Questions

program. If so, how often? And how much did he interfere in the management of this program?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker—

**Some hon. members:** Oh, oh.

**The Speaker:** Order. I know the Minister of Public Works and Government Services is very popular, but we have to be able to hear his answer. The cheering is great, but the hon. minister will want to answer the question and members will want to hear the answer.

**Hon. Stephen Owen:** Mr. Speaker, this question is clearly related to the sponsorship incidents which are the subject of the inquiry by the public accounts committee and by the judicial inquiry to be held by Justice Gomery. That is where we should be putting these questions. The minister has favoured the House with a denial to an earlier question, but clearly these questions belong before the processes that have been set up to answer them.

**Mr. Jason Kenney (Calgary Southeast, CPC):** Another one bites the dust, Mr. Speaker. He will not even answer.

I would like to give another opportunity to the President of the Privy Council, because the Prime Minister tells us that he consulted with all of his ministers, including this one, about their involvement and knowledge of the sponsorship scandal. Today we have testimony, serious testimony, that this minister was interfering in that program while Pierre Tremblay ran the office. Did he or did he not? Will he not stand in this place and admit his involvement in the sponsorship scandal right now?

• (1445)

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** First of all, Mr. Speaker, we have allegations, uncorroborated allegations, about something that was said to have happened, and now totally uncorroborated and unsupported by anyone other than this member making up a question.

These processes are set up to answer them. All members of the government are willing to come forward when asked to answer these sorts of questions in the proper way in the proper forum.

\* \* \*

#### GOVERNMENT CONTRACTS

**Mr. John Reynolds (House Leader of the Official Opposition in the House of Commons, CPC):** Mr. Speaker, the Prime Minister vowed only last week to put an end to cronyism and political patronage. Canadians almost believed him when he said he would do it come hell or high water.

David Peterson is floating on heavenly waters today. The former Liberal premier of Ontario is also the brother of a minister in this Liberal government. His law firm has just been awarded a contract extension worth in the neighbourhood of \$1 million over the next year. When precisely does the Prime Minister plan to “condemn to history the practice and politics of cronyism”?

*Oral Questions*

**Hon. Andy Mitchell (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, this is absolute nonsense. This individual is dealing with the devolution file, which has to do with territorial, provincial and federal relationships. What better than to have a former premier do it?

This individual negotiated a framework agreement, was successful on this file and is continuing to do it. This individual is a qualified individual awarded the contract according to the rules. The comment of the hon. member over there is absolute and utter nonsense.

**Mr. John Reynolds (House Leader of the Official Opposition in the House of Commons, CPC):** Mr. Speaker, this same Liberal individual went into an election 25 points ahead in the polls too and lost that election because of the same kind of nonsense that is going on right here.

The Prime Minister said that “no longer will the key to Ottawa be who do you know”. Canadians thought he was changing the lock when all he did was tinker with the key. Now it is not what one knows, it is who one knows in the PMO again. When will the Prime Minister keep his word and stop the practice and politics of cronyism?

**Hon. Andy Mitchell (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, the Prime Minister is keeping his word. May I suggest that rather than the hon. opposition member worrying about political affiliation with somebody, he worry about whether somebody is competent, because that should be the measure. This individual is competent and that is why he has the job.

\* \* \*

[Translation]

**THE BUDGET**

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, in the budget, the government has stated its intention to go forward with the creation of a Canadian securities commission, even though Quebec and a number of provinces have denounced this encroachment on their jurisdictions.

Behind the fine speeches we can see the same old centralizing tendencies. How can the Minister of Finance announce in his budget that he intends to create this securities commission without the agreement of Quebec and the provinces?

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, there was a report by a distinguished group of Canadians some months ago that recommended the process of a single securities regulator for Canada in order to bring our securities regulations in the country into the 21st century.

That is an important innovation to bring into the regulation of capital markets. I am pleased that provincial ministers responsible for this matter are discussing it and seriously at work at it.

I think the hon. gentleman would agree with me and them that it is important for us to have a 21st century system and not one in the 19th century.

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, creating yet another federal bureaucracy is not the way to solve this kind of problem.

How does the Prime Minister reconcile the content of his Speech from the Throne with the fact that he wants to impose an equalization formula and, now, to impose the creation of a Canadian securities commission? That is a strange kind of partnership.

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, with respect to the equalization payment, as the hon. gentleman will know, this is about a \$10 billion program. It will be rising by \$1.5 billion over the next five years and 45% of the benefit of that program flows to the province of Quebec. Quebec is the largest single beneficiary of Canadian equalization.

With respect to securities regulation, I would correct the hon. gentleman. The wise persons' committee did not recommend a federal solution. It recommended a single Canadian solution.

\* \* \*

• (1450)

**CHILD PORNOGRAPHY**

**Mr. Myron Thompson (Wild Rose, CPC):** Mr. Speaker, as I have worked with the authorities on the issue of child pornography, I have viewed some of the most abhorrent pictures of young children, even babies being sexually abused. These pictures would haunt any normal person. They sicken me as they do all Canadians.

After 100 days on the job, it is obvious to me that the Prime Minister does not take this issue seriously. The best legislation he came up with to protect our children is a recycled bill that allows for the defence of public good.

Will he scrap this useless legislation and protect our children properly by eliminating all defences for the possession of child pornography?

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, we have the strongest child protection legislation. The question is not whether we will scrap it but whether the opposition will allow us to enact the legislation.

**Mr. Myron Thompson (Wild Rose, CPC):** Mr. Speaker, John Sharpe and all pedophiles think it is great.

On October 28, 2003, the House unanimously passed a motion that our children will be protected from sexual assault and exploitation by immediately eliminating all defences for the possession of child pornography.

I know the Prime Minister is completely paralyzed defending himself over scandal but he could do one good thing this session. He could bring forward new legislation that reflects the unanimous view of the House.

When will the minister act on the motion?

*Oral Questions*

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the legislation is exactly in accordance with that motion in the House and the definition of public good is exactly in accordance with the definition as set forth by the Supreme Court of Canada.

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**TRANSPORT**

**Mr. Janko Perić (Cambridge, Lib.):** Mr. Speaker, my question is for the Minister of Transport.

Exports from Canada's technology triangle, including my riding of Cambridge, rose 20% from 2000 to 2002. The main mode of transporting the region's exports involves roads.

What is being done to support and enhance a seamless transportation system across the Canada-U.S. border to protect Canadian jobs?

**Hon. Tony Valeri (Minister of Transport, Lib.):** Mr. Speaker, members know that Canada depends on trade. One truck full of goods crosses our borders every three seconds.

With regard to the member's region, the recent federal-provincial investment of \$300 million for the Windsor gateway is critical to the economy of Ontario, in particular, very important to the automotive sector.

It is clear to me that members on this side of the House and certainly members in that corner are very much committed to ensuring that uninterrupted trade flows continue to come across our borders to ensure that we can continue to trade with our neighbour to the south.

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**SPONSORSHIP PROGRAM**

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC):** Mr. Speaker, I have a very simple question. Did the President of the Privy Council meet with Pierre Tremblay, the leader of the sponsorship program, yes or no?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I think relevant to this question and to the earlier question is the misquoting by hon. member's opposite of Ms. Tremblay's evidence before the public accounts committee.

If I can repeat. This morning Ms. Tremblay said "I do not know because it was not me who they were calling. Therefore if they said to me that it was the Office of the President of the Privy Council calling it would not mean that it was him. It could mean that it was someone else. I can't tell you".

That was her evidence. It should not be misrepresented by that side of the House.

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC):** Mr. Speaker, we know his legs are not broken because he was standing and speaking before, so I am going to ask the question very simply and perhaps the minister can get up and defend himself rather than having the minister from British Columbia do it.

Did the President of the Privy Council meet with Mr. Tremblay and talk about the sponsorship program, yes or no? It is his obligation to answer. Did he talk to him, yes or no?

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the hon. member has answered no.

\* \* \*

[Translation]

**THE ENVIRONMENT**

**Mr. Serge Cardin (Sherbrooke, BQ):** Mr. Speaker, the government is preparing to sell all its shares in Petro-Canada and hopes to pocket at least \$2 billion in the process. This money must not go to help the oil and gas industry, but rather to meet the Kyoto objectives.

I am asking the government if it is prepared to take advantage of this opportunity to make a significant gesture in favour of Kyoto and to commit to allocating its profits from this sale to projects to encourage wind power?

● (1455)

[English]

**Hon. Ralph Goodale (Minister of Finance, Lib.):** Mr. Speaker, the proceeds from the sale of Petro-Canada will, first, help to re-establish the principles of fiscal prudence, and second, \$200 million will go toward the sustainable development technology fund which is directed toward environmental purposes.

We have made the commitment that over the next seven years we will invest at least \$1 billion in those environmental technologies of the future.

\* \* \*

**FEDERAL ECONOMIC DEVELOPMENT**

**Ms. Sarmite Bulte (Parkdale—High Park, Lib.):** Mr. Speaker, my question is for the Minister of State, Federal Economic Development Initiative for Northern Ontario.

The task force on women entrepreneurs released its report in October 2003. The task force report found that one of the greatest challenges facing women entrepreneurs still today is access to capital. However this challenge is magnified in rural areas throughout Canada.

Could the minister advise us how the budget will help women entrepreneurs in northern and rural Ontario address this challenge?

**Hon. Joe Comuzzi (Minister of State (Federal Economic Development Initiative for Northern Ontario), Lib.):** Mr. Speaker, I thank my colleague for that question because it concerns women entrepreneurs and their ability to enter our economy in greater force than they have been able to do up to this point in time.

The Minister of Finance stated in his budget that he was looking for innovative and different ways to enhance this program. We intend to do it. We intend to offer women in our country more opportunity for business guidance, and more important, access to the capital that is necessary for every entrepreneur.

*Oral Questions***SPONSORSHIP PROGRAM**

**Right Hon. Joe Clark (Calgary Centre, PC):** Mr. Speaker, my question is for the Prime Minister.

The Prime Minister has spoken of an operating reserve used by the Mulroney government in fiscal 1992-93. He will know that reserve was used to establish the new cabinet committee on constitutional affairs, the new public service secretariat, the six national citizens consultative conferences, the joint parliamentary committee and other initiatives related to the Charlottetown accord.

Is he honestly pretending that those very public initiatives are comparable to the scandals revealed in the sponsorship program?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, it is a common practice in governments, federal and provincial, to have reserves for contingencies, unexpected or otherwise. The fact is that the reserve in this particular case was used for exactly the reasons that the hon. member has just said or equally laudable objectives, such as the Terry Fox Centre.

The fact is that these are public moneys spent publicly. They are fully registered in the estimates in the books of account.

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[Translation]

**GASOLINE PRICES**

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, with the sale of its Petro-Canada shares, the federal government will be losing its inside view of the oil and gas industry. This makes it all the more appropriate to act on the recommendation of the Standing Committee on Industry, Science and Technology to create a petroleum monitoring agency.

Does the Minister of Industry not see this as one more reason to act on the committee's recommendation and to create this watchdog agency, which would finally make it possible to regulate the oil and gas industry? Are we going to find out the government's position on this before an election is called?

[English]

**Hon. R. John Efford (Minister of Natural Resources, Lib.):** Mr. Speaker, I answered that question in the House yesterday. The hon. member knows quite well our position on the question he is asking. We have stated very clearly before that free enterprise takes care of itself, that the provinces themselves, in two cases in eastern Canada, try to regulate the gasoline industry. We are considering it and we will announce our decision at the right time in the future.

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**CANADIAN FORCES**

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Speaker, some of our greatest Canadians are those who serve in our armed forces and in overseas theatres to help bring peace and democracy to other countries of the world. However, with the recent budget, there is great confusion about which armed services personnel will receive a benefit.

When we send these brave men and women overseas, along with their civilian counterparts, will the Minister of Finance now stand in

the House and say that all members of our armed forces personnel and their civilian counterparts, when involved in theatres of conflict, be it Bosnia, Haiti, the Arabian Gulf or Afghanistan, will receive the same benefit that was announced in the budget?

• (1500)

**Hon. David Pratt (Minister of National Defence, Lib.):** Mr. Speaker, I would like to congratulate the hon. member for the question because I think it is the first question that has come from the NDP since Parliament resumed on February 2, dealing with the men and women of the Canadian Forces.

I should also mention that this is a very positive measure from a very positive budget and from a very popular finance minister as well. This will have a positive impact on the men and women of the forces. I am looking very favourably at having the measure apply to those serving in Haiti, Bosnia and those—

**The Speaker:** The hon. Leader of the Opposition.

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**SPONSORSHIP PROGRAM**

**Mr. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, the Prime Minister promised Canadians that his government would be transparent and open in getting to the bottom of the sponsorship scandal.

Now repeatedly today in question period the President of the Privy Council has been asked questions about his relationship with Pierre Tremblay.

Will the Prime Minister require his ministers to stand and answer questions or will he be part and parcel of this kind of stonewalling?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, on numerous occasions the minister has stood in the House and has responded to the questions asked of him.

At the same time, the Minister of Public Works has stood in the House and has responded.

The fact is that this government, in an open and transparent way, has put in place the commission of inquiry and has asked to have the parliamentary committee accelerated. We have said that ministers are quite prepared to appear and respond to questions in front of the committee.

The fact is that we will get to the bottom of it. I just wish they would quit stalling in committee.

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**PRESENCE IN GALLERY**

**The Speaker:** I draw the attention of hon. members to the presence in the gallery of the Honourable Pat Binns, Premier of Prince Edward Island.

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

**BUSINESS OF THE HOUSE**

**Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC):** Mr. Speaker, I would like to ask the usual Thursday question of the government House leader. I would like to ask him what the business is for the rest of this week and next week.

I would also like to ask him to assure the House that we will not have to cancel anymore committee meetings next week, because Liberal members are not showing up, and get down to doing the business of the House.

**Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.):** Mr. Speaker, I am glad to answer the Thursday question.

[Translation]

This afternoon, we will continue the budget debate. Tomorrow, we will begin consideration at the report and subsequent stages of Bill C-3, the Canada Elections Act, followed by a motion for referral of Bill C-25, the whistleblower bill, to a committee before second reading.

Monday and Tuesday we will continue with the budget debate. Wednesday, we will have votes on ways and means motions. We will then resume consideration of any bill that did not get finished on Friday, Bill C-11 in particular, plus of course, if possible, Bill C-9 on drugs. Next Thursday, I hope we will be able to start second reading of the budget bill.

As for the committees, all I can say is that I am pleased the Standing Committee on Public Accounts will be able to make some progress during the week we are not sitting here in the House.

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[English]

**POINTS OF ORDER**

## ORAL QUESTION PERIOD

**Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, in answer to a question earlier in question period today about the meeting between the president of the Privy Council and a Mr. Tremblay, I was referring in my answer to the evidence given today at the public accounts committee from Ms. Tremblay about a possible meeting between him and Mr. Guité. I wanted to make that point of clarification.

**Miss Deborah Grey:** Mr. Speaker, in light of his remarks, it seems we have two completely different answers: one from the minister of the Privy Council and his ally and one from Huguette Tremblay. These two answers are diametrically opposed. Somebody is lying in this, and I trust Huguette—

• (1505)

**The Speaker:** I trust the matter will be delved into. It is a committee hearing that the hon. member for Edmonton North is referring to, and committees are masters of their own proceedings, as I have said many times. The committee can ask questions of witnesses. That is what happens. I am sure that the hon. member, who has perhaps not had the experience and trials that some other hon. members have had, tribulations maybe but not trials, knows that sometimes evidence in trials is conflicting. That is what these inquiries are for, so we will let the course of justice proceed.

*Speaker's Ruling*

## ORDER IN COUNCIL APPOINTMENTS—SPEAKER'S RULING

**The Speaker:** I am now prepared to rule on a point of order raised on March 10 by the right hon. member for Calgary Centre concerning the transcription in *Hansard* of remarks by the hon. government House leader on March 9, 2004.

[Translation]

The right hon. member for Calgary Centre alleges that *Hansard* does not accurately reflect the words of the hon. government House leader where, at page 1259 in the French version, it states:

Je regrette que cette obligation n'ait pas été remplie, [...]

He contends that the phrase “à cause d’une erreur administrative” has been excised from the minister’s remarks. The hon. government House leader states that the *Hansard* entry is accurate.

[English]

I have looked into the situation and it appears that there has indeed been an error, though not the error that might originally have been suspected. I have obtained from *Hansard* records a copy of the document containing the draft notes of the government House leader. As members will know, it is common practice to make such notes available to our interpreters and later to the *Hansard* editors to assist them in their work.

A perusal of the minister's draft notes shows clearly that the phrase “à cause d’une erreur administrative” was indeed in the original text, but these words were crossed out, one assumes by the minister, and were not ultimately spoken by him when he rose in the chamber. However, it would appear that the simultaneous interpretation, relying on the draft text that had been provided, and not on the words spoken, erroneously included that phrase when translating the minister's remarks into English.

I am satisfied that this explains the discrepancy that concerns the right hon. member for Calgary Centre and that *Hansard* is a faithful reflection of what was said in the House. I thank him for his vigilance with regard to the accuracy of House *Debates* and I thank the hon. minister for his contribution in clarifying this matter.

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**PRIVILEGE**

## DISCLOSURE OF ONTARIO LIBERAL CAUCUS MEETING—SPEAKER'S RULING

**The Speaker:** I am also prepared to rule on the question of privilege raised by the hon. members for Haliburton—Victoria—Brock and Scarborough—Rouge River on March 11, concerning the recording, disclosure to the media and subsequent publication of the confidential proceedings of a meeting of the Ontario Liberal caucus which took place in room 253B of the Centre Block on February 25.

I would like to thank the hon. members for Haliburton—Victoria—Brock and Scarborough—Rouge River for having raised this very serious matter.

*Government Orders*

In his submission the hon. member for Haliburton—Victoria—Brock deplored the fact that Sun Media had published a tape of a confidential meeting. He argued that this action was not only a breach of his privacy and that of his constituents, it was also an event that adversely affected his ability to speak out in private on behalf of his constituents.

[*Translation*]

Noting that the facilities used for the meeting he attended are multi-purpose and often used for many different types of confidential meetings by members of all parties, the hon. member for Haliburton—Victoria—Brock asked the Speaker to look into the matter to ensure the protection of his rights as a member.

[*English*]

In his remarks, the hon. member for Scarborough—Rouge River asked the Chair to consider three aspects of this matter. First, the hon. member argued that the disclosure of the February 25 meeting by the *Ottawa Sun* newspaper constituted a breach of privilege. Second, he submitted that an offence under the Criminal Code may have been committed. Finally, he brought to the attention of the Chair the relationship between the conduct of the media in and around Parliament, the special privileges granted them by the House, and the media's violation of House rules about the confidentiality of private meetings.

The hon. member for Scarborough—Rouge River concluded by indicating that he would be prepared to move the appropriate motion should there be a finding of a prima facie breach of privilege.

As I indicated on March 11, the Chair takes such matters very seriously. Mr. Speaker Bosley, faced a similar situation on January 30, 1986, involving alleged electronic eavesdropping on a caucus meeting. Just as Mr. Speaker Bosley stated on that occasion, and I refer hon. members to the *Debates* of January 30, 1986, at page 10336, I can assure hon. members that whenever the Speaker receives such complaints, they are acted on as quickly as is humanly possible.

In the current case, even before the hon. members raised the matter in the House, I had asked for a full report on the leak of this meeting. That report has revealed that there was indeed a human error made. Specifically, during their verification of equipment prior to the meeting, staff responsible for the room set-up inadvertently left the equipment in lock-in rather than lock-out mode. This mode makes it possible to broadcast the proceedings in a room and for anyone receiving the broadcast on an FM receiver to record the broadcast.

It is important to note, however, that in order for the broadcast to take place, someone had to activate the broadcast button on the console in the meeting room. How that function came to be activated and by whose hand remains unclear. However, I can assure the House that I have asked my officials to take all reasonable administrative precautions to guard against this situation being repeated.

● (1510)

[*Translation*]

That being said, in certain circumstances, the Chair might consider the matter to end there. Were this case simply to involve a complaint about House services that could be traced back directly to human error, then it would not involve a prima facie question of privilege. However, the situation before us is not so simple.

[*English*]

True, human error by staff has been identified. But that error does not explain the eventual activation of the broadcast function that made the leak possible. As hon. members have stated, this might have involved malicious intent by a person or persons unknown and an offence under the Criminal Code may have been committed. That is not for your Speaker to determine, though it is an allegation that members may wish to pursue elsewhere.

The crux of the matter for the Chair is not the leak of this information, but the publication of leaked information that was manifestly from a private meeting. The concept of caucus confidentiality is central to the operations of the House and to the work of all hon. members. The decision to publish information leaked from a caucus meeting is, in my view, an egregious example of a cavalier and contemptuous attitude to the privacy of all members and that privacy is something upon which all members depend to do their work. It is a situation in my view that cannot go unanswered.

Accordingly, having examined the situation in the matter of the publication of a leak from the caucus meeting of February 25, I find that there is a prima facie breach of privilege and I am prepared to entertain a motion at this time.

REFERENCE TO STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS

**Mr. John O'Reilly (Haliburton—Victoria—Brock, Lib.):** Mr. Speaker, I appreciate your thought and wisdom in this matter. I am prepared to move the motion that:

This House refer the matter in question on privilege to the Standing Committee on Procedure and House Affairs for study and report back to this House on its findings.

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

**Some hon. members:** Agreed.

(Motion agreed to)

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## GOVERNMENT ORDERS

● (1515)

[*English*]

### THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

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

*Government Orders*

**Hon. Andrew Telegdi (Kitchener—Waterloo, Lib.):** Mr. Speaker, budget 2004 represents a continuation of our government's record of sound fiscal management. We have produced a seventh consecutive balanced budget, a first since Confederation, with more projected for the next two years.

We have gone from a deficit position of \$42 billion in 1993 to a surplus of \$1.9 billion for this year. Eliminating the deficit and reducing the debt is not an end in itself. Rather, it is about keeping control of the fiscal sovereignty of our country.

Debt financing is still our largest expenditure. Let us think of what we could do with this money if we had no debt and did not have to manage the horrendous \$42 billion deficit and \$520 billion debt left by the previous Conservative government.

The strongest testament to our progress is when we consider that in the early years of debt management we were in a deficit position and had a horrendous debt. As soon as we tabled a budget, our economic ministers would have to go to the financial capitals of the world, to London, New York, Paris, Bonn, and Tokyo, to plead our case to 28 year old whiz kids in red suspenders who set the rate for bonds so the cost of financing our foreign debt would not go up because of higher interest rates.

Not one of our economic ministers had to go anywhere once we brought the deficit and the debt under control.

Budget surpluses have reduced the national debt by \$53 billion, which has saved Canadians over \$3 billion in interest charges. From 1993 to now, there has been a drop in prime interest rates from 7.5% to 2.25%. The cost of servicing our debt went from 38¢ on every dollar in 1993 to 21¢ on a dollar today. There was a drop in our foreign debt from 44% to 16% of gross domestic product; what this means is that more of what Canadians earn is staying at home. There has been a reducing of the debt to GDP ratio from 68.4% in 1995 to 42% this year. The unemployment rate is down from 11.5% in 1993 to 7.4% today. There have been significant increases in employment with 271,000 new full time jobs created in 2003 and over two million since 1993.

Fiscal turnaround over the past 10 years exceeds that of all other G-7 countries, and we are the only members of this organization to maintain surpluses this year despite the global downturn. We expect economic growth of a healthy 2.7% this year even as we recover from significant shocks to our economy from SARS, BSE and avian flu.

Budget 2004 directly addresses the concerns that Canadians have regarding the management of their hard-earned tax dollars and provides concrete measures to re-establish their confidence. To this end, we have implemented a comprehensive plan to improve accountability and expenditure control. We have reintroduced the Office of Comptroller General of Canada, which the Conservatives eliminated, to oversee government spending. New corporate governance rules for crown corporations will also be implemented.

• (1520)

The expenditure review committee, established the day the present government took office, is dedicated to improving public sector management and ensuring that government programs are effective

and affordable. To this end, it has begun a line by line review of expenditures with a view to generating annual savings of at least \$3 billion within four years, savings that can be used in priority areas such as health care and education.

For 10 years I have been calling for a change in the way we do moving for the government so that we can save \$30 million to \$40 million a year. I fully expect that under this process the waste in government moving will finally be eliminated.

My riding of Kitchener—Waterloo is at the heart of Canada's technology triangle with Communitech and is an area that has shown exceptional employment growth and export activity. It is also the home of a community college and two universities, the University of Waterloo and Wilfrid Laurier University. The growth in our high tech companies' exports and sales and the increase in post-secondary education research capabilities have been facilitated by government support.

This has translated into higher profits for companies and higher personal income for their employees, which provide a real net return to government. A recent study in our region indicated that taxes paid by residents exceeded government grants and transfers by close to a billion dollars.

The success of my community is based on education, which is also the success of Canada. Education is a key factor in securing a higher standard of living, a better quality of life and Canada's success in the 21st century.

Social programs are important to Canadians. Early learning and child care are crucial to intellectual development, and we are increasing our significant funding in these areas by \$150 million.

This budget makes access to higher education more accessible to Canadians from low income and middle income families, with targeted measures such as the provision of a Canada learning bond at birth to children of low income families as an incentive to encourage savings for post-secondary education. As well, beginning in 2005, the Canada education savings grant will be increased from 20% to a maximum of 40% for low income and middle income families.

There is also help for students, with new grants provided for 20,000 students from low income families to cover part of their first year's tuition. Student loan limits will be increased, parental contribution from middle income families will be reduced, and we will increase the threshold for eligibility for interest rate relief on unpaid loans.

Significantly, we have increased the advancement of opportunities for aboriginal Canadians, with \$150 million going to support the aboriginal human resources development strategy and \$50 million to support the urban aboriginal strategy.

*Government Orders*

Since balancing the budget in 1997-98, investing in research and development has been one of our top priorities, with research totalling \$13 billion this fiscal year. Our government spending on research and development is the highest per capita in the G-7.

These investments will reap significant and ongoing rewards for Canadian companies, their employees and the communities they support.

One of the problems in giving a speech on the budget is that we do not have enough time to tell all the good news. One thing that is very clear is that this government, since it has taken office, has adopted a balance approach. We have again invested in health care for Canadians and it again is a priority of Canadians. The meeting that is coming up with the Prime Minister and the first ministers of this country is going to set the course for sustainable health care in Canada. It is a position that Roy Romanow supports.

• (1525)

We are going into the new millennium on a sound financial footing. It is the ability to manage our finances that enables Canadians to achieve their potential.

**Mr. Ken Epp (Elk Island, CPC):** Mr. Speaker, I cannot sit here without correcting a misperception that is perpetrated constantly by members of the Liberal Party, that is, that they were the ones who were successful in bringing under control the debt that was left to them by the Mulroney Conservatives.

I remember in 1993 when I was campaigning that the debt was around \$520 billion. I complained about it. I told people that was why they should vote for Reform; that is what we were at that time. In reply, the Conservative candidate said they in fact had a balanced budget on program spending, but the amount of the debt was simply and purely the accumulated interest cost year over year on the debt they had inherited from the Liberals nine years earlier. I did the math because I am a math type of guy. I found him to be correct and I stopped making that particular point in our all candidate forums.

In other words, starting with Mr. Trudeau, during the times when Mr. Chrétien was the treasurer and had record deficit budgets, that is when we accumulated this huge debt hole that we got into. It was accumulated by the Liberals. In nine years, I admit, the Conservatives did not in fact pay down all that debt, but they did simply inherit the Liberal debt and then they left the Liberals with the same debt, just with the accumulated interest. It is their own debt.

I also would like to point out that the debt right now—we have had an accounting change to a full accrual system—still stands at an amount greater than when the Liberals took over in 1993.

**Hon. Andrew Telegdi:** Mr. Speaker, I would be very pleased to respond to that. The reality, and I think it is important for members on the other side to understand this, is that they have inherited the previous Conservative government's legacies. They changed their name to Reform, then to Alliance and they finally got rid of the progressives in their party and they are back again as the Conservative Party.

The reality is that under nine years of Conservative rule preceding us coming into office, the Conservative government ran a deficit each and every year. The size of the debt grew from \$200 billion to over \$500 billion in nine short years.

What is important for Canadians to understand is that this is about sound fiscal management. In eleven budgets, this government has had seven consecutive balanced budgets, which turned into, in many cases, surpluses that allowed us to reduce the debt by over \$50 billion, saving \$3 billion each and every year on interest payments. This also means that this money can be better spent on expenditures such as health care, education and social services.

I think what is also very critical for us all to understand, and why it is so important to have the debt financing under control, is that it allows us as a country to maintain our economic sovereignty; in case we have a rise in interest rates, we can still manage the debt. The reality since we have been managing the fiscal affairs of the country is that our interest rates have been coming down and employment has been going up.

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC):** Mr. Speaker, I will be splitting my time with my hon. colleague from Lethbridge, Alberta, who will be handily re-elected in the coming campaign against a fellow by the name of Ken Nicol, a provincial politician who thinks he may have a chance to defeat my colleague from Lethbridge. The fact is my colleague from Lethbridge is one of the finest members in this House and will be soundly re-elected in the coming campaign.

This budget was a great disappointment. When I sat in the House while the budget was being delivered, I looked at the finance minister and listened to him giving the speech and I looked over to the Prime Minister, sitting just to his left, and I thought to myself, what happened? What happened to the big, bold agenda, the brand new ideas, the passionate sense of need for the country that he was going to fulfill? What happened to the bold agenda that he had in mind? The idea of putting gas taxes into roads and all the other big ideas just absolutely were not there.

Canadians had very high expectations for the Prime Minister. Canadians hoped that they were going to see a new Prime Minister and a new agenda for Canada. In fact, what we saw was a bunch of stale, old hype that just was not fulfilled in any way whatsoever. The budget was a disappointment. Frankly, it was a hodgepodge and a jumble of projects that do not address the real needs of Canadians or Canada's economy.

With 46% of the income of the average British Columbian being eaten by taxation, we all expected more in this budget. Clearly, the Liberals are ignoring the emerging consensus in Canada that tax relief, including personal income taxes, business taxes, and reducing EI premiums has to be the priority in order for us to prosper economically and for there to be the job growth necessary for our future.

Under the Liberal government, spending has increased \$41 billion over the past seven years. Over the next two years spending will increase by another \$13 billion. Hardworking Canadians are sending more money to Ottawa than ever before, but Canadians still are not receiving the appropriate level of services commensurate with the level of taxation that they are paying. Hospital waiting lines continue to get longer, students continue to plunge deeper into debt, and our soldiers are stretched as thin as ever.

*Government Orders*

What this means for the average Canadian is that they have less take home pay, which in turn means less freedom to choose how to live their lives and fewer opportunities, specifically for young Canadians.

The effect can be seen in British Columbia. The effect of this reality can be seen with regard to tax freedom day. Tax freedom day has moved, in British Columbia from June 9 in 1993 when the Liberals first came to office to July 2 today. Let me repeat that. When the Liberals came into power in 1993, tax freedom day in British Columbia was on June 9 and today it is July 2. What this means is that for the typical family in my riding of Port Moody— Westwood—Port Coquitlam, the typical family has to work 23 more days for the government than they had to in 1993.

This is a disgrace because Canadians work hard. My constituents work hard for their money. Businesses are sacrificing. People are doing what they need to do, yet year after year of Liberal government, they are having less take home pay, less money, fewer choices in their lives, and it is all because of the fiscal irresponsibility of the Liberal government.

What happened specifically to the promises of the Prime Minister when he was running to be Liberal Prime Minister? What happened to his promise for a new deal for cities by putting gas taxes into roads? In nine budgets over the past 10 years the current Prime Minister when he was finance minister said no to investing gas taxes into roads. Then on May 29 the Prime Minister said that the idea of putting gas taxes into roads would be among his very first priorities as Prime Minister. Ten months later he has still failed to act on his promise.

Even after he voted in favour of the official opposition motion in October last year, he has still failed to do that. Let us not forget that in October last year the House passed by a vote of 202 in favour to 31 opposed a motion that said:

That in the opinion of this House the government should initiate immediate discussions with the provinces and territories to provide municipalities with a portion of the federal gas tax.

Clearly, the Liberal government and the Liberal Prime Minister have abandoned their new deal for cities and they cannot be trusted to invest our gas taxes into roads.

There were essentially two pillars to his campaign as leader of the Liberal Party to become Prime Minister of Canada. On one hand, he said we needed a new deal for cities, and that has been abandoned in this budget. On the other hand, he said that we have to end the democratic deficit in the House of Commons. That has been abandoned by his failure to commit to fixed election dates and also his failure to implement the promise that he voted for, which is to initiate immediate discussions to put gas taxes into roads. He did not honour the vote in the House, 202 in favour to 31 opposed.

●(1530)

I see my colleague from Mississauga South is shaking his head. The fact is the member for Mississauga South, as all Liberal members in the House, voted in favour of putting gas taxes into roads immediately, but the Liberal Prime Minister and the Liberal government have again failed to deliver.

Every single year the Liberal government is missing opportunities. The government is spending more money than ever before. The government is spending over \$183 billion this year, the largest budget by a government in Canadian history in terms of spending. It is spending more money than ever before, no matter how it is scored.

**An hon. member:** There is a higher population.

**Mr. James Moore:** The member for Mississauga South said there is a higher population. The reality is this budget is the largest budget in Canadian history no matter how it is scored, per capita or gross numbers. The government is spending more money than ever before and it is spending it on things that are not appropriate. I will give a small example.

Every year the government spends \$4 billion to \$6 billion on corporate welfare, money that goes to companies that ought not to be going to companies. This is money that could go to some fantastic programs, that could go to tax relief, that could go to help students, that could go to health care, that could go to a number of projects that are badly needed in this country.

If Canadians want to appreciate the boiled down problem of Canada's fiscal reality, the basic problem financially is that two-thirds of the services that citizens enjoy from governments are provided by provinces and municipalities. The problem is that two-thirds of the taxes that Canadians are spending go to Ottawa. There is an imbalance in that two-thirds of the tax dollars go to one level of government but two-thirds of the services are supposed to be provided by another level of government. That is what is causing the vast majority of the strains that we have in our country.

At federal-provincial conferences the premiers and the federal government are duking it out over whether or not certain levels of government are doing their adequate share in terms of financing health care or post-secondary education. There are fights over whether or not certain projects are being met properly. There are fights over whether or not tax rates are proper. There are constant fights and political games. The 10 provinces and three territories have different election times from the federal government.

There is constant politicking between the federal and provincial governments. There is constant politicking and wrestling over this two-thirds and one-third imbalance between financing and provision of services. This chronic imbalance coupled with election cycles overlapping within this discussion are causing a real problem for Canadians. It is a real frustration because the needs of Canadians simply are not being met.

As we go into this election cycle, the question is now that we are the official opposition and the new Conservative Party has been created, what would we do? What would our alternative be? What would Canada look like if there was a new Conservative government?

As we go forward as the official opposition, as we go forward as the new Conservative Party, our watchwords are that we believe in a Canada with lower taxes, less government, more freedom, personal responsibility and democratic reform. That is what we are about. We would fix that imbalance of two-thirds of the taxes going to Ottawa with two-thirds of the services being provided by the provinces and municipalities.

*Government Orders*

The member for Kitchener—Waterloo spoke a moment ago. It is very easy for him to stand in the House and say that the federal government balanced the budget and that the Liberals have had seven balanced budgets. Frankly, it is very easy to do that if all they do is offload onto the provinces, cut transfers, increase taxes over 70 times, fail to keep their campaign promise of lowering or eliminating the GST and fail to give broad tax relief to Canadians. It is very easy to that that if they cut transfers to health care and put hospitals and universities in a state of crisis. It is very easy to do that if they gut our armed forces, not replace the helicopters, send the forces out in Iltis jeeps and give them camouflage that does not match the environment in which they are supposed to be engaged in combat for international security purposes. These are what the results are.

The Liberals can stand here and say that they have had seven balanced budgets. Well it is pretty easy to do that within the context of putting our troops in jeopardy, putting lives in jeopardy, having long waiting lists at the hospitals, putting university campuses and students into massive debt, and raising taxes over 70 times.

The new Conservative Party stands for fiscal accountability, fiscal restraint and putting more money into the hands of citizens. We believe that the sponsorship program, the gun registry and the HRDC boondoggle have shown time and again that a dollar in the hand of a citizen, a dollar in the hand of a taxpayer is far more efficiently used and far more appropriately allocated than a dollar in the hand of a federal bureaucrat, in the Liberal Party of Canada.

We believe in putting power, money, control and influence into the hands of citizens so that Canadians can choose how to live their lives, so they do not have to apply for government programs, so they do not have to get in line. We believe in doing that so Canadians do not have their choices of how they want to live their lives taken away by the leviathan Liberal state that is persistently overtaxing Canadians, diminishing opportunities, driving young Canadians out of Canada with the brain drain and all sorts of other things.

It is time for Canada to have a new beginning. A new fiscally responsible Conservative Party will provide that beginning.

• (1535)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, with regard to the final comments that the member made, one of the things that I noted was the theme of lowering the taxes, letting Canadians keep a little more money, letting them take care of all of their problems.

If we lowered the tax rates, all of a sudden there would be fewer resources available to provide the programs and target those who most need them. I would cite for instance the old family allowance system where it was universal and was paid to all. That has been replaced by the Canada child tax benefit which is targeted and is basically income tested, so that it does target those in most need.

Another example would be the Conservative Party's policy of scrapping the Canada pension plan and telling people that they should just get their own RRSPs. This is kind of—

• (1540)

**Mr. James Moore:** Mr. Speaker, I rise on a point of order.

I would ask the member for Mississauga South to table any documents that say the new Conservative Party's position is to scrap the CPP.

**The Deputy Speaker:** I think the answer is already known in advance that that is not a point of order. We are actually engaging in debate. I am sure the hon. member will have an opportunity to respond to the question or comments posed by his colleague opposite.

**Mr. Paul Szabo:** Mr. Speaker, let me withdraw that comment and say that the member was a member of another party before the merger and that was the policy of that party. I do not know how they are going to resolve their differences.

The flavour still was to stop the government being involved in people's lives and providing things like a healthy Canada pension plan system and say there is a mandatory RRSP system.

The question really does become, is it the responsibility of the government to help those most in need, or is it the way the member seems to suggest, is it up to the government to get out of all programs and services, leave the tax dollars in people's hands and let them fend for themselves?

**Mr. James Moore:** Mr. Speaker, certainly the new Conservative Party and I think it can be safely said that all Canadians believe in the ethic of common provision, of helping people who cannot help themselves.

Frankly, I find it a little offensive sitting over here as a member of the opposition when Liberals sanctimoniously say that we would leave people out on the streets and that they would do otherwise, when there is a one year waiting list for affordable housing in British Columbia.

A constituent of mine, a guy named Gary, with whom my office has been working very closely over the past couple of days, is a gentleman who has had two brain aneurysms, is struggling with throat cancer, has progressive osteoporosis, and he is going to become homeless on April 1. Gary is a fantastic guy but life has pummelled him. He is a good guy, but life has really pummelled him. He has made some bad choices, but life has pummelled him. He is being left behind. We are having a very hard time finding housing. The frustrating part is that \$2 billion goes to the gun registry and all kinds of wasteful spending when it could really help this gentleman.

Here is the difference. The hon. member mentioned the child tax benefit. Here is the difference between the new Conservative Party and the old Liberal Party. In the last campaign the Canadian Alliance and in the campaign prior to that the Progressive Conservative Party had the same position with regard to this.

We said in the last campaign that we believe in a \$3,000 per child tax credit. That means that every family in this country would have \$3,000 per child as a credit. If a person had zero tax liability, the person would get a \$3,000 child tax credit. With this \$3,000 parents could raise their children the way they want to.

*Government Orders*

The Liberal vision is they would rather tax away the \$3,000, hire a bureaucrat so the parent can get a second job to pay the taxes to hire the bureaucrat to look after the kid while the parent is in the workforce.

We would rather empower families, so that families have the resources necessary to raise their kids, have the choices to live their lives and have the power to determine their own future. Money would not be hoovered away by the federal government to throw away on mindless programs that simply do not work, that put guys like this fellow Gary, whom my office is working with, into serious jeopardy and put our hospitals into jeopardy, put students into debt and do not meet the needs of our armed forces.

This is a question of priorities. The government is up to its chin in revenue, the largest government budget in Canadian history and the Liberals have all the wrong priorities.

We believe in empowering Canadians. Yes, we believe in the ethic of common provision; all Canadians do. We also believe that what has to come with it is some responsibility and power into the hands of Canadians, so Canadians are more free to choose to live their lives the way they want to, rather than the way the Liberals choose for them.

**Mr. Rick Casson (Lethbridge, CPC):** Mr. Speaker, it is always hard to follow the member for Port Moody—Coquitlam—Port Coquitlam because he does such a great job.

We have had a couple of good members of Parliament come out of that riding. There was one in between the two good ones, but we are glad to have this one here. Hopefully he will say hi to Sharon Hayes who was a colleague of ours a few years ago. I am sure she is back in the riding taking care of business.

The opportunity to rise today to speak to the budget is appreciated, but it is also troubling because the budget put forward by the Liberals asks us to trust them because they are going to clean up the mess that they have created.

I guess the question will be, when Canadians go to the polls, can we trust them or not, and can the last 10 years of abuse of our tax dollars be easily forgotten? I do not believe it can.

All we have to do is look at the track record of the Liberals. They have done a terrible job of giving Canadians value for their money. Canadians are sending more money to Ottawa but hospital waiting lists are getting longer. Students are going deeper in debt and our soldiers are being spread more thinly all the time.

The issue of student debt is one that I would like to talk about because one of the programs that was brought forward in the budget was the ability for students to incur more debt. As members of Parliament, we deal with students who are up to their eyeballs in debt, have bill collectors at their doors, and are desperate for help.

It would be better to do something at the other end and help keep the debt down before it is incurred, instead of creating a law or regulation that allows students to have more debt because they will just be in more trouble when they get out into the workforce.

However, it does not seem that there is any problem with money going to Liberal-friendly ad firms, sinkholes like the gun registry,

corporate welfare, Challenger jets, grants to special interest groups, and the Governor General. These tax dollars would be far more productive if they were left in the pockets of hardworking Canadians such as homemakers, farmers, fishermen and lumberjacks.

Let us look at the issue that the lumber industry has been facing for many years now because of inaction on behalf of the government. The long drawn out process that has been going on at the World Trade Organization and NAFTA is unacceptable.

The government knew that the softwood lumber agreement was coming to an end and it should have done something before it actually failed. It has been going on two years now and some of these communities have not seen one dime of the money that was promised.

A promise made means nothing unless the goods are delivered. We have seen agricultural programs that have been put into place with one-third of what was promised. That goes into some of the issues with education. Some of the grants and programs that have been put into place have not come anywhere close to delivering the amounts to students.

The government talked about control and strengthening the controls on the purse strings. I think it is a little late, after 10 years of Liberal government, for it to say it is going to clean up its act. As of December 12, with the appointment of the new Prime Minister, it says everything is changed all of a sudden and it is going to clean up its act. I am afraid that Canadians are not going buy that and the government will have to pay the price, and it is about time.

It keeps talking about putting comptrollership back into how business is done by government. It was the government that cancelled that position in 1994. Now it is talking about bringing it back 10 years later after it squandered billions of taxpayers' dollars.

It talked about program review to root out waste and mismanagement. This is just about right out of our campaign literature. We have been saying for years that every program put forward needs to be reviewed on a regular basis to ensure that it is still delivering the goods to Canadians that it was intended to do. If it is not, it should be stopped or realigned so that it can do that.

It talked about building a society or country for the 21st century; however, it is still using 19th century practices. Taxpayers' dollars are still being wasted. One has to work until June or July, as mentioned by the previous member, to pay the tax bill, and then one sees the money being wasted.

● (1545)

Above all, we see a Prime Minister who has his company flying a foreign flag to get around paying Canadian taxes. One thing that Canadians are proud of is the fact that they do pay their taxes and that they want them to go to something reasonable. All Canadians want to help out those who are less fortunate and to support the programs that do that. However, when they see their taxes being wasted, it does not go over very well.

One of the things we saw when the Prime Minister was on his leadership tour was his catering to the cities. He went to the cities and promised them things. Then immediately after he became Prime Minister, he reneged on them.

*Government Orders*

The government collected \$7 billion last year in gas taxes. The GST rebate to municipalities is going to be \$580 million. It will be \$7 billion over 10 years. That was the figure used by the finance minister. That is how much the government collects in one year in gas taxes. It promised a portion of those gas taxes to the cities.

We have said that we will work with the provinces to set the system up whereby some relief would be given in the gas tax. That money would go not just to cities, but to municipalities for infrastructure. Every town, village, and municipal district in this country is hurting and needs those kinds of funds. The roads are falling apart and the people need help.

Being the critic for veterans affairs, I would like to get into some of the issues that are facing our veterans. This morning I had an opportunity to meet with a couple of groups of veterans on a couple of different issues.

One lady who came to see me was Mrs. Helen Rapp, the vice-chair of the military widows organization in Canada. She is a well informed lady who got directly to the point. She had a couple of issues that the government had failed to address. One of them was the issue of people who marry veterans over the age of 60. They do not qualify to receive the veterans' benefits upon their passing. I understand this is called the gold digger clause in the United States.

It was brought forward in legislation from 1902 and is still in place. These people have gone to the human rights commission and the Solicitor General. They have tried everything to get this reversed because it is wrong. These people marry, they get together because they love each other, and they want to support each other in their waning years. For the government to say that they do not qualify for their spouses' pension benefits if they marry veterans after the age of 60 is ridiculous. That needs to be addressed and it certainly was not addressed in the budget.

The other issue is that the survivors' benefit is now 50% and in most cases in other pension plans it is 60%. Veterans are asking that to happen and I did not see any recognition of that in the budget.

There was one item in the budget for the Juno Beach monument and that is important. We were briefed a week ago and department officials indicated how many monuments in how many countries around the world that Canada is responsible for. It is important that these monuments be maintained and properly funded. They have an appearance that Canadians and all people of the world can look at and be proud of the contribution that our fighting men and women have given to democracy and peace in the world.

I noted that some young people would go to the Vimy Ridge Memorial. They go over at a rate of pay that hardly gives them enough money to live on while they are there and that is something that needs to be addressed. Hopefully, the Minister of Veterans Affairs will pay attention to some of these issues and ensure that the monuments erected around the world in memory of our fighting men and women are properly maintained and properly funded.

There was a report that was tabled last week by the advisory committee on veterans affairs. In 2003 veterans affairs launched a service and program modernization task force. This needs to be done in the worst way.

●(1550)

There was another group of people who came to see me. The conditions of traditional veterans of World War I, World War II and Korean veterans are changing. They are getting older and their needs change as well, so they have to be looked at. However, we are bringing 5,000 new veterans back into society every year out of the armed forces. This is something that has to be done within veterans affairs. The whole way veterans are serviced needs to be changed and addressed.

These new problems that are arising, either with the traditional vets who are aging or the new ones coming in, must be addressed. Funding must be put in place so that it can be done.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, the member started off his speech talking about the issue of students and student debt. All members in the House would agree that it is an issue that must be addressed.

When I became a member of Parliament, one of the things I remember from the health committee was that the officials told us that in the health care system we were spending 75% on fixing problems and only 25% on preventing them. This model was unsustainable. I have the feeling that the way we have moved on health care and shifted to a wellness model rather than an illness model is the way we should go.

I would like to ask the member about the whole idea of introducing the RESPs and the learning bond and how these are focusing in on those children who will be the next generation. Prior to that, previous budgets had introduced loan forgiveness increases, repayment based on income, and a number of initiatives to assist students who had debt load.

The member knows that the average debt load of students is about \$18,000, but only about 60% of students even qualify for loans and of those, about 85% pay them off, so we are talking about a relatively small number. Although the member referred to the fact they have debt up to their eyeballs and the bill collectors are at the door, that is not the case. If they do not get a job and they cannot afford to pay, there is no payment due until they actually get a job and they can make contributions to pay down the debt.

In view of the fact that the differential in starting salary of a post-secondary grad versus a high school grad is somewhere between \$10,000 and \$15,000, would he not agree that not only is it wrong for people to say they cannot afford to go to school, in fact, they cannot afford not to go to a post-secondary institution? Does he agree?

●(1555)

**Mr. Rick Casson:** Mr. Speaker, certainly the benefits of a post-secondary education are there and the numbers are proven.

*Government Orders*

However, a lot of the people we see coming to our offices are under-employed. They have gone to university and they cannot find a job in their field. They have to take a job at a lesser rate of pay. Once they start working, the repayment schedule kicks in.

I want to bring up some of the other programs that the government has brought forth in years past. In the 1998 budget there was help for 12,000 graduates every year on a manageable debt load which was supposed to happen. Of that, in the first year, I think 44 graduates were eligible for that kind of help. That grew to 614. In 2001 it was 1,300. These programs, which are probably well intended, are not worked through and do not work. Here is a program that is supposed to help 12,000 grads, and by the year 2001 it is only up to 1,300 a year. So that program did not work very well.

We spend \$100 million a year on annual grants for needy students. That was not spent. In the first year it was \$73 million. In the second year it was \$81 million. Money is left on the table. Why is that? I believe it is because information does not get out to students. For some reason the bureaucracy that exists around putting out these programs eats up a whole lot of those dollars.

It is fine to say that we will have a program in place to help people get into university, and certainly there should be, but it has to be delivered in a way that helps. If the money is left on the table here in Ottawa and it is not helping students, then it is of no use to anyone. If the government brings in a program, it should ensure that it can be delivered in a meaningful way to the people who need it.

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I have been a member of Parliament for about 10 years and I, nor other members of Parliament, have never seen one budget handle every matter that Canadians felt was a priority.

I see the chair of the finance committee is here. He has been involved on that committee for a number of years, and I was for about four or five years. The committee went across Canada talking to Canadians about their priorities. It prepared reports and made recommendations. The total wish list of all the groups that made presentations to the finance committee usually turned out to be tens of billions of dollars more than what was available to spend without putting us back into deficit.

This is the seventh consecutive balanced budget, and Canadians would not find it acceptable to go back into a deficit scenario. That means choices have to be made. Every budget cannot continue to address every item. If everything is done modestly, then nothing is done well. Certain things are priorities and decisions have to be taken.

I am quite pleased with this budget because it brings us back to some of the principles that have held Canada in good stead for the last 10 years to get our fiscal house in order.

This budget has four main themes: investing in our public health, learning, research and development and a new deal for our communities. There are a number of other areas, but I want to touch on a couple of these.

With regard to public health, members know about the additional \$2 billion that will be given to the provinces. That was agreed upon with the provinces. It is another installment. We cannot look at the budget in isolation. We have to look at what has happened in health

care over the series of budgets in which we have renewed the investment in our health care system. The increased investment in our health system has been enormous. It is about a 7% increase in each of the last two years.

Members may recall back in 1993 the National Forum on Health. Experts spent two years criss-crossing the country, talking to every stakeholder group, and trying to figure out where we were and where we should go. I remember the forum's report. I was on the health committee and I followed it very carefully. I also participated in it.

When the report came out, it indicated there was enough money in the system, but the problem was it was not being spent well. That was an interesting conclusion to reach because I heard the same thing from health officials at the very first health committee meeting I ever attended. They said that by spending 75% on fixing problems and only 25% toward preventing them, that model was unsustainable. They said that we needed to shift to healthy lifestyle choices and encourage people to live healthier lifestyles to alleviate the pressure on the health care system.

We have moved away from the conclusion of the National Forum on Health. It has literally been abandoned because demands continue for more health care dollars.

Ever since I have been a member of Parliament, since I have been aware of my role in our country, health care has always been the number one priority. I think it always will be. It is probably one of the aspects of Canada that defines us. I believe our system is the envy of the world. It is something we rely on and we want to protect. We cherish our health care system. We want to ensure that it is there for us when we need it.

I do not know what the figures are today, but back in the early nineties when I asked about them, I was told that about 75% of the health care costs in one's lifetime would be incurred in the last two years of their life. In a lot of cases that is when we are faced with life-threatening health conditions. It means the resource intensities go up. That means an individual needs more specialists, more specialized equipment, a more intense drug regime, et cetera. It means that if anyone were asked to pay for services when they received them, nobody could afford to get sick. That is why we have a health care system that is publicly funded, part of the five principles of the Canada Health Act. It means that we pay throughout our lives so the health care system will be there for us when we need it.

● (1600)

I think Canadians cherish that fact. I think they want us to continue to defend that and to ensure that those who need health care get it when they need it, not because they can afford it. They get it when they are sick. I believe health care will always be a part of the budgets of Canada. We should always continue to do what we can to improve the quality of the health care system and, indeed, the accessibility. However, there are problems within our health care system.

*Government Orders*

Today we spend as much on drugs as we do on doctors and nurses. The pharmacare costs are enormous. I am not sure whether it is appropriate, but I think we should find out why.

I attended a forum recently and I wrote down some things from the meeting. Pharmacare costs are a significant part of our health care costs. Today we spend as much on pharmaceuticals as we do on doctors. Some provinces have caps on the amount a senior must contribute to the cost of their drug needs. For those listed drugs, people in my province of Ontario pay the lowest costs in Canada. However, if the drugs people need are not on the list, that is they are not insured or are only partially covered, the costs are lower in other provinces.

All of a sudden I recognized that health care costs vary depending on which province one lives in. It really is different. Seniors in New Brunswick and Newfoundland and Labrador have absolutely no drug coverage at all. To qualify for drug coverage in New Brunswick and Newfoundland and Labrador, they have to be recipients of the guaranteed income supplement. It is a means test on drug coverage, yet we are spending as much on drugs as we do on doctors and nurses. There is something wrong.

I am not sure whether the portability and the comprehensiveness that we boast about in the Canada Health Act is being reflected. For instance, I know in the city of Toronto a senior who makes below a certain level of income can get dental care and vision care provided through the social services costs for seniors. In my own region of Peel, right next door, there is no such benefit. Why can people who live in Toronto get dental costs covered as a low income senior, but if they live in Peel they cannot? This is the same health care dollar.

• (1605)

Now I suspect if we looked at other provinces and regions within the province, we would find the same discrepancies. Does it really matter where we live in Canada? I do not think that is what the Canada Health Act had in mind.

We have some work to do. We know that the provinces deliver the services and the federal government's responsibilities are to protect the Canada Health Act and indeed to police it. As far as the taxpayers go, there is only one source of money. It is taxpayer money and they do not really care which jurisdiction is delivering the service. They care that every level of government is doing what they can to ensure that our health care system is responsive, equitable, portable, comprehensive, publicly funded, all the good things that we have in the Canada Health Act.

I wanted to raise that because we need to do more work in terms of the quality of our health care system. We need to know if we are moving in the right direction. A dollar spent on prevention is more productive in terms of better health outcomes of Canadians than a dollar spent on remediation or curing problems.

The model of health care has to change. I also raised this in my forum. I wrote about an item. It says that for most people primary health care includes illness prevention, wellness programs, self responsibility for our health and the very expensive acute health care services provided in our hospitals and in long term care facilities. It also says that we need a fully integrated system that provides us with

what we need, when we need it and where we need it at the most appropriate cost.

The Ontario health minister recently described hospitals as the anchor of our health care system. Hospitals may be an important part of our system, but if the provincial governments honestly believe that hospitals are the anchors, then are we ever going to get any changes to the way our health care system operates?

Hospitals are places where people go when they are sick. However, if we are going to get a better value for our health care dollar, we must have a better balance between illness focus and wellness focus. As an example, 97% of seniors live in their own homes. We have \$28 billion in our health care system in Ontario, but only 1% goes to community services. That 1% of the budget is actually dedicated to the 97% of seniors who live in their own homes. Some 95% of the money goes to hospitals, physicians and pharmacare.

We need to rethink the primary health care model. We need to spend more resources on wellness and illness prevention. The concern about obese children is an example. We see things happening in our society. We know what will happen with these children. They will be a tremendous burden on our health care system.

One of the previous speakers also talked about affordable housing. I believe the member said that one community in B.C. had a waiting list for affordable housing was one year, and that a person was quite ill and would be homeless.

Let me share with the House the situation of affordable housing in my region of Peel in the city of Mississauga. Affordable housing is in short supply, particularly for seniors. Half of our affordable housing is for seniors and half are family homes. The waiting lists for those seniors capable of living in their own unit are very long. According to the region of Peel, and February 25 was when I held the forum, the waiting list for affordable housing is seven to eight years. That is compared to two years in 1995-96. There has been almost no non-profit housing built in Peel since 1996. This is a problem. The dignity of having a roof over one's head, to be able to afford to have a dignified place to live is extremely important. It is a value of our country and we want that.

We need to look at our values when it comes to those in our society who are in most need. I am married with three children, my children are either in university or have completed their university education. We have a home now. We have pretty well everything we want. I do not want more for myself. However, when I go around my community, I talk to people who are in desperate need. People come to my office and before too long, they start to cry when they start relating to me their circumstances. When people are driven to tears and despair and when that depression starts to set in, we know that we have work to do.

*Government Orders*

●(1610)

I would like to talk a bit more about the whole issue of seniors and why I am concerned about seniors. The seniors' issues were not effectively or specifically referred to in the budget but that does not mean that we are not concerned about seniors.

I want to share with the House a couple of thoughts I have with regard to how we might address seniors' issues. I believe seniors are the most vulnerable in our society. They are also the ones in our society who have very few tools to correct their situations.

I went through those issues during the break and I think it was last December 10 that I came up with a program. I had a couple of town hall meetings and received some very positive feedback from people. I actually tabled 17 motions in the House. I will highlight a couple of them.

First, I propose that Canada develop and implement a guaranteed annual income for seniors. I really do not care how a senior got there but there must be a level of income below which a senior cannot live in dignity. That means we would have to establish poverty lines. We do not have established poverty lines in Canada now. We have a number of measures which people use if it suits their purpose but we have not determined the level of poverty in Canada by provinces or region that we are prepared to tolerate. If we were to do that, that would be the benchmark against which we would be able to deal with matters, such as welfare, social assistance and other supplements to those in need. In fact, what we would be doing is establishing the level of poverty that we are prepared to tolerate.

I also propose that we do what we can to eliminate mandatory retirement at age 65. It is still part of collective agreements in a number of provinces. Can anyone imagine someone at age 65, who is vibrant, in good health, doing a great job and with a great set of skills, being told that now that he or she is 65 years of age that he or she has to go? It is wrong.

As a matter of fact, the age 65, in terms of retirement, came up I believe at the time of Bismarck and Hitler when they referred to people who turned age 65 as the unnecessary eaters. It is a little different now. I think that mandatory retirement is way past its time and we have to do what we can to eliminate it throughout Canada.

Caregivers, those who provide care to seniors, are a growing group. In the Income Tax Act we have, and I am pleased that I had something to do with it, a caregiver tax credit. It is for those who provide care in the home to an infirmed or disabled family member. I think that credit has to be increased. It is only worth about \$500.

When people have to withdraw from the paid labour force to take care of their loved ones, an infirmed senior or someone who needs help because they cannot get enough home care assistance, they lose not only a net paycheque but they also lose years of employment in which they could be building up their own pension credits to provide for their own retirement. Caregivers are making a tremendous sacrifice and I think we should do more for them. We should provide employment insurance benefits for those who withdraw from the paid labour force to provide care. Why should they not qualify? It is unpaid work but it is important work.

I think the medical expense supplement should be increased. From time to time, and I have some examples which I will not go into now, seniors face significant spikes in their health care or pharmacare costs. Some things are not covered and we do not provide the relief they need for the extra expenses. I believe we should look for ways to ease the burden on seniors who have extraordinary legitimate health costs, especially seniors who have no control over their level of income.

I also think we need continuity in our Canada pension plan benefit for caregivers who leave the paid labour force. Why should they lose years of employment income credit to build up their own Canada pension plan? It does not make any sense.

How about improving home care? There is a gap in home care right now. People can get two to four hours of home care but what happens to the people who do not need constant supervision but who may get themselves into trouble just being alone for half an hour? If a person needs more than four hours of home care a day, someone will have to leave a job and take care of the person or the person may have to go to a nursing home which can cost anywhere from \$2,000 to \$2,500 a month. It is sometimes not affordable or even accessible.

●(1615)

The nursing home industry should be fully regulated, including the small private ones. We have had far too many cases of senior abuse and we need to address that. There should be industry standards for our nursing homes.

We also need to deal with those who are convicted of either elder abuse or defrauding of seniors. Seniors are vulnerable. People who are so low that they would take advantage of a senior deserves stiffer sentences. I would support that because it is an exacerbating factor.

We need to establish the office of the physician general of Canada. Health Canada has a lot of files open and a lot of battles going on with different interest groups. Would it not be lovely to have a physician general of Canada who would, among other things, address the health issues and needs of seniors to ensure they get the guidance they need?

How about establishing a cabinet position entitled secretary of state for seniors so that when we look at seniors' issues there would be someone at the table fighting for them?

How about a public education campaign on ageism? Ageism is racism on the basis of age. It is really endemic in our institutions. One example I have concerns a doctor in New Brunswick who has refused to take new patients over 60 years of age. This is ageism. They paid for it so why is it not available to them?

*Government Orders*

Another thing I recommended is that we adopt a seniors bill of rights. I am not suggesting that this should override the charter, or anything like that, but I believe we should establish a value system for seniors, one we would be prepared to use as a lens to look at all the things we do to see how it affects seniors and to ensure the rights of seniors are being protected.

This is one area that was not in this budget. I want Canadians to know that I and many other people in this place care about seniors and we will work to make sure that some of these seniors' priorities will appear in the next budget.

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Mr. Speaker, the issue I am concerned about is the old promise of the extra \$2 billion for health care that was regurgitated in the budget. A lot of the budget was old promises from the previous prime minister.

I live in Saskatchewan, the province which receives a billion dollars less in equalization payments than the province of Manitoba, notwithstanding the fact that both provinces have roughly the same standard of living. We have serious problems in Saskatchewan. The waiting period for an MRI is 22 months and for health services it is 29 months. The province badly needs roads and bridges. It is in tough shape.

I noticed that the equalization fund was approximately \$2 billion less under this budget. The health funding was this old promise of \$2 billion more. One seems to set off the other.

From Saskatchewan's standpoint, we probably would have been a lot happier with some adjustments in the equalization formula to take out some of the really brutal effects it has on the province of Saskatchewan. Rather than fringing away with this health funding, we need to have decent equalization in place so we can provide equivalent levels of service as the rich provinces, such as Ontario, can.

Could the member explain how equalization is down \$2 billion and how Saskatchewan, which has roughly the same standard of living as New Brunswick, Nova Scotia and Manitoba, is receiving substantially less on a per capita basis on equalization than those three provinces do?

• (1620)

**Mr. Paul Szabo:** Mr. Speaker, when I was on the finance committee I remember working on the whole question of equalization. The member will know that this is not arbitrary on behalf of the Government of Canada. The equalization formula is based on agreements among all the provinces. They know exactly what is happening.

That is not to say that there are not pressure points within different provinces. As the member knows, for instance, Newfoundland does not want its equalization to be reduced by the oil and gas revenues that it is getting from offshore. It wants an exclusion for that. I am sure there are lots of ways in which provinces have argued their case, but I assure the member that equalization is not just a federal decision as to who gets what. It is pursuant to established formulas and agreements among the provinces, their declarations and their economic activity.

I would also point out to the member that the \$7 billion of additional funds out of the GST going to our communities will help

alleviate the pressure on some of the areas that the member talked about. It will put the decision making as to how that is spent into the hands of municipalities. I think that is really important.

I am also very pleased that money is going, effectively, to all communities, not just to the have communities, the larger ones that can maybe make the big splashy cases. I think it is important that all cities will benefit.

I understand the member's concerns but I would like to see more information about how this problem or how this inequity arose and what options or what mechanisms are available to address it.

[*Translation*]

**Mr. Marcel Gagnon (Champlain, BQ):** Mr. Speaker, I listened carefully to the speech by the hon. Liberal member and his concerns about the budget and seniors. I know that he is basing his comments on the Chair of the Standing Committee on Finance, who toured Canada to take the pulse of the nation and, perhaps, influence the budget.

I wonder to what extent the overall concerns of Canadians are reflected in this budget.

I would like to know what percentage of the concerns or recommendations expressed by the committee have been incorporated in the budget. The member's concerns interest me a great deal.

He had a lot to say about the health care system and a wide range of things that need to be improved for seniors—things which fall entirely under the jurisdiction of the provinces. The federal government has no business in home care. The provinces and Quebec—which has CLSCs and an entire health and prevention system—should be providing home care.

What Quebec and the other provinces are asking for is money. Some 55% of our taxes go to the federal government. Part of that money, namely anything concerning health, education, and municipal affairs, has to be returned to the provinces so that they can cover the services they would like to see provided to seniors.

I wonder if he agrees that rather than accumulating surpluses, if the federal government gave the provinces what they are owed to run this particular area, these services would not be duplicated, and less money would be spent, leaving more available for the provinces to give to seniors.

He also spoke—

• (1625)

**The Deputy Speaker:** I am trying my best to indicate to the hon. member that perhaps he should ask his question, because his time is running out.

*Government Orders*

**Mr. Marcel Gagnon:** I will close by saying, since he spoke of a minimum income for seniors, that it exists. There is the guaranteed income supplement. I do not know if he would agree with me that more efforts should be made to extend the supplement to those who do not receive it. We do not wish to add services, perhaps only this particular one, so that we can reach out to the people who are unable to apply for this supplement, so that they can receive it after all. This affects some 200,000 Canadians.

[*English*]

**Mr. Paul Szabo:** Mr. Speaker, the member has asked some very good questions.

I understand that about two-thirds of the recommendations of the finance committee found their way into the prior budget. For this particular budget unfortunately, as the member will know, the House prorogued prior to the committee being able to table its report and much of it was informal so I am not exactly sure. I do know that over the years the finance committee has had an important contribution to make to the ultimate budget based on the consultations with Canadians from coast to coast to coast.

With regard to the role of the provinces, this is very interesting. I am wondering whether it is the role of the federal government to forgive GST to municipalities. I thought municipalities were the responsibility of the provinces. We are not there either.

In prior years we gave special grants to provinces for the purchase of MRI machines. The federal government has no responsibility to do that but the provinces certainly were not going to turn down the money.

There are some times when we have to collaborate. There are some times when the federal government participates in areas that are not its specific jurisdiction. That is not a bad thing.

When it comes to home care, I am not suggesting that somehow the federal government should get into home care. If we could work this out collaboratively, if we could provide greater support in certain areas where we have some responsibility, that may free up dollars for the provinces, if there could be an agreement. This is the collaboration which I think is necessary.

The member asked a question about guaranteed annual income. I am very aware that the GIS actually is a quasi top-up to get people there. What would happen if we established a poverty line in each and every province, and each and every region within a province? A poverty line has been established and that should be the poverty line that we are prepared to tolerate. If we do that, I do not care where the GIS is. All I know is that as long as there is a gap between the income of a senior and the level of poverty that we are prepared to tolerate, there should be a top-up. A guaranteed annual income could be achieved simply by allowing the GIS to be at higher amounts to get us up to that established level of poverty.

There are many mechanisms to do it, but the principle is important, whether or not we are prepared to invest in our seniors so that they can live with the dignity to which they are entitled.

**Mr. Reed Elley (Nanaimo—Cowichan, CPC):** Mr. Speaker, it is a pleasure to rise on behalf of my constituents in Nanaimo—Cowichan and join the debate on the Liberal government's latest budget.

I want to inform the Speaker that I will be splitting my time with my colleague from Battlefords—Lloydminster.

At a time when the country wants to see its federal government addressing the many serious issues that are facing us as a nation, it is my own personal belief that the budget is very inadequate. I could speak about the poor response to health care and the almost non-existent response to our military and to aboriginals, but I will move on to the other things which are particularly in my critic area.

In regard to post-secondary education, the budget has very little that is new. I believe that our greatest natural resource truly is our youth. They are our hope for the future. When the government mortgages their future without taking into account what that price will be, the government wilfully and deliberately sets roadblocks in the next generation's path.

It seems like stating the obvious, but when many low income families are struggling to pay the bills and put food on the table, the idea of encouraging additional savings without giving them a means to accomplish that goal is ludicrous. Yes, the \$2,000 learning bond seems wonderful, but at most post-secondary institutions, this will not even pay the expenses for one semester.

Furthermore, changing the family threshold to allow more students access to Canada student loans as well as increasing the amount of the loans will likely result in more students carrying a greater debt by the time that they graduate.

As a graduate, starting one's adult life with a \$20,000 to \$50,000 debt is an awful millstone hanging around one's neck. The government has done nothing to really address the serious problem of repayment. Many graduates, if they are fortunate enough to even get a job when they graduate, start at very low wages and it makes it very difficult to start to repay those loans.

The question that needs to be asked is how we ever reached this point. The answer is very clear. The answer may be found in the current Prime Minister's 1995 budget. In 1995 the current Prime Minister slashed the CHST payments that accounted for the federal transfers to the provinces for both health and post-secondary education. The government forced the provinces to make up for their own selfish actions and ultimately forced post-secondary institutions to increase their tuition fees.

They may call themselves fiscally prudent, but the Liberal government and the Prime Minister have actually increased the federal debt by \$23.1 billion since he first became finance minister, for an estimated fiscal year end total of \$510.6 billion, over half a trillion dollars. The Liberals have done this by increasing federal spending of taxpayers' dollars with not an iota of taxpayer relief in the budget.

With regard to the budget and its effect on disabled Canadians, the proposal of tax credits for supplies and equipment necessary for post-secondary education is a good gesture. Unfortunately, most disabled Canadians cannot afford to enrol in education programs. They are not able to take advantage of skills upgrading, because they often live so far below the poverty line that the thought of going to school is outside their realm of possibility. It is unfortunate but true.

*Government Orders*

I am retiring after the next election and this could very well be the last time I speak in the House. I would like to close the speech with some personal observations, if I may be allowed.

Being an opposition member of Parliament certainly has its own built in frustrations, because many of the concerns that we bring to Ottawa are never addressed. After seven years of my being in the House, we still have very few really free votes in the House of Commons. There is undue party discipline, particularly on government MPs. There is no reform of the Senate. Elections are held at the whim of the Prime Minister when it is politically opportune.

● (1630)

We still have a criminal justice system that pays lip service to the protection of our children, has shown little concern for the victims of violent crime, and continues to allow early parole, leading in many cases to criminals reoffending.

I have also observed some very sad occasions in the House, as when the government denied compensation to the innocent victims of hepatitis C through the tainted blood scandal who were outside the 1986 to 1990 window.

Of huge concern to me also is the way in which Parliament, in its voting records in the last little while, is in my opinion leading a movement away from traditional moral values in the country. The sad flip-flop of 100-plus members of Parliament who in 1999 supported the traditional definition of marriage of one man and one woman to the exclusion of all others is a serious case in point.

It is my view that no government can eventually avoid the moral issues and indeed, to say that moral and faith values should not play a part in the decisions that we make is just not borne out in reality. Every decision we make as humans, every action that we take comes out of a personal framework of faith and morality. What we really have in the House and in the country is a clash of viewpoints. What is so sad to me is that the call to political correctness, as exhibited by many members of the House, along with a media that very often is not objective nor intolerant of some points of view, has led to the views of millions of Canadians being simply ignored. I believe that this is a tragic flaw in our democracy.

What has been personally disconcerting for me also is to see a very few members of the House from time to time do their best to discredit the viewpoints of others and to go out of their way to see that their voices are silenced and indeed in some instances, their careers ruined. Surely truth can stand all tests if it is allowed to be heard at all.

The Liberal government, I believe, has lost credibility to govern the country. This inept government feeds tax dollars to willing Liberal friendly companies and agencies and then wonders why fewer and fewer Canadians even bother to show up at the polling booth. This poor excuse for a government stymies honest Canadians' efforts to get ahead and squanders their tax dollars and then wonders why politicians are treated with contempt. This sometimes dictator-like government lives life itself to the fullest while many Canadians have their hard-earned dollars taxed at one of the highest rates in the world. Then it has the nerve to ask for even more.

Unfortunately, at the end of my time in the House, little has changed in seven years. However, I will continue as an ordinary Canadian to work to see true democracy returned to this nation that I love.

As for the budget, I believe it is a poor reflection of Canadian values across the country, and I for one will not be voting for it.

● (1635)

**The Deputy Speaker:** Before resuming debate, it is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for New Brunswick Southwest, the Atlantic Canada Opportunities Agency.

Resuming debate, the hon. member for Battlefords—Lloydminster.

**Mr. Gerry Ritz (Battlefords—Lloydminster, CPC):** Mr. Speaker, it is a pleasure to rise again. I happen to be one of the members who has been here for the seven in a row so-called surplus budgets. What a surplus budget really means is that the government is taking too many tax dollars from the people out there.

The largest daily newspaper in the country had an editorial on the budget the other day. It was an excellent comment and I would like to read it into the record. It stated:

Bills don't get paid with a promise and a smile. Expressions of goodwill don't stave off bankruptcy, and half-measures won't rescue...[anyone] in crisis.

They are tremendous words and really encapsulate this whole budget. There is really nothing in the budget that is going to set the standard for the growth and the potential of this great country we call Canada. It is just not there, and this is supposedly a pre-election budget.

I think the Prime Minister and his finance minister are trying to find some traction, and of course the Prime Minister was the finance minister for a number of those surplus budget years. They are trying to prove to people that they can be fiscally responsible because they have been blown apart by the scandal, the ad scam, and by column after column that show up in the main estimates and in the supplementary estimates and so on, with hundreds of millions of dollars that have been funnelled around strictly for political gain. That is not the way taxpayers want to see their money spent in this country when there are so many deserving issues out there that need to be covered.

When we go through the budget in brief, a lot of the dollars sound significant. Then we can see the little asterisk beside an item: "over 10 years". We have a government that is projecting out 10 years when the electorate probably would not give them 10 days if they went to the polls right now.

The government is struggling for some sort of reassurance from people, and in polling, a little bump, a little dead cat bounce, as it is called, for the old fat cats over there. Then it can take that to the polls and say to the people, "We are prudent managers". That used to be the rallying cry of the former finance minister: prudent fiscal responsibility. That is what he talked about. It so happens that it was not there. He did not know what was going on.

*Government Orders*

We have a budget that seeks to tell Canadians somehow that the government is not going to go off the wall in spending before an election. It has gone the other way. It has actually promised the \$2 billion for health care again. When the premiers were asked to comment on that the other night after the budget, Premier Hamm of Nova Scotia said that this makes five times that it has been promised. The government has announced it five times. That does not make it \$10 billion. It is still \$2 billion and it still has not been delivered. We have talked about it for over a year. We still have this money that has not gone out.

Under health care, the government talks about improved tax fairness for Canadians with disabilities and for caregivers, which is a tremendous goal, a laudable goal. However, this is the same government that threw everyone off the disability tax credit, made them all go back through a means test, back through the health care system, to prove they were still disabled. The government is heartless on the one hand and has beautiful words on the other. I guess the proof will be in the pudding as to whether Canadians believe it or not. At the end of the day, the federal government, on average, is still only putting 16¢ out of every dollar into health care. That is the largest social factor in the country.

The member for Mississauga who spoke before me talked about the high cost of pharmaceuticals. He is bang on. The government has not kept pace with that at the federal level. Here is what it has done. It has created surpluses, balanced its books and has no more deficits, but it has offloaded those deficits to the provinces. Each province is now carrying close to a deficit type of spending because the transfers have not been there. The government cut \$25 billion out of health care and social transfers in the last few years and put \$2 billion back in. It is not a great return on investment for the provinces nor for the citizens they represent. It is the same taxpayer. The government calls that sound fiscal financial management.

The government is also making a pledge now. After the horse is out of the barn, it is going to close the gate. It is going to reinstate the comptroller. There has been a lot of discussion about why that was ever done away with.

To set the record straight, that was actually done in 1995 by this same Liberal government in what was called a program review. I think the last thing we would want to turf out would be the comptrollership, unless we had other things in mind, unless we were starting to set up little slush funds like the sponsorship program where we did not want the comptroller to tap us on the shoulder and say, "I'm the fiscal conscience here and you shouldn't be doing that with taxpayers' money".

The government turfed out that whole system and now we see where it led. Just in this last little while taxpayers are starting to add up the dollars that have gone missing, which a comptroller never would have allowed to happen. It just would not have been done.

●(1640)

Let us move on, where we get into the importance of learning. Nobody has an argument with that. Then there is aboriginal strategy. Nobody has a problem with that.

But when heads of student groups and student unions across this country were asked what they thought about the budget, one student

said, "They just gave me \$50 and told me to go and buy a BMW". That is how effective this budget is.

Other students are talking about the Canada learning bond. Beautiful. It sounds great, but it is another wishy-washy thing. It is up to \$2,000 for children in low income families born after 2003. The government will put in \$500 and then \$100 a year. If the family does its bit and puts in the same amount, after 18 years there will be \$10,000 to \$11,000 saved up. What is that going to buy at university in 18 years? My daughter just finished university and we were talking that kind of money on an annual basis as long as I paid for her housing. In 18 years that \$10,000 to \$11,000 just might buy books. The desire of the government and the line in the budget look really good, but in reality what is this going to do? Very little. Even the students themselves are panning it.

When Chief Phil Fontaine was interviewed about the aboriginal component in the budget, he said it did not go anywhere near the advice that they gave and sought. With the housing crisis, the health care crisis and the education crisis from the aboriginal side, this does not get there. It is not even close. I guess the government missed that one.

The government talks about the importance of knowledge and commercialization and it did come up with a few things: good ideas, but too little too late.

Another great heading in the budget is "The Importance of Communities". This is where some big dollars are talked about. There will be \$7 billion in GST relief for municipalities over the next 10 years. That is \$700 million a year, which is not a large amount of money. The Canadian Chamber of Commerce talks about an infrastructure deficit in Canada that is approaching \$60 billion today, and that is what it would take just to get us back to a maintained and even par. That would not build anything new. It just would get us back to where we are limping along again. This is a \$60 billion deficit and the government addresses it with \$700 million a year; that is not even the interest. That will not even patch a few roads. If we build a couple of bridges and a couple of water and sewage plants, the money will be gone.

North Battleford has faced those shortfalls. We had a water crisis a couple of years ago and approached the federal government under the cost sharing program. We said, "Look, we have to do something with our water and sewer system". North Battleford needed about a \$5 million hit to expedite the program. It had \$15 million in bonds and debentures at the time but needed about \$5 million to kickstart it and move the project a couple of years ahead.

*Government Orders*

What did North Battleford get from the Liberals? A fancy sign out on the highway saying they realized North Battleford had problems, that their hearts and prayers were with it, and they wished the city good luck. That is what we got. The government really should have come through for North Battleford. The government talks about a stronger voice for municipalities, but in that case, who the heck was listening? Nobody. A stronger voice is wonderful, but only if somebody hears it. If a tree falls in the forest, does anybody in Ottawa give a damn? That is the type of thing we are finding here.

There is funding of \$4 billion over 10 years to clean up contaminated sites. That is good. What happened over the last 10 years when the government did nothing?

The item I really love in the budget is the one dealing with the Juno Beach monument. My office in North Battleford was involved in this one. The Juno Beach monument will receive \$1.5 million. That is fantastic. Wal-Mart is already in for about four or five times that amount. That monument is standing there. Wal-Mart did it. The federal government is now trying to take some credit with \$1.5 million.

We can go on and on and poke holes in the budget. Like I said, spending is on the rise and a surplus means the government is taking in too much in taxes.

We have not even gotten into agriculture, but it would not take long to talk about agriculture in this budget: \$25 million, that is it. The third largest contributor to the GDP of Canada gets \$25 million. The announcement on Monday, the day before the budget presentation, really was all about BSE, but the \$25 million in the budget says nothing about the grains and oilseeds sector, the pulse crops, the water problems we have across western Canada with drought after drought, and the grasshoppers. It says nothing about the PFRA pastures that are a sink for grasshoppers or the national parks that need the TB and so on cleaned up.

The government missed a lot of opportunities with this budget and I really think Canadians are going to give it a pass over on election day.

• (1645)

**Mr. Paul Szabo (Mississauga South, Lib.):** Mr. Speaker, I found it quite astonishing to hear the member suggest that \$750 million was not a lot of money. It really is astounding. It is important to Canadians that we have a responsible attitude toward taxpayers' money.

The member started by talking about seven surplus budgets in a row, balanced budgets, and said that the existence of surpluses meant that we were taxing too much. If we follow that to its logical conclusion, what the member is basically saying is that we should only have balanced budgets and we should never pay down any debt.

If the member would like to spend some time with me, I will explain to him that when there are surpluses for a fiscal year the surpluses are applied 100% against the debt. Over the past number of years, the government has paid down \$52 billion worth of the national debt. It saves us about \$3 billion a year in interest, which is then available to invest in Canadians.

The member had better answer the question. Is he saying that there should not ever be a surplus in Canada, i.e. that we should not pay down debt in Canada? Is that his position?

**Mr. Gerry Ritz:** Mr. Speaker, I think this gentleman is working on the government's medicinal marijuana, because that is not what I said at all. He knows better than that as an accountant. Surpluses mean the government is taking too much in taxes.

The debt in this country, after paying down \$52 billion, in market debt mostly, which means the interest rate was not as high as it was before, is still \$43 billion higher than it was when his government took power in 1993. We are still spending close to \$40 billion on the interest rate on that debt every year. That is money coming out of health care, infrastructure and kids' educations.

We have to target debt. We cannot start mickey-mousing around with \$1 billion a year that might go somewhere. We have to let Canadians out there decide. We have to get this albatross off their backs. We have to put in context \$700 million when the government takes in \$190 billion. It is not a lot of money in the government context. It is a lot of money to Canadians, no doubt about it. We have seen that same amount of money squandered in advertising contracts that go back to these guys through the back door. So sure, it is a lot of money, but when we talk about a \$60 billion infrastructure deficit, \$700 million a year to address it is chump change.

• (1650)

**Mr. Paul Szabo:** Mr. Speaker, again the member is suggesting that somehow \$750 million or any hundreds of millions of dollars is not a lot of money. I want to ask the question again.

My understanding after 10 years of being in this place is that if there is any surplus at the end of a fiscal year, it is those moneys which are applied against the national debt. That is the way the national debt is paid down.

The member has suggested that having a surplus means the government has taxed too much. In other words, he is saying we should just have a balanced budget, that we should not have surpluses and not tax that additional money away from people. However, if we do not, we do not pay down debt.

I will ask him again. Does he understand that surpluses are applied totally against the debt and that if there are no surpluses, as he seems to suggest should be the case, then his party and this member is opposed to paying down the national debt?

**Mr. Gerry Ritz:** Mr. Speaker, he can twist that any way he wants. He is 180° off plumb. It is not how we pay down the debt; it is when we do it. I think the member would agree with me that our program of a legislated paydown on the debt is far better than the harum-scarum way these guys do it, where they spend the surplus, have \$1 billion left, say they will put that to the debt, and there we go, the surplus is in play. What a ridiculous attitude. No wonder we are in trouble.

*Government Orders*

**Ms. Sophia Leung (Vancouver Kingsway, Lib.):** Mr. Speaker, I will be splitting my time.

I am very pleased to comment on the budget which was presented by the Minister of Finance. As a member of the finance committee, I know that our government has always consulted our citizens from coast to coast to coast. Therefore, this budget was a result of taking all the concerns of Canadians.

As a former university teacher, I am always interested in education. We all know that a post-secondary education is an imperative in today's society and is required for 70% of new jobs created in Canada.

Announced in the budget is a \$500 Canada learning bond that will be provided at birth for children in families that are entitled to the national child benefit supplement. This bond is up to \$2000 for each child born after 2003. It will save for a child's college education in the future. The government will provide over 20,000 students from low income families with new grants worth up to \$3,000 to cover a portion of the first year's tuition. All those things will help.

As well, the government will provide literacy training and essential skills upgrading for workers, measures to encourage apprenticeships in skilled trades, and employer-based training. That will certainly help Canadians to have more skills for job selections.

The budget provides \$15 million over two years for a pilot project to provide matching funding for union-based training centres. This funding will be used to purchase new equipment and machinery to meet current industry standards and requirements.

Today Canada is facing an aging population and low birth rates. Canada really needs many skilled immigrants in the labour market, but due to the cultural and language barriers, they need help to develop their new language skills and trying to overcome some of the obstacles.

Last year our government committed to \$5 million annually for pilot projects under which community-based partners deliver labour market language training at more advanced levels to help those new immigrants. In this budget we propose to invest an additional \$15 million a year to provide skilled immigrants with work-related language training at more advanced levels. Essentially that will enable them to enter the labour market as soon as they can.

This budget also sets aside an additional \$5 million per year beginning in 2005-06 for the integration of skilled immigrants and in recognizing the credentials of internationally trained workers.

We all know that many foreign-trained professionals, like doctors, nurses, engineers, teachers and scientists come to Canada, but they cannot utilize their own training. It is a real waste of their trade and skills. Their skills are really needed in the country. It is our government's intention to recognize their foreign credentials so they can better contribute to Canada. We are giving new immigrants very good support and they will be able to take on the jobs in the country.

•(1655)

I would like to talk about the business side. We all know that small businesses and entrepreneurs are really the backbone and the job creators in Canada. In my riding of Vancouver Kingsway, small

businesses are in the majority. I know it is so important for them. They are also facing a lot of difficulty and struggle. For them, our budget will accelerate by one year the planned increase in the small business deduction limit. It will be the lower 12% income tax rate applied to \$300,000 by 2005.

Also, recognizing the financial losses that are incurred during developing new technologies and the products, the budget will help those innovators to start up small business by extending the non-capital loss carry-forward period to 10 years. This certainly will help a lot of newly developed companies that have quite good innovation. It is an important support for them.

In our public consultation, we had also heard Canada really needed a lot of venture capital financing to support and help encourage the new business. The budget will provide \$270 for new investments in venture capital financing by the Business Development Bank of Canada, BDC, and the Farm Credit Canada, FCC.

The budget will provide \$100,000 for direct investment in new technologies to bring them to the next level of venture capital financing. Another \$100,000 will be provided to support the creation of specialized funds that will level additional private equity investment in leading edge technology.

I think all this is very thoughtful, and we heard it many times during our public consultation. I congratulate our Minister of Finance for providing such strong support.

Now I would like to comment on the health area. From having so many extended consultations, including the last year's SARS epidemic, we learned that Canada really needed a new Canada public health agency. There will be \$160 million in new money, and transfers of another \$400 million from Health Canada, to kick off the Canada public health agency.

Again, I have to congratulate our Minister of Finance. This will be a wonderful thing for Canada.

The new agency will focus on the management of infectious diseases, emergency preparedness and responses, and chronic diseases. We all know this is necessary and essential. It is very important for the public health of Canadians. This is also a national organization that will monitor the big picture by spotting outbreaks quickly and also mobilizing emergency resources to control any infectious diseases. We will also appoint a chief public health officer to oversee the agency and help co-ordinate the national responses during the public health disasters and emergencies.

As a matter of fact, I think in Canada we have a few very good centres to be qualified for such an agency. Of course, as I am from B. C., I would think Vancouver is one very good place to have such an agency.

*Government Orders*

Overall the budget really focuses on many points, and I just briefly mentioned some, but above all the biggest accomplishment is very obvious.

• (1700)

This is the seventh consecutive balanced budget projected and it is the first time since Confederation that such a wonderful thing has happened. I think it is also one of the best among the G-8 countries. Also, improving the expenditure control and oversight by implementing a comprehensive plan, including the re-establishment of the office of the comptroller general of Canada, is another important thing.

The budget also confirms the payment of an additional \$2 billion in health care funding for the provinces and territories in the 2003-04 fiscal year. As part of the government's commitment to provide stable, long term health care funding, cash transfers to the provinces and territories for health and social programs will reach \$28.1 billion in 2007-08. That represents an average annual increase of \$1.8 billion or 8% per year starting from 2003-04.

Of course as I already indicated, establishing the Canada public health agency is another very important highlight for our country. Also we are speeding up the implementation of the agreement with the provinces and territories to provide better access to affordable and quality child care and early childhood learning. That is very important. I want to offer congratulations.

**Mr. Sarkis Assadourian (Brampton Centre, Lib.):** Mr. Speaker, I would like to congratulate my colleague for the presentation she made. I would like to ask her a question regarding the interest rates.

A few years ago, we had interest rates of 10%, 15%, 22% for mortgages, and now interest rates are the lowest they have been for the last 40 or 45 years. If someone had a house with a mortgage of \$100,000 on average, or maybe a bit more now, savings from this interest rate mortgage payment would be enormous for the household of Canadians living with a mortgage.

The opposition complain that there are no tax breaks this time around, but we are living with the biggest tax breaks any government has ever given: \$100 billion to taxpayers a few years ago. It is still in that process.

Could the hon. member comment on the low interest rate impact on mortgage payees? They are saving thousands of dollars a year because our government policy has generated such a low interest rate for mortgage holders and business people.

• (1705)

**Ms. Sophia Leung:** Mr. Speaker, the issue of lower interest rates is another very good point. All this shows encouragement for many, especially for young people and newcomers to this country. They can now start thinking about the purchase of a home. This really shows what we are able to offer Canadians, and it improves the quality of life. This is our country's success.

We know that low interest rates create a very hot market. I am from B.C. and in Vancouver I know it has created great competition for many houses. More important, this enables many young people and many families to have better housing.

[*Translation*]

**Hon. Robert Thibault (West Nova, Lib.):** Mr. Speaker, it is a great honour for me to rise in this House to address the federal budget.

[*English*]

This is a great budget for Canada. It is the result of 10 years of hard work and a lot of sacrifices by Canadians.

We see ourselves in a position where we have had seven consecutive balanced budgets. That is a record. It is not a record of the last decade or the last 20 years or since the war, but this is a record since Confederation and before the eternal flame that we have balanced our budget.

What is better is the great promise that we hold for Canadians that we will balance budgets into the future. We do this at the same time as providing the basic services and programs that are needed by Canadians. We are also maintaining a level of prudence, \$4 billion that has been set aside in case we have some unforeseen circumstances within the country. Last year there were problems such as BSE, hurricane Juan, the B.C. fires and SARS. They are all very expensive.

The economy internationally was not performing as we would have liked. A lot of countries over the last few years returned to a deficit, while because of good management and because of prudent management within Canada we were able to maintain a surplus. Canadians are benefiting from that.

We see that in goods and services to Canadians. We announced the other day in this very House a \$2 billion transfer to the provinces for health care. We announced a further \$1 billion for agriculture because of BSE. We should do aquaculture next, but we looked after agriculture. We had problems with hogs and problems with BSE and all at no cost to Canadians. That is money which a few short years ago we would have been sending overseas ending up in foreign markets to pay for the cost of servicing our debt. By reducing our debt and continuing to do so we have the ability to give better services to Canadians without increasing their taxes.

We have done all that without increasing taxes, but while reducing taxes to Canadians by \$100 billion, primarily to middle and lower income Canadians, leaving money for families. There is also the child tax credit. That means there are fewer difficulties for the less fortunate.

There are still problems. We have to continue to work. We never say we have reached the epitome and the country is perfect and everything is good. However, we have improved the situation very much over the last 10 years for Canadians. We look after lower income Canadians. We look forward to doing that.

With this budget we have increased the ability of all Canadians to access post-secondary education.

*Government Orders*

[*Translation*]

In this country we have community colleges, universities and institutions that are internationally renowned. We have made huge investments, we have invested in people so that they can have access to education.

Personally, I am not satisfied. I am not prepared to say that we have made it, that we have done everything we had to do. There are still problems. There is still the problem of young people who choose an educational program instead of another because they do not want to get too much into debt.

It is important that all young people in this country achieve their potential. If they have dreams, if they are interested in some specific profession, knowledge or trade, they should pursue their dream. They must not be stopped by the debt that they will incur. We can continue to work on this issue. We can continue to talk and cooperate with the provinces.

Still, we should recognize that progress has been made. There are measures in this budget that will only bear fruit in 10 years or more, while others will have an immediate impact. We will help students, first by determining what is a reasonable weekly amount, in 2004, for university costs. We will look at what should be the amount of student loans, rather than using the figures from previous years, because these figures have become obsolete.

Also, students who graduate and join the labour force may be underemployed in the first few years and they may have difficulties paying off their debt. We will do more for these young people. We did it the past, but we will do more to help them.

• (1710)

[*English*]

There are many ways that the federal government can help in education, recognizing that it is a provincial jurisdiction. There is the work that we have done with the granting institutions and with post-secondary research. We have brought back researchers from all over the world, Canadians who had to work abroad. Now they are in Canada doing great research, world class research. We must continue that and the budget does that. It makes another \$90 million investment in research.

Not only that, what is important is that we are making more investments to bring our university sector and our private sector together to work together and to commercialize that work. In genomics, there are no better than Canadians. In information technology, there are no better than Canadians. There is lots of potential. We have to continue to commercialize.

In the Atlantic region we have a long way to go. We recognize that but we are very pleased with what we have been able to do with the Atlantic investment fund. That fund has meant that a lot of our professors, students and universities are able to bring their knowledge to their laboratories. The graduate students are able to work with the private sector on programs, services and products that will have lasting job creation for Atlantic Canada. Our hope is not unrealistic or unreasonable. Our hope is to elevate our institutions and our economy in Atlantic Canada to a level where it will benefit from all the programs available nationally to the rest of the country.

Our capacity in Atlantic Canada to benefit from and participate in the programs has been limited because of the size of our universities and the size of our private sector. The programs that we have now give Atlantic Canadians the same chances as Canadians from major centres. I look forward to continuing to work in that direction.

I am very pleased with the additional investments that we are making in our military. It might not be what all Canadians wanted to see. It is not hundreds of billions of dollars in new capital equipment or new personnel. However, there are very good, targeted measures in addition to measures previously announced.

Last year we announced \$800 million in the annual budget to the military. Now we are talking about new funds to assist the military in the ongoing operations, such as in Haiti and Afghanistan. We recognize the work and the sacrifice of the military personnel and their families. We are making the revenues that they earn overseas tax free when they are at our service and their families are split apart.

I was pleased to hear the Minister of National Defence today say that he is looking at expanding what was initially announced to all zones where Canadian military and paramilitary, police and others are at risk. That is very good news. Additionally, we announced that we would be accelerating the rate at which we are delivering new equipment for equipment purchase programs that are ongoing. The military will be very pleased with that. We have the best military with the best training in the world. They must have the best equipment and we will provide that for them.

We are making great investments in communities generally across the country.

I look forward to coming here next year and announcing even better participation by our government.

• (1715)

[*Translation*]

**The Deputy Speaker:** It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment before the House.

The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the amendment to the amendment will please say yea.

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

**The Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

*Private Members' Business*

● (1740)

(The House divided on the amendment to the amendment, which was negated on the following division:)

*(Division No. 37)***YEAS**

## Members

Asselin	Bachand (Saint-Jean)
Bergeron	Bigras
Cardin	Crête
Desjarlais	Desrochers
Duceppe	Gagnon (Québec)
Gagnon (Lac-Saint-Jean—Saguenay)	Gagnon (Champlain)
Gaudet	Girard-Bujold
Godin	Guay
Guimond	Laframboise
Lalonde	Lill
Loubier	Marceau
McDonough	Ménard
Paquette	Perron
Proctor	Robinson
Roy	Sauvageau
St-Hilaire	Stoffer
Tremblay	Wasylcia-Leis— 34

**NAYS**

## Members

Adams	Alcock
Allard	Anderson (Victoria)
Anderson (Cypress Hills—Grasslands)	Assad
Assadourian	Bagnell
Bakopanos	Barnes (London West)
Barrette	Beaumier
Bélangier	Bellemare
Bennett	Bertrand
Bevilacqua	Binet
Bлондин-Andrew	Bonin
Bonwick	Boudria
Brison	Brown
Bulte	Burton
Byrne	Calder
Cannis	Caplan
Carroll	Casson
Castonguay	Catterall
Cauchon	Chamberlain
Charbonneau	Coderre
Collenette	Comuzzi
Cotler	Cullen
Cuzner	Day
DeVillers	Dion
Doyle	Drouin
Duncan	Duplain
Easter	Efford
Eggleton	Elley
Epp	Eyking
Farah	Fitzpatrick
Folco	Fontana
Frulla	Fry
Gallant	Goldring
Goodale	Gouk
Graham	Grewal
Grey	Guarnieri
Harvard	Harvey
Hearn	Herron
Hilstrom	Hubbard
Jackson	Jennings
Jobin	Johnston
Jordan	Karetak-Lindell
Karygiannis	Kenney (Calgary Southeast)
Keyes	Kilger (Stormont—Dundas—Charlottenburgh)
Kilgour (Edmonton Southeast)	Kraft Sloan
Laliberte	Lancôt
Lastewka	LeBlanc
Leung	Lincoln
Longfield	Lunn (Saanich—Gulf Islands)
MacAulay	MacKay (Pictou—Antigonish—Guysborough)
Macklin	Malhi

Maloney	Manley
Marcel	Marleau
Martin (LaSalle—Émard)	Mathews
McCallum	McCormick
McGuire	McKay (Scarborough East)
McLellan	McNally
McTeague	Merrifield
Mitchell	Murphy
Myers	Neville
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Obhrai
Owen	Pacetti
Pagtakhan	Paradis
Parrish	Patry
Penson	Peric
Peschisolido	Phinney
Pickard (Chatham—Kent Essex)	Pratt
Proulx	Provenzano
Redman	Reed (Halton)
Regan	Reid (Lanark—Carleton)
Reynolds	Ritz
Robillard	Saada
Savoy	Scherrer
Scott	Serré
Sgro	Shepherd
Simard	Solberg
Sorenson	Speller
St-Jacques	St-Julien
St. Denis	Steckle
Stewart	Strahl
Szabo	Telegdi
Thibault (West Nova)	Thompson (New Brunswick Southwest)
Tirabassi	Toews
Tonks	Torsney
Ur	Valeri
Vanclief	Volpe
Wappel	Whelan
White (North Vancouver)	Wilfert
Wood— 177	

**PAIRED**

## Members

Bourgeois	Bradshaw
Dalphond-Guiral	Discepola
Galloway	Gauthier
Ianno	Lee
Picard (Drummond)	Plamondon— 10

**The Speaker:** I declare the amendment to the amendment lost.

[*English*]

It being 5:44 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

**PRIVATE MEMBERS' BUSINESS**

● (1745)

[*Translation*]

**EMPLOYMENT INSURANCE PROGRAM**

The House resumed from February 3 consideration of the motion.

*Private Members' Business*

**Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beauport—Île-d'Orléans, BQ):** Mr. Speaker, it gives me great pleasure to speak to this motion put forward by my colleague, the hon. member for Charlevoix. I shall take this opportunity to congratulate him. The fact is that, with the redrawing of the electoral map, he will have to abandon half of his riding, but I do think he will be the new member for Manicouagan in the next election. And as for me, I have the pleasure, the honour and the good fortune to have been chosen as the Bloc Québécois candidate in the new riding of Charlevoix—Montmorency.

I think it would be appropriate to read the motion again. It says:

That, in the opinion of this House, the government should modify the Employment Insurance (EI) program to establish specific status for seasonal workers, regardless of the EI economic region in which they live.

First of all, I would like to recognize the battle that has been fought for a number of years by a group from Charlevoix, from La Malbaie in particular. This movement has spread all over Quebec and has apparently spawned another 14 groups. I am talking about the Sans-chemise movement, in Charlevoix, and its coordinator, Danie Harvey, from La Malbaie. With scarce resources, they have done a fantastic job of public education. The common denominator of this battle is to obtain real reform of the employment insurance program.

The structure of the current system is totally unsuitable for workers in seasonal industries. I think this needs to be changed. We are used to talking about seasonal workers, but these people are working in seasonal industries.

Even if we wanted to install a huge dome over the Charlevoix and North Shore regions, so people could wear flip-flops and shorts all year round and we could keep the temperature at 21° C, this is not possible. The reality is that Quebec has winters.

In Quebec, particularly in the regions I just mentioned, there are workers in industries that are extremely active in the summer and spring. I can name a few. For example, there are all the forestry workers. I am sorry but in forestry, clear cutting and tree planting are impossible under four feet of snow. So this work has to be done in late spring, summer and early fall.

There is also the fishing and shellfish culture industry. This is also done in late spring and summer. There is tourism. In reality, our regions have lots to offer but unfortunately our tourism season is not year-round. There is winter tourism. Of course, more and more Europeans come for the snowmobiling in the Charlevoix region, the North Shore, Lower St. Lawrence and the Gaspé. However, this is still a very small market that is insufficient to allow workers in the seasonal tourism industry to work year-round.

There is a problem. Obviously the people in Charlevoix and the Upper North Shore want to work. We must destroy the myth that they are content to be unemployed on a regular basis. If they could work all year, they would prefer that to being unemployed. I want this to be quite clear. Unfortunately, there are a number of misconceptions about workers and the unemployed. We must set people straight.

• (1750)

The employment insurance system is currently ill-adapted and unfair to workers. I would like to remind hon. members that on June 11, 2003, the current Prime Minister, who was a candidate for the Liberal leadership at the time, met with two representatives of the Sans-Chemise movement at Le Genévrier campground in Baie-Saint-Paul. He made a promise to change the employment insurance system.

When parliament resumed on February 2, the Speech from the Throne did not include one line or word about reforming the employment insurance program. In the budget brought down on Tuesday, March 23, there was not a single mention of employment insurance. The member for LaSalle—Émard said one thing on June 11 when he was a Liberal leadership candidate, and now that he is the head of the party and this government, he refuses to make solid commitments.

The people of the North Shore and Charlevoix have had enough; they are fed up. When people are disenchanted they can be easily tempted to bend the law. The Upper North Shore has seen its fair share of road closures. I know that when roads are blocked it hurts the trucking industry. Often truckers are paid by the trip. This is the way the workers stand up for themselves. They have occupied employment insurance offices and demonstrated in front of every federal building on the Upper North Shore and in Charlevoix. They are exasperated.

I would also like to commend the people from the Action-Chômage movement, particularly on the Upper North Shore. I would like to acknowledge the work of a woman named Lyne Sirois. She is a woman of ideas, a woman who is not easy to convince, but a woman of conviction and commitment. She is currently leading this debate with the members of this committee. They are fed up with the promises made by this government.

I would like to say one thing. Let the government not get the idea, with an election looming, that it can buy votes with this. This may explain why there was no mention of it in both the throne speech and the budget. It thinks it can turn up, on the eve of an election, with some cosmetic measures, stop gap measures, just like it did prior to the 2000 election. Once again, it wants to extend the transitional measures, just like the former justice minister, now member for Outremont, did. In October 2003, he extended them for a year as a temporary fix, to try to buy some time and win some votes.

Among the people I wanted to mention is Manon Scaliene, who is involved with the forestry industry on the Upper North Shore. She too is what I would call an activist, a woman with a heart, a woman with a mind, and one who is also engaged in this battle.

I want to make it clear that the people will not be taken in. This government must follow up on the promises made by the Liberal leadership hopeful, now Prime Minister. What the people want is to meet with the Minister of Human Resources in order to explain the seasonal work issue to him. The Bloc Québécois is onside with the "Sans-chemise" on this.

*Private Members' Business*

I want the government and the public to know that this will likely be included in the Bloc Québécois election platform, once one has been adopted for the next election. What we are calling for is a self-sustaining employment insurance fund, so that the government cannot dip into it again and then boast about its balanced budget, its lower deficit and the fact that it has even generated a surplus.

Last year, the employment insurance fund generated a surplus in the order of \$3 billion.

• (1755)

That \$3 billion went into the consolidated revenue fund, while workers, unemployed workers, could have benefited from improvements to the program.

As a result, the Bloc Québécois is calling for the creation of a self-sustaining worker and employer administered fund, because we have already told the Prime Minister these contributions do not belong to him. "You have no business helping yourself to them", we said.

Although my time is up, I must add that there is much more I could have said.

[English]

**Mr. Reed Elley (Nanaimo—Cowichan, CPC):** Mr. Speaker, I said in an earlier speech that I thought it would be my last speech before retiring, but here I am again. I am sort of like a dirty penny.

It is with pleasure today to join in the final hour of debate on Motion No. 475. For clarification, the motion reads:

That, in the opinion of this House, the government should modify the Employment Insurance (EI) program to establish specific status for seasonal workers, regardless of the EI economic region in which they live.

In effect, as I understand the previous debate on this motion, the hon. member who introduced it is seeking to establish this special status for seasonal workers regardless of where they happen to live in the EI economic regions across the country. In effect, this would create special eligibility requirements for all seasonal workers.

I believe that in order to fully debate this kind of motion, it would be profitable for us to take a step back and review the employment insurance program overall. That will set the context by which we can adequately look at the workings of Motion No. 475.

As we all know, the employment insurance program, or unemployment insurance as it was once known, was originally intended to provide temporary assistance to workers who found themselves unexpectedly out of work. Its original and intended objective was that both employees and employers would contribute to an insurance fund that would provide workers with the short term means to continue to meet their financial obligations in the event that they were laid off.

Unfortunately, however, past governments, and the Liberal government in particular, have used and abused the financial and political implications of the EI program much to their own advantage, regardless of the implications to the individual workers and employers.

In the November 2003 Auditor General's report, with which I am certain all Liberal members are now very well acquainted, there were several crucial points brought forward. The unfortunate point is that

while the Auditor General has been able to confirm the numbers, the official opposition has brought forward many of the same points in the past, only to be ignored by the government.

Here are just a few of the points that came out of the November 2003 Auditor General's report. In 2001, 15.1 million Canadians contributed to the employment insurance benefits program and 2.4 million actually received benefits. The EI account surplus has reached \$43.8 billion. This is money that has been wrongly taxed from working Canadians. This is money that should have remained in the taxpayer's pocket. This is money that the current Prime Minister, when he was finance minister, used to balance the budget. He simply balanced it on the backs of working Canadians.

Furthermore, and this is nothing new, the Auditor General has brought this same issue to the attention of Parliament since 1999.

Another point from the Auditor General's report of last year is that the current surplus is about three times the maximum reserve that the chief actuary of HRDC considered sufficient in the year 2001. Three times is a 300% overrun collected from employees and employers. That is money that could have been used by the employees for personal expenses, put toward their child's education or to enjoy a well deserved family holiday. That is money that the employers could have used to hire and train new staff, to replace old equipment or expand their market share.

• (1800)

In 1996, the Employment Insurance Act went through a series of changes. Unfortunately, neither the Canada Employment Insurance Commission nor Human Resources Development Canada have reported on what savings have resulted from these changes. It is indeed unfortunate that HRDC is so selective with its own performance measurements.

In her closing remarks of chapter 7, the Auditor General made several recommendations concerning EI. Among them were the following: First, that HRDC ensure performance targets are met across the country and that the causes of performance problems be further assessed. This seems like an obvious target. Unfortunately, the EI program has not always been properly monitored and acted upon.

The second recommendation was that HRDC should design and implement an evaluation plan for the EI income benefits program.

The third recommendation was that CEIC should ensure that all changes to the EI Act are monitored, assessed and evaluated.

Unfortunately, the EI program has been used by this very tired old Liberal government as a regional and industry subsidy for many years now. Due to these past actions, different benefits go to different groups of people. I agree with the motion's attempt to ensure that the EI program is consistent all across Canada. Unfortunately, the motion seems to be a bear bones type of motion that lacks many key components and much information which we would use to make an intelligent decision as to how to vote.

*Private Members' Business*

Simply put, we must ensure that the EI program provides adequate income protection for Canadians in all regions in the event of unexpected income loss, all the while ensuring that there is a fair eligibility requirement and payments into the fund.

Clearly, the original intent of the program was to ensure that the payments by employee and employer alike were reasonable to maintain it as an insurance fund, rather than to be used by the Liberal government to simply balance the budget. I believe we need to return the program to its original goal.

While I respect the intent of the motion, I am concerned with the vagueness of the terms used. "Specific status" does not really describe for us as legislators what is included. It would appear that there are financial implications involved in the motion. However we currently are unable to determine what those implications and those options may actually be.

The real story behind the EI program and something which needs to be addressed far more than the motion is not seasonal workers, but the abuse that the Prime Minister and the failing Liberal government have inflicted upon the program and the payment mechanisms themselves.

Once again Canadians are being overtaxed by the government. Once again we see the Liberals using \$1.5 billion to serve their own needs. Once again we see a tired Liberal government that simply needs to be replaced with a government that will provide a vision and will provide hope, not only for workers but for every Canadian.

I suspect that in the coming weeks Canadians will decide that the government will be the new Conservative Party of Canada.

● (1805)

**Ms. Wendy Lill (Dartmouth, NDP):** Mr. Speaker, it is my pleasure to rise tonight to speak to Motion No. 475. It states:

That, in the opinion of this House, the government should modify the Employment Insurance (EI) program to establish specific status for seasonal workers, regardless of the EI economic region in which they live.

I am pleased to support the motion. We need to modify the EI system to recognize seasonal workers. Our EI system needs a major overhaul as our colleague from Acadie—Bathurst has said many times in the House.

The Liberals have created a system that only protects workers who match a long gone version of what employment is: the same job from high school to retirement with two weeks vacation every year and a bonus at Christmas. We all know that is no longer the model we are working under.

There are fewer and fewer workers who match this definition of employment today. Most people will have a new job every three to five years. Many will move in and out of traditional employment as they raise their family or care for an ill relative, as they go back to training or school to improve their skills, and as they use those skills to become entrepreneurs and create more jobs.

The EI system created by the Liberals does not protect seasonal workers or casual workers. It does not protect women. My own personal criticism is that the system does not protect workers who work for themselves, particularly artists who cobble together a living with contracts, royalties, and part time jobs.

Yesterday, the NDP caucus had the opportunity to speak at length about EI with Mr. Ken Georgetti and several other representatives from the Canadian Labour Congress. We had a very interesting conversation about the issue of seasonal workers.

What we must realize is that seasonal workers are spread across the entire nation. This comes right from the CLC which represents hundreds of thousands of workers in Canada. It represents a huge percentage of Canadian workers at this point in time in such industries as forestry, fisheries, tourism, and agriculture. The motion speaks to that very important point made by the CLC yesterday.

Another point that the CLC made which I find horrifying is the fact that 66% of unemployed workers, people who have been working but are now unemployed, never had the opportunity to collect on the money they paid into the EI system.

The whole concept of insurance is the fact that it is there when it is needed. That is why it is called insurance. There is something wrong with any insurance program which most workers pay into but never benefit from. That is how this plan has changed and metamorphosed over the last 10 years.

The EI account has built a premium surplus of close to \$50 billion since 1994. The system started to change in 1994 and the government started cutting back on the number of people who were able to collect on claims that they felt were legitimate.

Our economy depends on the work of all of these seasonal workers, people in the tourism industry, agriculture, mining and fisheries. If there were no tourism industry, Canada would lose \$55 billion industry that contributes over \$9 billion in taxes to the federal government. It is time to pause and think about the impact of these so-called seasonal workers. They are fueling one of the biggest industries that we have in this country.

● (1810)

Without the men and women willing to work part time in the fishing industry, there would be no seafood restaurants, no canned fish available, and no fish oil supplements.

Public safety and health crises like the SARS outbreak in Toronto, hurricane Juan in Nova Scotia, and the avian flu epidemic in B.C. have all affected workers in a negative way. There is no provision for EI to cover short term breaks in employment and, at the present time, to cover these kinds of extreme crises that have arisen over this last year in our workforce. Even in areas of relatively low unemployment like Toronto, workers need that safety net that EI is supposed to provide but rarely does.

*Private Members' Business*

The most frustrating aspect of this for many workers is that they pay for this protection. Seasonal workers still have to pay EI premiums even when it is clear from the start of their jobs that they will not be able to make a claim when their employment ends. When they hear that the surplus in the EI account is \$45 billion, or whatever incredible figure we are hearing now, these workers know that the Liberal government does not care about them.

I heard an expression the other day which I found pretty funny in a way but it is also pretty pathetic. It is a new syndrome called COWS. It means Canadian outraged workers' syndrome. Thousands of Canadian workers pay into the EI system knowing full well that they are not going to be able to collect when their jobs come to an end. It is kind of a catchy expression, but it is a pretty chilling idea.

For communities, the surplus comes down to the difference between the money its residents pay to the EI fund and how little its residents receive back. We hear about these huge surpluses ballooning in the EI fund but what does it really mean to our communities? I can tell members quite clearly what it means to my community.

In my riding of Dartmouth we lose \$30.3 million to the EI surplus every year. In Vancouver East the residents lose \$48 million. This is money that used to go to unemployed workers in our communities at an earlier time when this system was working for workers as opposed to against workers. When they were without work, they were able to access this money. It was coming into Dartmouth or Vancouver East. It was fueling the economy. It was going to pay for groceries, school supplies, and clothing for our kids and medicine. That money was part of our economy. It is now collecting within the surplus in the federal coffers and it is not going back into our communities.

It is even more shocking in rural areas like Acadie—Bathurst where the residents lose \$81 million annually. No wonder our rural areas are hurting. If those hundreds of millions of dollars had stayed in the community, the spinoff benefits would have been enormous.

More sales in stores result in more jobs. More opportunities for skilled training keep local schools busy, more money spent on community charity initiatives improve local conditions, and more entrepreneurs starting up businesses keep residents living in their community. All of these are the spinoffs and are the direct result of having that money being channeled into the communities.

A few weeks ago I spoke on how the problem with the equalization formula for have less provinces has left me less optimistic about where we are at now in the Maritimes. The numbers that the Canadian Labour Congress provided us with regard to the money that is being taken out of our community saddens me even more.

How can we keep our young people from going down the road if the federal government siphons money out of our provinces through the EI surplus? How can we keep our small communities strong if we punish citizens for living there? That is what the EI system does. It punishes people for working in seasonal industries and it punishes people for working on a part time or casual basis.

●(1815)

Those communities lost hundreds of millions of dollars because the EI system did not protect the majority of workers, especially casual, part time and seasonal workers. We need a revolution in thinking about employment that recognizes that many workers have episodic employment and that they should be supported between those jobs.

We all benefit from having a workforce that is able to respond when we need them to take on jobs that will only last a few weeks or will not be full time. That is the reality of industries today. That is where our productivity suffers because we do not support the workers we need to keep our industries and communities strong.

I want to thank the member beside me for bringing forward this motion. It is an important step in trying to fix this system that is a lifeblood for our employees in the country. We will be supporting it.

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I am very pleased to rise today to address the motion moved by the hon. member for Charlevoix and seconded by the hon. member for Rimouski—Neigette-et-la Mitis. I will read the motion again, because I think its wording says a lot:

That, in the opinion of this House, the government should modify the Employment Insurance (EI) program to establish specific status for seasonal workers, regardless of the EI economic region in which they live.

Seasonal workers are people who work in nurseries such as the ones in Saint-Modeste and Rivière-du-Loup, in peat bogs, in the tourism industry, in the forestry sector or in the agricultural industry. These people work between 12 and 20 weeks per year at these jobs. From year to year, they do the same type of work and accumulate roughly the same number of weeks.

The part of the motion which says that we should “establish specific status for seasonal workers, regardless of the EI economic region in which they live” is important. Indeed, we found out that, when the unemployment rate goes down in a region, workers are asked to work more weeks to qualify for the employment insurance program and they get fewer weeks of benefits.

This may be acceptable for someone who works in a thriving economic sector, provided it is not a seasonal job. However, in a sector where work is seasonal, the number of weeks of work remains the same, even if the economy of the region improves. In fact, economic growth has a reverse effect on these seasonal workers. Indeed, it reduces the quality of their living conditions, because they are asked to work more weeks to qualify for employment insurance.

These people are often unable to qualify. Either they get fewer weeks of benefits and must go through the dreadful spring gap, or else they work 12 weeks in the summer, collect benefits for about 30 weeks and suddenly find themselves without an income for the other 10 weeks.

Imagine the case of two persons from the same family working on a seasonal basis at the Saint-Modeste nursery. Suddenly, for 10 weeks of the year, there is no longer any money coming in to pay rent, make car payments and provide for the children. These people must find an alternative.

This type of situation is unacceptable because the employment insurance system has generated astronomical surpluses over the past 10 years. The current government owes \$45 billion to employers and workers who have contributed to this system and not been paid.

Meanwhile, as with any other insurance plan, this is a very specific situation. The government allocated this money to a completely different category of expense, using it to pay down part of the debt, reduce deficits and cover increased federal government operating expenditures. Paradoxically, here in the central federal system, there were higher operating expenses, but the money came directly from regions already affected by tougher EI criteria. It is vital that this be corrected as soon as possible.

In the past we managed to get rid of the intensity rule. Hon. members will recall the 1994 reform. It was terrible. Anytime someone used 20 weeks of employment insurance benefits, 1% of their benefits was eliminated. This was truly unacceptable and we managed to fight this and win. Now, we want seasonal workers to have special status, regardless of the economic activity, in order to be protected and given an appropriate number of weeks.

Will we win this battle? In 2001, the Standing Committee on Human Resources Development presented a unanimous report to make 17 amendments to the employment insurance system. It was soon after the election in 2000, and the Liberal candidates had all promised to make changes in the employment insurance system. Do the hon. members know how many recommendations the government accepted? Not five, not four, not three, not two, not one—zero. None of their recommendations were accepted.

The EI program has been the cash cow for Mr. Chrétien's Liberal government and the cash cow for the Minister of Finance who today says to anyone who will listen that he has put the fiscal house in order. He has done so on the backs of workers, employers and the unemployed, who have seen their benefits drop substantially.

In 1994, they began to decrease the amount of employment insurance benefits. The weekly benefit amount went from 60% to 55%. In the second phase, they tightened the screws. People must now work more weeks to qualify and they receive fewer weeks of benefits. Ever since then, when election time comes, I get nervous.

• (1820)

I have seen it again. The candidate who will be running against me for the Liberal Party of Canada, the Liberal Party of sponsorships, has said that something will have to be done to help the seasonal workers and that it is important for the election campaign. What I tell the people is that if they truly want change in the regions affected by

### *Private Members' Business*

the problem of seasonal work, then they absolutely must elect the smallest possible number of Liberals.

The last time, if there had been a house-cleaning in the Maritimes—if we had eliminated them the way we did in the Quebec ridings—there would not have been enough Liberal MPs to form a government. Rest assured that they would have listened to us more and taken this result into account. If the Liberals are re-elected because people think there might be something for the seasonal workers, we will not have won.

A month ago, we had a throne speech. Tuesday, we had a budget speech, with nothing in it about this. If the government wants to do something, it may have just a few weeks to do so. So it better move quickly, pass some concrete measures to make sure, before the election, that something is place for our seasonal workers, our seasonal industries, which they can count on.

This has an impact not only on individuals, but on whole industrial sectors. In my region, they are having a great deal of trouble getting workers for the tourist industry, hotels, inns and restaurants, because they barely get enough weeks to qualify for EI. They need to go elsewhere, Montreal for example, to accumulate enough hours, and then, they do not come back.

So we train workers and familiarize them with this kind of work, and then, in the end, we lose them. This has a very negative impact on the economy in our regions. Tourism is an important industry, which generates revenue and, moreover, provides people with affordable and enjoyable holidays. So, there must be continued solidarity.

I call upon all members of this House to support the motion of the member for Charlevoix. He represents an area where there are many seasonal workers. A number of important initiatives have come from that region. As well, the present PM made certain commitments when he was running for the leadership of the Liberal Party of Canada, commitments he did not keep in the throne speech or the budget.

Today, in voting on this motion, we need to know that there will be real money forthcoming from the government, not a year or two down the road, but right now. We need our seasonal workers to have the status they deserve starting with the 2004 season.

For people working in a sector where there is a finite number of hours of work in the year, they need assurance that they will be able to make ends meet. These people need an employment insurance program that will really help them have enough to live on when their work has run out. That is what the motion is about and that is why I call upon all members of this House to support it, so that we may have a concrete recommendation, a concrete action to improve the situation of seasonal workers.

• (1825)

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, it is an obvious pleasure to speak today on this motion by my colleague from Charlevoix, seconded by my colleague from Rimouski—Neigette-et-la Mitis. This motion reads as follows:

*Private Members' Business*

That, in the opinion of this House, the government should modify the Employment Insurance (EI) program to establish specific status for seasonal workers, regardless of the EI economic region in which they live.

People always think that problems with employment insurance occur in very specific regions, such as the North Shore and the Gaspé, or areas where workers live off the fishery and other industries.

I represent a riding on the opposite side of the Ottawa river; it starts on the outskirts of Gatineau and ends at the outskirts of metropolitan Montreal, and it is bordered by the town of Saint-Eustache and highway 15. In my riding of Argenteuil—Papineau—Mirabel, the economy is based on three main industries: agriculture, tourism and forestry. Clearly, these industries use seasonal workers.

Everyone knows what can happen in Quebec as a result of our beautiful seasons. Agriculture, forestry and tourism are not easy industries to work in. Everything depends on the weather. When it rains a lot in the fall, the tourism industry suffers. When farmers do not get good weather, the harvest is shortened.

All these industries depend on the workers that support them. This kind of work is seasonal. It is not the person, the man or woman working, who is seasonal; it is the kind of work available. Without seasonal workers, the forestry, agriculture or tourism industries would be in serious trouble.

Industries such as farming need workers to provide food to the people of Quebec and Canada; industries such as forestry need workers to build homes; and industries such as tourism need workers to provide recreational activities. These kinds of industries need these workers.

Obviously it is increasingly difficult, considering the fact that the work is dependent on the season and considering the system established by the Liberal government. It was the government that set up the EI structure. We must stop thinking the way we have been. Many listeners think that it could not happen that a government would help itself to the money of workers and employers. Since 1996, the government has not put one cent into employment insurance. It runs on the premiums paid by workers and employers. Such is reality; that is the way it is.

This is a kind of test question which I offer to the citizens listening to us. Ask the following question of all the candidates in the coming federal election, "Does the federal government put money into the employment insurance fund?" The answer is no. In 1996, a choice was made by the Liberal Party led by Mr. Chrétien, when the current Prime Minister was finance minister. The federal government decided in 1996 that it would not put another cent into the employment insurance fund, and they changed the method of paying benefits, in order to pay out as little as possible, so that the premiums, which they had raised, would cover the costs of the system.

However, what happened was even worse: they turned a profit on the contributions. We are talking about \$45 billion. This is not something we made up because we are the Bloc Québécois; this is reality. Those who follow economic news can read it; economists are saying that it is true the federal government is building up a surplus with the employment insurance fund.

The problem is that this sum is in the government's consolidated revenue fund. When we question the Prime Minister, or when we questioned the finance minister at the time, and told him he was taking money from workers, he said no, that it was in Canada's consolidated revenue fund.

● (1830)

The reality is that every year for the past few years, \$3 billion—it has been more than that, it was as high as \$7 billion a year—of the employment insurance fund is put toward a surplus that the federal government can use to eliminate the debt.

However, the problem is that in the meantime, seasonal workers are no longer receiving benefits. To give a simple illustration, one has to work at least 20 weeks to try to draw benefits for 30 weeks because there are 2 weeks of penalty as well. Those who work in seasonal industries and do not work 20 weeks in the year come up short. If a person works 12 weeks, they go 10 weeks without benefits. If a person works 16 weeks, they miss 6 weeks.

Given that the large majority of seasonal work is done in the summer, it is this time of year, the spring, that people no longer receive benefits or any income and they have difficulty putting food on the table. Some will say, "That is the way it goes".

Except that it is extremely difficult to accept the fact that, during this time, the federal government has been socking away billions in taxes and saved benefits. So, it is extremely hard for families in need to accept this.

The Bloc members and my colleagues here in the House have had an opportunity to see what is being done with the contributions by workers and employers, and it is hard not to get up in the House and do what we are doing today by telling this government, "Stop! Restore the funding to the system to resolve the problem affecting workers in seasonal jobs in tourism, agriculture and forestry, so that they can earn income all year and maintain a decent standard of living for their families". That is all we are asking.

Obviously, my colleague from Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques mentioned this earlier. The Standing Committee on Human Resources Development produced a unanimous report to try to resolve this problem. A unanimous report means that the Liberal members on the committee voted along with the opposition members in favour of the recommendations. That is what a unanimous report means.

The government, believe it or not, did not respect the committee's recommendation. It did not want to implement any changes. Despite the fact that, during his leadership campaign last June in Charlevoix, Quebec, the member for LaSalle—Émard and current Prime Minister met with the Sans-Chemise, and promised them that he would resolve this problem—we heard the throne speech and the budget—he has done nothing to resolve the problem facing seasonal workers.

*Private Members' Business*

The Bloc Québécois, through the member for Charlevoix—quite understandably—has introduced a motion in the House to resolve this specific issue.

Why now? Because now is when men and women have no income, now is when the famous spring gap occurs, when they no longer have benefits following their seasonal employment because obviously their 30 weeks are up since they did not work the required 20 weeks. They are coming up short. That is why we are moving this motion. I am proud to discuss this position today, and I support the motion by my colleague from Charlevoix.

• (1835)

**Mr. Marcel Gagnon (Champlain, BQ):** Mr. Speaker, I cannot help but congratulate the hon. member for Charlevoix on triggering this debate to which I want to add my voice.

Yesterday, I participated in a television program in my region, looking into how this government could be made to be a little more sensitive to the immoral situation that prevails. We just talked about people who are unemployed during part of the year and who do not qualify for employment insurance benefits. Yet, the government is using the EI fund to pay off its debt.

But who should pay for this debt? Is it the workers who earn \$20,000 or \$25,000 per year or, rather, those who do not even contribute to the employment insurance program? I would have liked to have more time to elaborate.

I am always outraged when I see that those who contribute to the EI program are the workers who earn \$39,000 a year or less. This means that the EI contributions of a seasonal worker who makes \$20,000 or \$25,000 annually are based on his full salary. And, in the end, this worker does not even qualify for benefits when he loses his job.

The motion of the hon. member for Charlevoix is so logical that I would like, as a minimum, to extend my assistance to him. This is not the end of it. We will likely soon be campaigning for an election, and I promise we will raise the subject everywhere. It is very dishonest to take people's money and use it for a purpose other than the one it was contributed for.

When workers buy insurance, it is for help during hard times. If we insured our homes against fire, for instance, and, after a fire, learned that the government had taken the money to use for something else, there would be a major uproar. But that is what is happening to 61% or 62% of workers. The money that was put into a fund to help them out during hard times is being taken out, and only 39% of contributors qualify for help when they do lose their jobs.

Some solution must absolutely be found. I am asking you how this government could be made more aware, more honest. What can we do to make them react and give people at least part of what they are asking for, that is, more honesty in the administration of money that is theirs, and not ours?

This motion is so clear that I feel it should not even need discussing to gain it virtually unanimous support in this House. Again, I point out that, if nothing is done right away, I fear that, during the campaign, the Prime Minister will again be travelling

around the regions making promises, as was done the last time. I am sure that the workers will remember.

Let us hope for changes. Let us hope for a unanimous vote in favour of this motion.

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, I am pleased to rise, on behalf of my constituents in the riding of Charlevoix, and speak to the motion I introduced, which was seconded by the hon. member for Rimouski-Neigette-et-la Mitis.

There are seasonal workers in every region of Quebec—on the North Shore, in Charlevoix, in the Lower St. Lawrence, and in Saguenay—Lac-Saint-Jean—who are experiencing the employment insurance problem. As has been explained, if there are seasonal workers, it is because jobs are seasonal.

With your leave, I wish to pay tribute to all the men and women in Charlevoix, the Upper North Shore and the Manicouagan area, especially in Baie-Trinité, who have supported the Sans-Chemise and Action-Chômage committees.

While the shirtless, the Sans-Chemise, are out on the street, the heartless are in this House. They are sitting on the Liberal side; it was they who passed this reform in 1994, a reform that they have never corrected or amended, despite the demands from seasonal workers, the Bloc Québécois and all other opposition parties.

There is nothing in the throne speech or in the budget on this issue. This leads us to think that the promises made in Baie-Saint-Paul by the Prime Minister will not be acted on. When he was a candidate, the Prime Minister made promises, as did Martin Cauchon when he came to Charlevoix. He came to tell us that he would change the transitional measures, that his government would look after seasonal workers. Even though Mr. Cauchon was a minister and was from Charlevoix, he never did anything to change the employment insurance program.

Motion No. 475 is very simple. We hope to get the unanimous support of the House. We hope that the Liberals will support it. This motion seeks to finally recognize the status of seasonal workers, regardless of the economic region in which they live. There are seasonal workers in my riding and in all the ridings of Quebec and Canada.

Every member, including the Prime Minister and the ministers, will have to rise in this House on Wednesday, March 31, and I invite the public to follow the debate and to see who will vote against a specific status that would give seasonal workers the money that belongs to them.

This is the only place in the parliamentary system where people have to work more to have less. We no longer believe in transitional measures. We know that reform is increasingly harsh. Before, a worker had to work 420 hours to be entitled to 30 weeks of benefits. With the measures to come, they will have to bank 525 hours to receive 24 weeks of benefits.

*Adjournment Debate*

We think that by improving and recognizing seasonal worker status, the government can give them better conditions. This would not take anything away from the budget, since the money comes from the fund that is normally generated by the employee and the employer. We are asking for a maximum of 360 hours for a person to be eligible for 38 weeks of employment insurance benefits.

I will give an example from the municipality of Baie-Trinité. On February 1, some 90 workers in the softwood lumber industry, fishing, tourism and agriculture became unemployed. We are talking about 90 seasonal workers who are unemployed in a small municipality like Baie-Trinité. It is a catastrophe.

The employment insurance fund runs at a surplus of \$6 billion per year, which means that \$43 billion has been accumulated since the EI reform. That is money that has not been paid out to seasonal workers in my riding of Charlevoix. That is a loss of \$10 million to the regional economy. That is only the regional economy; this is money not spent in corner stores, supermarkets, gas stations and, very often, not even spent on basic needs.

Let us not wait for the 2004 election. I invite the people of Quebec to support the Sans-chemise committee, go see the seasonal workers and the campaigning Liberal candidates, and demonstrate at their electoral offices.

• (1840)

We must make these candidates take firm and precise positions. I do not know if they should be trusted; they have never kept their word.

Next Wednesday, March 31, when the House votes on Motion No. 475, I hope that the Liberals and all the MPs in opposition will recognize that seasonal workers are real workers, whatever economic region they live in.

• (1845)

**The Speaker:** It being 6:45 p.m., the time provided for the debate has now expired. Consequently, the question is on the motion.

Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

**The Speaker:** Pursuant to Standing Order 93, the recorded division stands deferred until Wednesday, March 31, 2004, just before private members' business.

**Mr. Michel Guimond:** Mr. Speaker, I may not have understood your comment on when the division will take place, but an agreement was reached between all the parties, that division take place next Wednesday, March 31, 2004, at 3 p.m. Our agreement is for the division to be held at the same time as the one on the budget and on the ways and means motions.

**The Speaker:** Is there unanimous consent of the House to change the time so that the division take place at 3:00 p.m., on Wednesday, March 31, 2004?

**Some hon. members:** Agreed.

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## ADJOURNMENT PROCEEDINGS

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

[English]

ATLANTIC CANADA OPPORTUNITIES AGENCY

**Mr. Greg Thompson (New Brunswick Southwest, CPC):** Mr. Speaker, a few weeks ago I put a question to the minister of ACOA. It was based on a speech given by the president of the Atlantic Canada Opportunities Agency. What I suggested to the minister was that the president of ACOA had stepped outside her bounds as president of an agency when she publicly endorsed a policy paper by the Liberal Party of Canada. It was not government policy, it was simply a policy paper put together by a group of Liberals. In fact it was the Liberal Atlantic caucus, but it has never been government policy.

Therefore, I suggest that she breached the public services ethics act when she did that. She clearly stepped outside of her bounds. She is not there to be a political voice for the Liberal Party of Canada. She is there to serve the agency and to serve all citizens in a non-partisan way. She should not be picking favourites, and that is exactly what she did when she gave that speech in Moncton on February 23 this year.

She has clearly stepped outside of her responsibilities as the president of an agency of government. I would like to quote from the Values and Ethics Code for the Public Service of Canada. It states:

Public servants must work within the laws of Canada and maintain the tradition of the political neutrality of the Public Service.

It goes on to say:

Deputy Heads and senior managers have a particular responsibility to exemplify, in their actions and behaviours, the values of public service...It is expected that they will take special care to ensure that they comply at all times with both the spirit and the specific requirements of this Code.

She did not do that. In fact this document that she promoted, which is called the "Rising Tide" was not even mentioned in the Speech from the Throne. It was only a reference when the Prime Minister, the next day, under pressure from his Liberal members of Parliament suggested that he should make reference to it in his speech when debating the Speech from the Throne.

It is pretty obvious that it is not government policy. In fact the minister himself suggested that this would be the basis of the Liberal Party's election platform in the next election.

*Adjournment Debate*

I think it is fundamentally wrong when a public servant is given instructions from a minister of the Crown to go out on the rubber chicken circuit speaking tour promoting a Liberal Party policy document. When the president gave her speech, she even suggested that it was just a discussion paper and referenced that paper in relation to positions held by other political parties. Not only was she promoting the Liberal Party, she was criticizing positions by other political parties, which is way outside her limits.

She should be reined in by the minister. In fact when I questioned the minister in the House a week or so ago, Mr. Speaker, you were in the chair, and the minister stood on his feet and said in reply to my question:

Mr. Speaker, the deputy minister of ACOA was merely doing her job as deputy minister. She is speaking out on government policy. The implementation—

• (1850)

**The Speaker:** I am afraid the time for the first installment is up.

**Mr. Greg Thompson:** You're not being very generous sir.

**The Speaker:** The hon. member has had a full four minutes. That is all he is entitled to. I am being as generous as the rules permit. In fact he has gone over by some seconds already. I was reluctant to interrupt him, as usual.

The hon. Minister for ACOA.

**Hon. Joe McGuire (Minister of Atlantic Canada Opportunities Agency, Lib.):** Mr. Speaker, let me begin by congratulating the hon. member for his new placement in the House of Commons. He must have done something politically brilliant to be so positioned, right behind his new leader.

In response to his concerns, our government remains committed to reducing regional disparities and ensuring that all Canadians benefit from a strong economy and the services that such an economy can provide.

The recent Speech from the Throne reasserted this commitment when it stated that the objective of the government is to ensure that every region of the country has the opportunity to move forward socially and economically on a rising tide of progress.

The Prime Minister was even more explicit in his response to the Speech from the Throne. He said:

We must ensure that...the hopes and dreams of Atlantic Canada, as reflected in the report "Rising Tide," are realized.

Again, this week the Minister of Finance stated in his 2004 budget plan that "Rising Tide" would be our government's guide to building on the progress to date in diversifying the economy of Atlantic Canada.

The mandate of the Atlantic Canada Opportunities Agency is to tackle the socio-economic challenges facing Atlantic Canada. It is within this context that ACOA helps communities and businesses overcome barriers and identifies new opportunities for growth. In other words, advancing the economic development of Atlantic Canada as reflected in the report "Rising Tide" is the policy of the Government of Canada.

When the deputy minister of ACOA speaks about ways to advance the Atlantic economy, as reflected in the report "Rising

Tide", she is doing no more and no less than what I have asked her to do. She is speaking out on government policy. To suggest otherwise is a disservice to a talented deputy minister, one of only two deputy ministers from the Atlantic region. I might add it is also a disservice to the people of Atlantic Canada.

Our government's vision is to strengthen and deepen the transformation that is already taking place in Atlantic Canada.

To talk about "Rising Tide" is to talk about the future of Atlantic Canada and about issues of concern to Atlantic Canadians, such as innovation; entrepreneurship; trade and investment; research and development; and community development.

The deputy minister's speech to a service organization was an opportunity for ACOA to highlight its future vision. That vision is contained in the "Rising Tide" policy document, a document that has been accepted by the Government of Canada and a document that is now being converted from words into action.

ACOA's approach recognizes the great opportunities inherent in the people and the communities of Atlantic Canada. It also recognizes the need for us to work in partnership with various stakeholders both within and outside Atlantic Canada.

My deputy minister is doing just that by bringing people together to build on existing strengths.

• (1855)

**Mr. Greg Thompson:** Mr. Speaker, the president of ACOA clearly stepped outside her bounds. That is why there is ad scam, the political scandal that is going on on the government side, because officials were unwilling to say no to their political masters.

The minister knows full well that the president of ACOA stepped outside her role when she was out promoting a policy document, not government policy, but a policy document of the Liberal Party of Canada.

It is interesting that the Liberals talk of "Rising Tide". When the document first came out it was a \$4 billion package for Atlantic Canada. They kept paring it down until finally they had it down to around \$700 million. Note that the other day in the budget papers there was no money for "Rising Tide", not a nickel. The only money that is referenced is in the supplementary estimates, according to the minister himself.

How can he get on his feet and brag about "Rising Tide" when in fact the government did not put a nickel into it in this budget? In fact it will be a political discussion paper for the next election.

The minister should be ashamed of himself and he should rein in his deputy minister, that is, the president of ACOA.

**Hon. Joe McGuire:** Mr. Speaker, on several occasions the government has been criticized for politicizing ACOA. The facts do not support this allegation. Indeed, any objective view would indicate that our support at ACOA is focused more heavily on the rural areas than on urban ones, on young people, on women entrepreneurs and on building a brighter future for all four Atlantic provinces.

*Adjournment Debate*

Critics opposed to ACOA's very existence use flawed data to put forward their complaints. Then the analysis is picked up and repeated. In the past it has been our pattern to simply ignore those errors, but no more. We now believe that it is crucial to point out that criticisms such as these are simply wrong and are a deliberate attempt to distort the facts. ACOA makes its decisions based on good projects brought forward by good people in the business community and in communities across Atlantic Canada.

I know the hon. member supports the principles that led to the "Rising Tide" report because he recently told a New Brunswick

paper that the Atlantic Conservative caucus "will develop a policy and that nothing will go forward until we develop that policy". The hon. member clearly recognizes the role of caucus in developing government policy.

**The Speaker:** It being 6:58 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:58 p.m.)

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