



CANADA

House of Commons Debates

VOLUME 140 • NUMBER 046 • 1st SESSION • 38th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Monday, January 31, 2005
(Part A)

—

Speaker: The Honourable Peter Milliken

CONTENTS

(Table of Contents appears at back of this issue.)

All parliamentary publications are available on the
"Parliamentary Internet Parlementaire" at the following address:

<http://www.parl.gc.ca>

HOUSE OF COMMONS

Monday, January 31, 2005

The House met at 11 a.m.

Prayers

• (1100)

[*Translation*]

VACANCY

LABRADOR

The Speaker: I have received notice that a vacancy has occurred in the representation in the House of Commons for the Electoral District of Labrador, in the Province of Newfoundland and Labrador, by reason of the death of Mr. Lawrence O'Brien.

[*English*]

It is my duty to inform the House that pursuant to subsection 28(1) of the Parliament of Canada Act I have addressed, on Tuesday, December 21, 2004, a warrant to the Chief Electoral Officer for the issue of a writ for the election of a member to fill the vacancy.

It being 11:05 a.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

EXCISE TAX ACT

The House resumed from November 26 consideration of the motion that Bill C-259, an act to amend the Excise Tax Act (elimination of excise tax on jewellery), be read the second time and referred to a committee.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, since this is the first time I am speaking in this House this year, I want to take this opportunity to express my best wishes for the new year to all my colleagues, my constituents and Quebecers and Canadians. May 2005 be the best year possible.

I rise this morning to speak to the bill to eliminate the excise tax on jewellery. This tax has existed since 1917. It was introduced to help meet financial needs during the First World War. After the war,

the federal government followed its usual practice and kept the tax. The war was over. The tax still exists today.

In my opinion, we need to fix the way our files are handled, to some extent. I am referring here to the speech by my colleague from Portneuf—Jacques-Cartier, who rose on November 26 to make the Bloc Québécois' position known as soon as the debate started. Our position on this is quite clear and has been so for some considerable time. Representations were made to the Standing Committee on Finance. As early as December 1996, we stated that the excise tax on jewellery should be abolished. Our party, like all parties represented on the committee, had accepted this recommendation, which the December 1997 report reiterated in its entirety.

Subsequent representations were, in fact, made. The Canadian Jewellers Association wants this tax to be eliminated. Believe it or not, it still applies to the sale of jewellery over \$3, when clearly things have changed. In terms of the overall federal budget, abolishing this tax would generate additional costs of \$55 million, although we know what effect this would have on the labour market. We must not forget that in Canada, for example, a diamond market is developing and becoming established.

A round table, created by the government through natural resources, wanted this 10% tax to be eliminated in the context of the development of a Canadian and Quebec diamond industry. Various parts of Canada, but especially Matane, in eastern Quebec, are interested. A diamond-cutting school is being set up and an industry will possibly follow. Now would be a good time to eliminate irritants such as this 10% tax on jewellery.

This tax is included in the price. It can be a fixed amount added to other products. For jewellery, it represents 10% of the price. It still applies to gasoline, tobacco, alcohol and jewellery. In most cases, the aim is to discourage the sale of such items. This is not the case for jewellery.

When this tax was put in place, there was no GST as there is today on purchases. If someone buys a costly piece of jewellery, there is GST charged on it already. At this time, the excise tax is nothing but a hindrance to the development of an industry that needs to become more established. I have referred to the diamond industry, but this is also the case for all the jewellery stores in our ridings, be they large chains or smaller family businesses or the like.

Private Members' Business

The government therefore absolutely must do something in the coming budget. So much the better if this bill were debated and passed now. The government could be proactive and take the step in the coming budget of abolishing this tax, particularly since it has the backing of the industry involved, as well as the Standing Committee on Finance. In light of the present financial situation, the government ought to do the math, because I am not convinced that, when it comes down to it, it is currently a winning proposition to keep the 10% excise tax. This is a federal tax collected on items that are either imported, manufactured or made in Canada, based on the fair value of imports or the selling price of items manufactured in Canada.

The Bloc Québécois calls upon the members of this House to vote in favour of this bill so that this outmoded tax can be done away with, thereby giving a worthwhile boost to the jewellery industry. A number of people in our part of the country own businesses in this sector. This would, in some ways, also be a means of counteracting the negative effects of globalization and allowing our businesses to offer products to consumers at attractive prices.

• (1110)

People tell us this is a tax on luxury items. However, as the president of the Canadian Jewellers Association said, there are basic products we should be able to buy, because today they are part of regular commerce. There is already another tax that can compensate, that is the GST on the value of the item. Consequently, the fact that an item is taxed from the value of \$3 is, in our opinion, completely archaic and outmoded.

The jewellers argue that the tax is unfair because it applies only to their products, thus lowering their sales. In the end, it costs jobs and encourages smuggling and the black market. For these reasons and having assessed the financial impact of such a tax, the Bloc Québécois considers that eliminating it is preferable.

Thus, we will support Bill C-259, an act to amend the Excise Tax Act (elimination of excise tax on jewellery). We believe it is important for the House to take this step.

In conclusion, there are many areas of Canadian taxation policy that need to be cleaned up. It is time for spring cleaning and for a new kind of organization. This is one very clear and very obvious sign. In my opinion, we are no longer in the 1994-2004 period, where the watchword of the current Prime Minister, who was then finance minister, was to wring out every last drop to bring in money. We saw the results of this in the employment insurance fund, from which \$45 billion was taken to pay off the deficit and to spend on anything but the employment insurance system.

In practice, we are facing the same situation with respect to this tax. It was a way to accumulate as much money as possible. For the entire economy, the federal government must see itself as a government rather than a corporation. The point is not to amass as much money as possible in the federal government's treasury, but to ensure that there is a balance and that our taxation system corresponds to the economic realities of today.

Therefore, for all these reasons, the Bloc Québécois will vote in favour of this bill.

• (1115)

[English]

Mrs. Lynne Yelich (Blackstrap, CPC): Mr. Speaker, I am pleased to speak this morning on Bill C-259, an act to amend the Excise Tax Act.

This bill was introduced by my colleague from Vancouver Island North. It would end the discriminatory excise tax on jewellery, a luxury tax that discriminates, a 10% levy paid by manufacturers on the sale price of items manufactured in Canada and by importers on the duty-paid value of imports. Exceptions include religious articles, watches that cost less than \$50 and gems and jewellery that cost less than \$3.

This tax, which was first imposed in 1918 after the first world war, is an outdated tax that no other industrialized nation in the world imposes on its jewellery industry. It is time for the government to recognize the need to eliminate this unfair tax.

Canada's jewellery industry is made up of 5,000 companies, most of which are small, private, family owned businesses. From an economic perspective, it is a \$1.2 billion a year industry that employs 40,000 Canadians.

Let me give members some facts. Canada is one of the world's largest leading diamond producers, with all indicators pointing toward potential for future growth. In 2004, 40% of world diamond exploration expenditure was dedicated to the search for diamonds in Canada. We now rank third in the value of global production of rough diamonds.

Canada could strengthen its international position even further by encouraging and advancing domestic manufacturing involving diamonds and other sectors of the jewellery industry. By supporting this bill, we are encouraging domestic jewellery manufacturing instead of burdening the industry with such an archaic tax.

The excise tax addressed by Bill C-259 discriminates unfairly against the jewellery industry, which is the most heavily taxed consumer sector in Canada apart from alcohol, tobacco and gasoline.

The luxury label cannot be used as an argument any longer. In fact, jewellery is a commodity that is broadly purchased by all segments of Canadian society, from the very poor to the very rich.

A large part of the tax is collected from low value jewellery purchased by ordinary Canadians. According to the Canadian Jewellers Association, lower and middle income households account for more than 50% of jewellery and watch expenditures.

Whereas a \$10 pair of earrings and a \$500 wedding band are taxable, there is no luxury tax on a \$250 bottle of perfume, a \$2,000 suit or an \$80,000 car.

The repeal of this tax would allow the jewellery industry to be on an equal playing field with other so-called luxury industries that are not subject to this discriminatory tax.

Private Members' Business

The excise tax on jewellery and watches is hurting small businesses. More than 90% of jewellery firms have fewer than 20 employees. These small businesses are subject to higher costs of financing inventory. The jewellery industry has considerable job creation potential, particularly as a cottage industry. While other industries cannot sprout up or survive in remote and rural areas, these small jewellery firms can and do succeed, creating Canadian jobs.

We are also killing jobs through the tax because it favours imports rather than domestic jewellery manufacturing. Imported jewellery is taxed on its duty-paid value when it enters Canada. This value is significantly lower than the taxable value of similar items on which domestic manufacturers pay the tax. Domestic jewellery manufacturers face lower profit margins and they lose to imports.

Canada has some of the best diamonds in the world and yet the excise tax makes Canadian diamonds more expensive at home than anywhere else in the world.

Another hit to the economy occurs when the excise tax is passed on in the form of higher consumer prices. Canadians are enticed to purchase jewellery and watches on their travels south of the border or on trips overseas and they use their personal exemption of up to \$750 for a one time, one week absence.

Cost reductions from eliminating the tax would in part be passed on to consumers, which then would lead to increased jewellery sales, industry growth and jobs.

It is also important to consider the black market and how removing the jewellery excise tax could have an impact in reducing the incentive to smuggle jewellery.

One study found that the excise tax may account for more than 50% of the price difference between a smuggled piece of jewellery and a similar item purchased legally in Canada.

Bill C-259 would help Canadian manufacturers get back the market share that gets lost to the black market. Another study shows that the personal smuggling of jewellery from the U.S. and elsewhere, which is very difficult to police effectively, may cost Canadian jewellers up to 15% of their market. Again, Canadian jobs are lost there.

Furthermore, this tax is complex and difficult to administer. As manufacturers pay the tax, complications arise in constantly applying definitions, determining accurate valuations for tax purposes, and defining what constitutes manufacturing. For example, the tax can apply to plastic imitation jewellery, any articles made in whole or in part of coral or natural shells, and items made of gold or silver, except gold-plated ware for the preparation and serving of food or drink.

The flaws of the tax make it prone to evasion and avoidance, which also results in a significant loss to the government of GST and income tax revenue.

These same complexities and problems were also shared by the federal manufacturers sales tax. However, the difference in the case of the manufacturers sales tax was that its flaws and the structural weaknesses of administering the tax eventually led to its removal in 1991.

In addition to lobbying efforts from the jewellery industry, the Auditor General has also questioned this tax. The September 1996 Auditor General's report described a number of practical problems obstructing the fair and effective administration of the tax. Moreover, the House of Commons Standing Committee on Finance has twice recommended eliminating the tax.

In 1996 and most recently in October 2004, in a report on small business tax measures, the tax was called an anachronism that no longer serves any social policy objective. Nor does it fulfill the qualities that should be sought in a tax: equity, efficiency, ease of administration, and transparency. It is time for Canada to join the rest of the industrialized world and eliminate this unjust and discriminatory tax.

● (1120)

In closing, I would like to mention that the MLA from Great Slave applauds our member for Vancouver Island North for introducing this bill. He says, "The Northwest Territories has been blessed with diamond resources that now make us and Canada one of the leading producers in the world". He says that the Northwest Territories has taken "strong stands to ensure that significant benefits from diamond development accrue to northern residents". As a result, he says, residents have seen four diamond cutting and polishing plants established in the City of Yellowknife. He applauds and thanks the member for bringing this legislation forward and he can only hope that all members of the House will support this bill.

Let us support the creation of jobs and investment in Canada by repealing the excise tax on jewellery. I urge all members to support Bill C-259.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to participate in this debate, which I think has been with the House ever since I became a member of Parliament. The matter has been before the finance committee for a number of years. As members know, the finance committee has recommended that this tax be repealed.

In 1993 when the GST issue was raised we talked about some of the history of the manufacturers sales tax, which was replaced by the GST. I believe that the same arguments for replacing the manufacturers sales tax and converting it to a consumption tax were made, and for the same reasons, as to why this tax should be repealed, and this should have been dealt with at the same time.

It is a discriminatory tax in view of the fact that the offshore competition does not have that same burden. Additionally, we also have the situation of Internet commerce now, which makes it a lot easier for people to import jewellery items. We are not talking about just luxury items as someone might want to define them. We are talking about normal consumer goods, about people buying watches and about the general jewellery consumption that is part of everyday life. This tax has lost its relevance in terms of these somehow being the luxury tax items of jewellery.

Private Members' Business

We also have a merging of markets, even with regard to things like diamonds. Diamonds are an integral part of the jewellery business. I know that these kinds of taxes should never be a factor that is significant in terms of the consumption patterns of Canadians. If there are offshore competition products which can be attractive to Canadians, then I think that on their own merit they will get their share of business.

I know that the Canadian Jewellers Association has done what I believe is an objective paper to inform members of Parliament about this battle that has been going on for some time. Let me summarize the four points in which the association lays out why the excise tax kills jobs in Canada.

First, it discriminates against domestic manufacturing of jewellery in favour of imports. Second, there is increased cost of inventories to wholesalers and retailers. Third, it encourages Canadians to purchase jewellery abroad and bring it back tax free under the personal baggage allowance of up to \$750. Finally, the tax is squeezing the profit margin of retailers and discouraging investment and employment in the sector.

There have also been other papers done on the excise tax, such as the one by Ernst & Young, which make the same argument: basically it is a tax that kills jobs. This is an important aspect to keep in mind, not only with respect to the jewellery tax, but with regard to taxation policy and philosophy, as it were, as to the best interests of all Canadians.

One of the aspects that entices me about the jewellery industry is in fact what I believe to be the large underground economy in the jewellery sector. In this regard I think we are talking about revenues somewhere under \$100 million. The underground economy is a very nebulous matter to deal with.

This is hard to prove on a sector by sector basis, but I believe there is sufficient evidence to show that within the jewellery industry there is a vibrant underground economy. It will also be incumbent on us, should this tax be repealed, to make every effort possible to bring that business, that commerce, to the table, because it is as punitive for legal commercial jewellery enterprises as this tax is.

In fact, the underground economy attacks all businesses. It is well known that if everyone paid their fair share of taxes, all Canadians would pay less, so we have a vested interest in making sure that when we make changes like this, whether it be to this tax or to other taxes, we understand that if taxes are lowered there must be some benefits, that is, it is going to increase the economic activity and have other positive consequences.

I believe that this issue of the underground economy is something that Parliament should keep in mind. We have from time to time made some modest steps relating to the construction industry and to subcontracts, perhaps, but the underground economy has been estimated to be as high as some \$30 billion of commerce. We can imagine the tax revenues that are forgone.

● (1125)

I am a big fan of private members' bills. I think they raise important issues for the House to consider, but we need to learn from each and every example. Jobs in themselves are not simply the focus of this bill. I believe it should also be a re-evaluation of the income

tax practice and policy that we have to ensure that the inequities or maybe the unintended consequences are dealt with and dealt with in a prompt manner.

This one has not been dealt with promptly. There has been good argument for many years. I do not think the arguments have changed very much over those years, but there has been a reluctance.

I also want to comment on the process of private members' bills and their ability to affect taxation. The whole aspect of managing the finances of a country is very important. We have a bill here that is talking about eliminating perhaps \$100 million worth of revenue. It has to come from somewhere. There is a balanced approach that has to be taken by governments to ensure that we continue to provide for the needs of Canadians and to support legislative programs. Members know that well over two-thirds of what we spend is mandated by legislation. I think it is over 70% in fact.

That means that every time we touch revenue dollars which are there for the support of programs and services for Canadians, it can accumulate to be a substantial amount of money. I would think that all private members' bills that in one way or another affect either the revenue flow or increase the expenses of the government affect the government's ability to manage the fiscal affairs of the country.

Therefore, we must be very careful not to use this as a model by which the fiscal affairs of the country can be significantly impacted individually or even cumulatively through bills.

We have substantial rules surrounding private members' bills. They are now all votable. However, there are those which are of a royal prerogative and would require royal assent. They would tend to push the envelope a little bit. I raise that from the standpoint that this is not simply a linear issue of a tax affecting jobs. It affects a government's ability to deliver its programs if it is not properly dealt with. It also affects matters like the underground economy, and the shaping of the philosophy and practice of income taxation in Canada.

● (1130)

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I am happy to participate in this debate today.

First of all, I want to wish you, Mr. Speaker, and all the staff in our chamber, a very Happy New Year. The New Democratic Party is back here invigorated and ready to go to work. We are ready to make this minority Parliament work for the benefit of all Canadians.

The first part of this parliamentary session has been off to a rather slow start. Some of the promises of this minority Parliament have not been readily apparent to Canadians, and Canadians expect more. They expect that these Liberals in office will refrain from taking Canadians for granted.

We have great faith in the possibilities of a minority Parliament. We want to make it work for the benefit of Canadians. We are debating an issue here that goes to the very heart of Liberal majority intransigence versus the possibility of action under a minority Parliament.

I want to thank the member for Vancouver Island North for having the inspiration and initiative to bring this issue to Parliament. This is one of those long overdue issues that needs action.

Private Members' Business

This issue has been before Parliament on numerous occasions and we are debating it again. In 1996 the finance committee recommended resolving this anachronism in terms of an excise tax on jewellery. No action was taken then.

I find it somewhat galling to listen to Liberals standing up in the House today and suggesting that this is a matter for urgent action, suggesting that there are lessons to be learned from these kind of situations, and telling us we have to do the right thing and invest in the Canadian economy to ensure we get more tax revenue, stop an underground economy, and do what is best for our small businesses.

What has kept the Liberals from acting since they took office in 1993? What has prevented them from acting since 1996 when the committee made very clear recommendations? Furthermore, why are we dealing with this today instead of having dealt with it several months ago when the present finance committee made the same recommendations as previous committees and called upon the government to end the excise tax on jewellery? Why do we have to drag the government kicking and screaming into any kind of action?

Back in the fall, the finance committee deliberated on several outstanding issues. One was with respect to the excise tax on jewellery and the other was with respect to remission orders covering the apparel sector and the textile industry. Both reports were delivered at the same time. The difference between the two was that the government finally moved on the textile issue because there was a tremendous outcry of concern by the industry and because parliamentarians forced it to act. It was embarrassed into action. We were at the eleventh hour, the industry was about to go into a serious crisis, and the government decided to act.

Why are we here today debating another recommendation that came out of the finance committee report that was tabled in the House last fall? Why has the government not acted? Why has it not said it has a plan to phase out the excise tax on jewellery? The House can imagine our frustration.

On the other hand, we see there is a change of attitude in this minority Parliament. Perhaps the Liberals are beginning to realize they cannot continue to railroad their agenda. Perhaps they are beginning to realize that they cannot continue to obstruct Parliament and put roadblocks in place to every good idea that comes along. Perhaps this time we have a chance to put into effect a relatively small and inexpensive initiative that will make a world of difference to Canadians.

I want to talk about the impact that this will have on the whole diamond industry in Canada. We have to start talking about our own natural resources. We must ensure that there are benefits there for this country and for all Canadians. How can we justify keeping this excise tax in place at the very time that there is an explosion in terms of findings in the diamond industry?

We have seen incredible growth in this area in the north and in other parts of Canada. How can we justify keeping this excise tax in place which produces the anomaly of Canadians spending more on diamonds produced in Canada than on diamonds purchased outside of this country? That is ridiculous. What kind of incentive is that to the industry and to the future of mining?

Let us not underestimate the significance of diamond mining in this country and the future of mining exploration in the north. A news report in the *Yellowknifer* at the end of last year stated:

The future of mining exploration in the North looks diamond-bright. Permits were issued for 26 million acres of mineral rights in 2004, and four million acres of new claims were staked. The year "2004 has had the highest level of diamond exploration activity that we've seen in the last three or four years," said Scott Cairns, district geologist with the NWT Geoscience Office and presenter on NWT mineral exploration at the 32nd Annual Geoscience Forum held last week.

• (1135)

The stats go on and on. We are talking about an area that is rich in terms of wealth that can be invested in Canada, rich in terms of productivity, rich in terms of jobs, and a real benefit for a country that needs to start looking at shifting our economy away from being the hewers of wood and the drawers of water. Here we have a chance to make a change in our tax policy, to grow an industry, to make it relevant, pertinent, and lucrative, and to ensure that it is part of our Canadian indigenous economy and the benefits are spilled over to all Canadians.

So let us get real. Let us not delay a moment longer. Let us do what Canadians want, which is to rid this country of a tax that came into effect in 1918, then considered a luxury tax which helped to finance the World War I effort. Today, because of the failure of the government to keep pace with the times, Canada is the only country with such a tax on jewellery. Russia and Australia, the other two that have such a tax, have eliminated it.

We are not talking about something of luxury. We are not talking about something that benefits just the wealthy in our country. We are talking about the fact that most Canadians spend a little bit on jewellery. The average Canadian household spends about \$100 to \$200 a year on jewellery items. We are not talking about expensive items either. We are talking about a tax that exists on any piece of jewellery that is more than \$3.

Mr. Nathan Cullen: It is ridiculous.

Ms. Judy Wasylycia-Leis: Imagine that. It is ridiculous, as my colleague from Skeena—Bulkley Valley has just said.

From the point of view of small business, from the point of view of Canadian jewellers, and that case has already been clearly articulated in the House with strong representation from the Canadian Jewellers Association, and from the point of view of a burgeoning, booming industry, the diamond mining industry in Canada, let us not delay this matter any more.

Let us ensure that this Parliament passes this bill and forces the government to act so it cannot continue to delay and deny Canadians the benefits of a reasonable tax policy when it comes to something so out of date and such an anachronism as the excise tax on jewellery.

We have heard Liberals in the House today suggest that there is a problem because of this tax and the underground economy. We are losing all kinds of tax revenue because we have it all backwards. We have put an excise tax on that which does not make sense. It forces people to sell jewellery underground, and of course we miss opportunities for incredible and significant tax revenues. From all points of view, it does not make any sense for the government to continue to stonewall and delay on something so fundamental.

Private Members' Business

•(1140)

I end by simply saying to the government that the recommendations in the finance committee were very reasoned and rational. They give the government a way to implement a necessary action without causing huge turmoil because of the sudden and significant loss in tax revenue.

I want to reference for the members on the government side our recommendation which says that the federal government implement one of the following options:

phase out the federal excise tax on jewellery over five years; or increase, in increments over a five-year period, the thresholds at which the tax begins to be paid, eliminating the tax at the end of the period. In deciding between these options, the government should consider which option is the more expeditious and involves the greater administrative simplicity for the jewellery sector.

There is a reasonable option and a solution for the government. The bill should be passed and implemented according to the wishes and will of Parliament and the finance committee.

•(1145)

Mr. John Duncan (Vancouver Island North, CPC): Mr. Speaker, the first thing I would like to do, as one of my other colleagues has done, is wish everyone a great 2005. This is the first order of business of Parliament in the new year, and it is an appropriate piece of business. Bill C-259 is obviously the most important thing we could be talking about today.

This is a non-partisan bill. A lot of people have entered this debate over the last couple of months, as this is the second hour of debate on the bill. I appreciate the support that I received today from the Bloc member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, my colleague from Blackstrap, the member for Mississauga South and the member for Winnipeg North.

What is crucial also is to recognize that we have had support from members of all parties in the House of Commons. There have been some off the record discussions as well. For example, I know the member sitting in the chair, the member for Hull—Aylmer, had some very strong opinions on the bill. In his riding he has seen jobs lost in the jewellery manufacturing business as a consequence of this tax. It is a job-killing tax. We also had very strong support during the first hour of debate from the Liberal member of Parliament for Ahuntsic. The bill has been well received in the House.

As many have pointed out, this has been a long-standing issue at the finance committee. It has also been an issue that I have had on the order paper for a number of years as a private member's bill.

Over the last several Parliaments we have managed to strengthen the provisions of private members' business. It is not strictly due to the fact we are in a minority Parliament. It is due to the fact that political parties and individual members have worked hard and exploited opportunities to make changes to private members' business to make it more meaningful. It is now a whole new era. Private members' business is meaningful and significant. A whole range of people, including lobbyists, are having to pay attention to what members of Parliament can bring to the table. Significant things can be brought to the table and the government can no longer stifle them, or put them on the back burner or get rid of them in other creative ways.

The member for Mississauga South said that if we were to end a tax, there must be some benefits. There are some major benefits to ending the tax.

Another way to look at the tax is that we are imposing a tariff on ourselves to ensure that goods made in Canada cost more than goods we import. Nobody would do that, yet we have. That is the net result of what we have done. We have killed jobs.

I think this is another very significant thing. Since we first started looking at this, our diamond industry, which 50% of jewellery sales in Canada include a diamond component, five years ago was basically non-existent. Today, it provides \$500 million a year in federal revenues.

•(1150)

The industry needs to have this tax eliminated. We have all kinds of support from the Mining Association of Canada, the Canadian Jewellers Association, the provinces and territories.

I went to a B.C. & Yukon Chamber of Mines meeting in Vancouver last week, and there was great excitement. We need to get rid of this tax. I met a gentleman in Vancouver who has 71 robots cutting and polishing diamonds 24/7. For that business to continue to prosper with Canadian diamonds, this tax needs to be eliminated.

I encourage everyone to support the bill, get it to committee and bring it back to the House for final report stage as soon as possible.

The Acting Speaker (Mr. Marcel Proulx): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Marcel Proulx): The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

The Acting Speaker (Mr. Marcel Proulx): Accordingly the bill stands referred to the Standing Committee on Finance.

(Motion agreed to, bill read the second time and referred to a committee)

SUSPENSION OF SITTING

The Acting Speaker (Mr. Marcel Proulx): The House will now be suspended until 12 noon for government orders.

Government Orders

(The sitting of the House was suspended at 11:50 a.m.)

• (1200)

[*Translation*]

SITTING RESUMED

The House resumed at 12 p.m.

The Acting Speaker (Mr. Marcel Proulx): It being 12 p.m., the House will resume the sitting, under government orders.

GOVERNMENT ORDERS

[*English*]

FINANCE

Hon. Carolyn Bennett (for the Leader of the Government in the House of Commons) moved:

That this House take note of the third report of the Standing Committee on Finance.

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, before I begin speaking to the motion before the House on the third report of the Standing Committee on Finance, I would like to take this opportunity to thank a few people whom I have not had a chance to thank on record since the opening of the 38th parliamentary session.

First, I thank my constituents for having renewed their support for me in the last election and, of course, I thank my family and friends who have always stood by me since my first mandate. I would also like to extend my best wishes to all Canadians from coast to coast to coast for a prosperous and healthy 2005.

Upon my election as chair of the Standing Committee on Finance, the committee's first major piece of business was to conduct its prebudget consultations for 2005.

As in past years, Canadians were invited to share with the committee their views about the taxation, spending and other measures that should be contained in the upcoming federal budget. Unlike past years, this year the committee had only three weeks within which to conduct the prebudget consultations and therefore the committee was unable to travel. We did, however, hear from almost 300 witnesses representing nearly 200 groups during our more than 40 hours of prebudget hearings.

The challenge when preparing the main committee report was gaining consensus to the greatest extent possible. While unanimity on each issue and each recommendation was not possible, I was pleased with the committee's dedication to seeking a consensus on as many issues as possible.

As we started our review of the draft report, we had 33 recommendations. At the end of the review we also had 33 recommendations. While we rejected a limited number of recommendations and replaced some of them with those that enjoyed a greater degree of consensus, many of the recommendations had support among most committee members following minor, if any, modifications.

Therefore I am pleased that today parliamentarians from all sides of the House will have an opportunity to debate not only the

committee's report but also to share their prebudget ideas as all Canadians did before the finance committee.

• (1205)

[*Translation*]

This experience was a first for me as a chair of a parliamentary standing committee, here in the House of Commons. I am proud of the work accomplished by my hon. colleagues, the members for Edmonton—Spruce Grove, Beaches—East York and Winnipeg North, as well as the hon. members for Saint-Hyacinthe—Bagot, Peace River, North Vancouver, Portneuf—Jacques-Cartier, Miramichi, Scarborough—Guildwood, Portage—Lisgar and Medicine Hat. With their diversity of views and backgrounds, they worked together to prepare a report that we believe will help to move our country forward.

Their professionalism allowed political partisanship to be put aside as we tried to determine the recommendations that would best lead to prosperity, growth and the realization of potential for all Canadians and Canadian businesses, which led to interesting debate. At the end of the day, we shared a common purpose: what priorities must be balanced and what choices must be made for our future? Recognizing our differences and the extent to which we were able to reach agreement, I am proud to be Canadian.

[*English*]

Past Liberal governments have done a great job and Canada finds itself today in an enviable position. Economic growth is solid, inflation is relatively low and stable, employment growth is strong, unemployment rates are relatively low, the value of the Canadian dollar is rising relative to its U.S. counterpart, borrowing costs are relatively low, the household debt is manageable and a federal budgetary surplus is expected each year in the foreseeable future.

[*Translation*]

Within this context, a key challenge was to determine how best to move forward. In essence, we will have to determine how to balance priorities and to make choices for the economy of the 21st century, an economy that will ensure that Canadian businesses and Canadian citizens can prosper and maximize their potential.

[*English*]

It was with a view to the future that the committee asked witnesses to develop responses to questions that we believe as a committee were important to help us determine the future financial direction of this country. These were questions such as: What should the program spending, taxation and other priorities of the federal government be in the next budget? What federal budgetary measures are needed to ensure a strong economy with low rates of unemployment and high levels of research, productivity and innovation? Are the federal tax revenues sufficient to enable adequate services and investments in Canada, Canada's people, regions and sectors?

We also asked for the estimated cost of their proposals and of program spending reductions and tax changes required to finance the cost of their proposals and which programs should have their funding reduced and/or what tax changes they would suggest.

Government Orders

The fourth question was: With the federal government's five year tax reduction program completed, should the federal government institute a broadly based tax reduction program and, if so, what taxes should be reduced and by how much?

The fifth question was: What opportunities, costs and benefits would there be to reducing the tax burden through the tax rate reductions and changes to thresholds on low and modest income families consistent with the federal government's overall commitment to balanced budgets and sound fiscal management?

The sixth question was: What changes if any should be made to the fiscal arrangements between the federal, provincial and territorial governments to correct what some call the fiscal imbalance and to alleviate other fiscal pressures in order to stabilize the situation?

The seventh question was: What is the optimum rate of growth of federal program spending in relation to the Canadian economy?

The eighth question was: In the event of a federal budget surplus, how should the surplus be allocated among debt repayment, transfers to the provinces and territories, tax reductions and recognizing the constitutional distribution of powers, increased program spending in areas such as quality child care, post-secondary education, housing, research and development?

With such a broad range of questions, and tough ones I may add, the committee in turn equally received a broad range of responses. The witnesses representing diverse interests presented many innovative and useful ideas that I and the committee were able to formulate into 33 recommendations and we believe that these recommendations, if implemented, would move this country forward.

We believe that our future success is a function of success at many levels: at the governmental level in terms of sound fiscal finances that enable us to afford to plan for the future; at the business level in terms of prosperity and profitability for the benefit of not only companies but also Canadians and their communities; and at the individual level in terms of access to health care, lifelong learning, employment opportunities, sustainable communities, affordable housing and the range of supports needed in various circumstances throughout life.

In my view and in the committee's view, governments, businesses and individual are interdependent: the success of any one hinges on the success of the other two.

We cannot view governments in isolation. We must consider the effectiveness of government decisions on business activity and individual behaviour. We cannot view business in isolation. We must consider the need of businesses for well-educated and productive employees and for a competitive environment within which to operate. We cannot view individuals in isolation. We must consider their need for employment and for public services. This very interdependence means that all levels of government, industry and individuals, must work together on a variety of fronts and must be accountable to one another.

Our report on the prebudget consultation tabled in December was divided into four chapters. Chapter one focuses on preserving Canada's fiscal discipline since this discipline enables us to have a

better and wider range of options from which to choose. Based on what the government provides us and with what the witnesses said we made six recommendations.

Chapter two focuses on the investments that are needed in order that we have sustainable communities within which to work and live. A sustainable environment and adequate and well maintained municipal infrastructure, as well as a caring and culturally rich environment, are important to Canadians' quality of life and their ability to prosper. This chapter has five recommendations.

Chapter three focuses on businesses, particularly the taxation, regulatory issues domestically and internationally, capital, trade, research and innovation measures that will ensure their growth and prosperity. An important element is the defence of our country and our management of the border we share with the United States, our largest trading partner. From the themes in this chapter the committee made 12 recommendations.

● (1210)

Chapter four focuses on individuals, especially vulnerable groups, and actions that should be taken with respect to issues such as health care, lifelong learning and taxation to ensure that their potential and opportunities are maximized within the Canadian system. This chapter has 10 recommendations.

As we move forward as a nation, and as priorities are balanced and choices are made, I believe that the right decisions with respect to federal finances, communities, businesses and individuals will help to ensure that Canada remains the envy of many countries worldwide. We want to ensure that Canadians, businesses and individuals have the future that they deserve.

In his appearance before the House of Commons Standing Committee on Finance on November 16, 2004, the Minister of Finance asked for the committee's advice in five areas.

First, how the federal government should allocate any available federal budgetary surplus among economic and social programs, tax cuts, debt reduction, and the considerations that should guide these decisions.

Second, with respect to the October 2004 Speech from the Throne and enhanced Canadian productivity and competitiveness in a global economy, the early steps that could be taken in the next federal budget to best advance those goals.

Third, we were asked in the context of the challenges that will be presented by an aging population, the additional steps that should be taken by the federal government now to prepare the Canadian economy for the significant, demographic change that will occur in the years to come.

Fourth, the level of additional economic prudence that should be provided in the next federal budget.

Lastly, how the committee can contribute to fiscally responsible and coherent decision making and the actions that could be taken to ensure the proposed spending and tax measures are examined objectively and in the context of all other priorities for possible inclusion in the federal budget.

Government Orders

Responding to the first area, the allocation of any available federal budgetary surplus among economic and social programs, tax cuts and debt reduction and what should guide those decisions, the committee feels that a balanced approach must be taken. We do not advocate any particular formula, believing that in a rapidly changing world, some flexibility is required in order to respond to the priorities of Canadians, as citizens, employees and employers, as they evolve.

Needs change, wants change, priorities change and the proper allocation of any surplus changes. In allocating any federal budgetary surplus, the federal government must respond in a manner consistent with the highest priorities of Canadians given that, in a very real sense, they own the surplus.

The committee was asked to comment on the early steps that should be taken in the next federal budget to best advance the goals of enhanced Canadian productivity and competitiveness in a global economy. In our view, the recommendations we make throughout the report must be implemented in order to ensure Canadian productivity and competitiveness.

The country needs sound federal fiscal finances, and the tax and program expenditures that focus on the highest priorities of Canadians and Canadian businesses. We need a competitive tax system for businesses and individuals, as well as the proper incentives to invest in research, development and innovation, and the mechanisms to commercialize that research.

We need strong communities, with adequate and well-maintained infrastructure, a sustainable environment and support for the charitable activities and culture that enrich the lives of Canadians and the environment within which businesses operate.

We need a healthy, well-educated and highly skilled workforce that embraces the notion of lifelong learning, which will be critical to long term business prosperity and which will enrich their lives.

We need support for the vulnerable in our society, including the unemployed, the homeless, aboriginal Canadians, disabled Canadians, seniors and children, as well as the vulnerable who live outside our country. These supports must be adequate in both design and amount. We believe that progress in each of these areas must occur if we are to be as productive and competitive as we can be. All of these elements are part of the solution.

Regarding the additional steps that the federal government should take now to prepare the Canadian economy for the demographic change that is in our future, the committee believes that, again, the implementation of many of the recommendations we make throughout the report will help us to prepare.

● (1215)

Sound federal fiscal finances will ensure that we have the funds to finance such programs as old age security as well as the resources needed to ensure adequate health care and other supports, such as affordable housing, that may be needed by seniors. Tax measures that provide incentives to save for retirement will ensure that seniors have more dignity in retirement and will have positive implications for the level of expenditures of such programs as the guaranteed income supplement.

Measures to ensure research, development and innovation will result in lifelong learning by all Canadians, immigrants and native born, and will ensure that businesses have the highly skilled employees they need. In our view, a multi-faceted approach is needed to ensure continued prosperity as a nation, as businesses and as individuals as demographic change continues.

The Minister of Finance also sought the committee's advice on the level of economic prudence that should be included in the next federal budget. We reiterate our ongoing support for the contingency reserve and economic prudence. In chapter 1 we recommend that the contingency reserve should be at least \$3 billion annually. We also comment that it would take about 170 years to eliminate the federal debt if the only action taken was the use of the \$3 billion contingency reserve. It is in part for this reason we recommend that the contingency reserve be at least this amount.

Moreover, in our view, the contingency reserve should continue to be used to reduce the federal debt if not required for other purposes. Debt repayment has significant benefits in reducing debt servicing costs, thereby increasing the funds available to finance the highest priorities of Canadians. While we cannot recommend a precise figure, for economic prudence the committee believes that an amount must exist in order to avoid a return to federal budgetary deficits.

As we noted in chapter 1, forecasting is far from an exact science and becomes more unreliable the further into the future the period goes for which the forecast is being developed. We cannot be more precise than to suggest that the figure for economic prudence should be an amount considered by experts to be adequate.

Finally, in commenting on how the committee might contribute to fiscally responsible and coherent decision making and on what should be done to ensure that proposed spending and tax measures are examined objectively and in the context of all priorities for possible inclusion in the federal budget, we are reminded of several of our comments and recommendations in the report. We continue to believe that the annual prebudget consultations undertaken by us are an important part of the federal budgetary process since they give Canadians an opportunity to share with the Minister of Finance through us their priorities at that point in time.

We note, however, that our prebudget consultations were abbreviated this year because of the parliamentary schedule. Our consultations are just one tool that may be used to communicate the priorities of Canadians to the Minister of Finance. We support the notion of ongoing expenditure review. We feel that the consultations we recommend be undertaken with Canadians about their priorities are important in helping to determine what the appropriate federal budget measures might be.

Government Orders

In conclusion, I believe that governments, businesses and individuals must work together as we move forward. Governments rely on businesses and individuals to pay the taxes needed to finance expenditures. Businesses rely on governments to make decisions resulting in an environment within which they can prosper and on individuals to play a key role as employees and consumers. Individuals rely on governments to provide the public services they desire and on businesses to employ them and to provide the goods and services they want. We do quite literally share the same future, and success must be experienced by all if we are to prosper.

● (1220)

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, it is a pleasure to rise at the beginning of the parliamentary new year and help start off the debate on the budget as we gear up to that in the next three weeks. At the outset I want to wish my colleagues in this place a happy new year. The new year starts at a different time here in the House of Commons and I will take this opportunity now to say happy new year and wish my colleagues and their families good health and prosperity.

Before I get into my remarks I also want to say that I think a lot of people in Canada take the freedoms that we have in this country for granted. I know I do at times. We witnessed the remarkable outbreak of democracy in Iraq over the last couple of days. The people of Iraq voted in the first democratic election in 50 years. We saw how excited they were to go to the polls in the face of all the violence and the threats. What an inspiring spectacle that was. It is an inspiration to everybody in this place where sometimes we tend to take those things for granted.

I want to thank my colleague who spoke a moment ago. He is the chair of the House of Commons finance committee. It was under his leadership that we conducted our prebudget hearings. We heard many different things from Canadians with respect to what should be included in the budget.

One of the things we heard a lot, and which I do not think was adequately reflected in the finance committee report on the prebudget hearings, was that Canadians feel they are overtaxed. This is something to which the government has not paid adequate attention in the last number of years, and now the chickens are coming home to roost.

We are seeing it in the form of lower take home pay for Canadians. Their disposable incomes have hardly grown. We see it in the form of an economy that is much less robust than it would otherwise be. This means that there are fewer jobs than there could be. This means that the government does not have the revenues it should have over the long run to ensure that it can fund the social programs adequately today and down the road when the baby boomers hit their retirement years. It will need enough revenue coming in to ensure that it can fund that great unfunded liability called health care, and of course that big social safety net, especially pensions, that will be so strained in the years to come.

These are not just my opinions. They are the opinions of many witnesses, many experts who appeared before the finance committee over the course of the fall. They warned us that we must do more to ensure that we have those revenues coming in to protect Canada's social programs down the road.

We are just coming off a six week break, and what a great experience that was. It was great to go home and see people, even in the cold temperatures that we experienced in southern Alberta. Many of us spent a lot of time doing town hall meetings and sitting in hockey rinks, as I get to do because I have a son who is still playing hockey. Many of us went to coffee shops and talked to a lot of folks. I heard over and over again that people are struggling in many respects.

People said it in different ways. Some people said that they looked forward to when they could pay off their mortgage and they had more money to put toward their retirement, or their children's college fund, or whatever it was. Some people said that their car was just about worn out and that they would have to buy a new one. Some people are struggling with paying for repairs to their homes. Parents of disabled children are wishing they had a little extra money to pay for more drugs or the special needs that their children might have. These are the various and sundry concerns that all of us heard expressed in a million different ways when we were back home over the last six weeks.

There is something Parliament could do to give Canadians a national pay hike, to increase their disposable incomes. We have argued this for a long time. It is not something new coming from the Conservative Party. We have argued that the government could play a direct role in ensuring that people who are struggling out there could in fact keep more of their pay that they work so hard to earn in their pockets.

● (1225)

I have talked about some situations which in some people's minds may be fairly minor. However, seniors paying taxes starting this year on a fixed income of \$8,400 as the basic personal exemption moves up a little bit are paying taxes on their poverty. It is simply not fair. We must do more to help this country create jobs and to ensure that in the long run we have a vigorous economy that will support our social programs down the road. We must also do more today to help people at the lowest end of the income scale. People with an income of \$8,400 pay EI premiums and CPP. They pay personal income taxes and taxes on fuel. They pay property taxes as municipal landowners. They pay GST. They pay dozens of kinds of taxes. They pay all these taxes with an income of \$8,400.

Meanwhile the federal government's take of revenues has gone up and up and up every year. Over the last six years its total expenditures have gone up by 40%. Revenues for the government have gone up dramatically. The government's expenditures have gone up by 40% in the last number of years.

Government Orders

I want to ask members if they truly believe that the value of the services we have received for that 40% hike in expenditures has been realized. Are we seeing the value from that? Are we seeing a 40% improvement in the response we get when we phone to get a passport? Have we seen a 40% improvement when it comes to dealing with immigration? I do not think so. In fact what we have seen is a lot of scandal in the immigration department. We have seen longer and longer waiting lists. Have we seen a 40% improvement in anything? Have we seen it in the military? Have we seen it reflected in how strong or how well equipped our military is? No we have not.

We just see more and more money going into government pockets and less money going into the pockets of Canadians. We do not see that reflected in increased services from the government. If the economy continues to grow, we need to see a greater share of the benefit of that left in the pockets of individual taxpayers.

Taxpayers are much better managers of that money than are government bureaucrats and politicians. We see that reflected so often in this place where unfortunately during question period we have to go after the government pretty hard on some situations that are outright scandals and perhaps even corruption and on other cases of mismanagement to the tune, not of hundreds of millions, but in many cases, billions of dollars of taxpayers' money. We have to turn that around.

We heard reports like this during the prebudget hearings. Witnesses would come forward and would relate to us their theories on what should happen with government spending, taxes and debt repayment.

One of the most compelling reports I have seen since that time was one from Don Drummond, the chief economist at the Toronto-Dominion Bank and former deputy minister of finance. He was responding to a request from the president of the bank who had heard from friends whom he had gone to high school with that they were working harder but they just did not see their take home pay improve. He wanted to know why, so he asked Don Drummond to do some work on this matter. Mr. Drummond produced a fantastic report. I wish it was a report we could have had to present to the finance minister in our prebudget submission.

● (1230)

His report essentially said that since 1989 the output per worker went up 21.8%. We saw the national income rise, but the actual amount of money in the pockets of the workers only went up by 3.6%. Why the difference? The difference can be explained when we understand that the government increasingly had its hand out and took more and more of what these hard-working people earned, which meant less and less accumulated to the individual Canadians. He has argued that it is not time, it is well past time for substantial tax relief for all Canadians.

It is a fascinating report. He has pointed out that the government has argued many things with respect to cutting taxes. It has argued at various times that it does not need to cut taxes. It has argued that it has already cut taxes. Now it is arguing that although it promised to cut taxes in the amendments to the throne speech it is a really low priority. He has pointed out that the government has not really cut taxes substantially. This is something we have been saying for many years. Our colleagues on this side know this.

In the 2000 election, the government, in its haste to beat back a challenge by the Canadian Alliance at that time, brought in a mini budget right before the election and trumpeted a \$100 billion tax cut. Right away we said that it was not a \$100 billion tax cut. All it was doing was giving with one hand and taking away with the other. Unfortunately, a lot of the media did not catch that, and the government stuck to its message.

However, in his report Don Drummond revealed that in fact that was what was happening. The government on the one hand was reducing some personal income taxes. On the other hand, Canada pension plan premiums were going through the roof. He pointed out that what it counted as a tax cut, when it came to personal income taxes, was not a tax cut at all. It cancelled future tax increases when it came to restoring the indexation of the tax system, which was a good thing to do, and I am glad it did that. However, that did not add anything to people's disposable income. All it was doing was cancelling future tax increases. The government told Canadians they were getting a tax cut and, unfortunately, a lot of the media bought that and dutifully reported it as a \$100 billion tax cut.

The other thing Mr. Drummond did not report on was the fact that the government counted the child tax benefit as a tax cut when it was nothing of the sort. This money is taxed away from all Canadians in the form of income taxes, for instance, or GST. It goes into general revenues and the government redistributes it back to people on the low end of the income scale in the form of either a tax break or a cheque. It is a redistribution of income. It counted this as part of its great \$100 billion tax break, but it was nothing of the sort.

When we separated all this out, we found that the government delivered a minor tax cut. That meant that many other countries were moving ahead of us at the same time. Many other countries were cutting taxes much more deeply. It also meant, in a way that is important to individual Canadians, that they were not allowed to keep nearly as much of their income as the government had suggested they would keep.

As Mr. Drummond points out, the result is that disposable income per worker has grown 3.6% in 15 years. That is pretty pathetic. When we put it in historical context, we have to remember that after the second world war, up until the late 1960s, Canada's economy grew unbelievably fast and living standards went through the roof. Why was that? The government, whether by good management or by accident, did not tax Canadians too heavily. Government was small and it was focused. It did a few things, and it did a few things well. Taxes were kept at very low levels. We had a stable money supply.

Those are really the things we need to have for a prosperous economy. We do not need a bunch of natural resources. We do not need too many things. We need an educated workforce, which helps a lot. If we have a small focused government that ensures it maintains the rule of law, that there is a justice system in place to ensure that we have land titles and things that are necessary to do business, then beyond that the economy really looks after itself.

Government Orders

●(1235)

During the period after the second world war, individual incomes went right through the roof. Unfortunately, we have forgot the lessons of our history. Today government has become larger, it has taxed more heavily and as a result we have seen the economy slow down. Now when we have a growth in the economy of 3% a year, people say that it is pretty good. It used to be 6% and 7% a year, but that is all part of ancient history now. There are 1.2 million unemployed Canadians today. We used to have an unemployment rate lower than it was in the United States. Now it is about 40% higher. That is unacceptable. We can do better.

Mr. Drummond also pointed out a very interesting fact in his report, one that we have commented on before as well. During the last election campaign we pointed this out and ran on it. We have said that middle income Canadians who are in the lower end of the middle income scale get punished heavily by our tax system today. In certain tax brackets not only do they pay the middle rate of income tax, but for every dollar they grow in income they lose some benefits from the government, like the national child benefit which is clawed back.

The effective tax rate for every dollar in income that people earns when they are in the lower income segment is 80%. In other words, for every dollar people make working overtime, 80% is taxed away from them or they lose it in the form of diminished benefits from the government.

Everybody in this place understands that incentives matter. In other words, the reason people go out, work harder and work overtime is because they feel they will have a bunch of money come in to help them look after their families. However, if there is an effective tax rate of 80%, the incentive for people to work harder, to take risks, to start businesses and to do the things that make the economy prosper, the things that raise living standards, is undermined.

This has been a problem for years and the government simply refuses to deal with it. We have pointed to it dozens of times in this place, yet the government has done nothing about it. This has resulted in 1.2 million people being unemployed and millions of people being under-employed. They have the skills, the experience and the schooling to do more than they are doing today, to have better jobs than they have today and to earn higher incomes. The jobs are not there because the growth in the economy has been retarded by a tax system that undermines incentives. That has to change. If we do not change that, we are relegating millions of men and women to lives that are much less prosperous than they could be otherwise, and that is not acceptable.

As a Canadian member of Parliament, and I hope I speak on behalf of all members of Parliament, this is not acceptable. We cannot, in good conscience, think we are doing a good job if we are prepared to settle for this kind of economy in Canada. It is morally wrong to allow this to happen.

In a letter we recently wrote to the Minister of Finance, we recommended that the government take seriously the problem of stagnant disposable income for individual Canadians because it hurt their ability to make a living. In the long run the government must

have a standard of living strategy that is designed over a period of time to remove the disincentives to investment in Canada and the disincentives to capital accumulation, which is necessary to allow businesses to expand and to start new businesses in Canada. We need a standard of living strategy that would invest in certain areas to ensure that we could deliver goods and services to market. In other words, put money into infrastructure to ensure that our workforce is educated.

●(1240)

I know a lot of us in this place have been lobbied hard by students, universities and colleges. They have said that we need to help them out as they are falling further and further behind. The government needs to include that in its standard of living strategy. We argued that in a letter we sent to the finance minister. If we do not do those things, then in the long run we imperil the standard of living of Canadians. We allow people in countries who are far less blessed than us, when it comes to resources and the natural advantages we have here, to go past us in their standard of living, as many have in recent years.

I will digress for a moment. Go to the OECD website and look at how countries like Ireland, Iceland and the Netherlands are shooting past us in terms of their standards of living even though they have none of the native advantages we have. It is shocking and it is shameful. When Canadians look around their country, they say how great they have it. They have all these natural resources and an educated workforce. We are not really using these things to our advantage or to their full potential.

I do not think we are not using the biggest advantage of all, which is the fact that we have unfettered access to the richest market in the history of the world: the United States. We do not exploit that the way we could to the advantage of citizens in our country. As somebody who cares about his constituents and Canadians in general, it is frustrating for me to see us losing these opportunities. These are not abstract things. This means dollars in the pockets of every Canadian. It means they do not have the money to send their children to university, or pay off their mortgages or go on a vacation.

We all ran into this right after Christmas. There were lots of people who were horrified by the tsunami that struck Asia. It was the widow's mite. People were giving out of their poverty. In many cases people were giving what they could give. What a wonderful thing to see. To the government's credit, it matched those donations. Imagine what Canadians would give, even those who are very strapped today, if they had more disposable income in their pockets. They would give more money because Canadians are so generous and want to help. If people do not have the money, they will not go to go into debt to give it to somebody else.

We are missing the boat. We are missing so many opportunities. I grow so frustrated when I see the government's attitude. I know my friend across the way well. He has served in various capacities on the finance committee and as parliamentary secretary. I will address this to him. I grow very frustrated when I hear the rhetoric that has come from the finance department, the Prime Minister and the Minister of Finance over the last little while when it comes to the issue of cutting taxes and addressing the standard of living problem that we have in Canada today.

Government Orders

During the last election campaign the Conservative Party said that it had to do these things. We said we had to help people get on their feet and help the economy move forward. We had a program of tax cuts, debt repayment and targeted spending increases, things that we thought were good ways to help move the country forward. The government attacked us right away and said that if we did that, we would put it into deficit. It had some economists who backed it up on that.

Within weeks of winning the election, the finance minister announced a program of spending that exceeded the fiscal framework that he said was available during the election campaign. He claimed that if we spent the amount of money we wanted to spend, we would go into deficit. He exceeded the amount of money that we said we would spend. It would not drive the government into deficit, because all of a sudden it realized it had a much bigger surplus than it originally announced.

The Liberals said during the election campaign the surplus would be \$1.9 billion. We said that they were crazy and that it would be much higher than that. They said, no, that it would be \$1.9 billion. Within weeks, the finance minister said that the government was wrong, that it was \$9.1 billion. Billions and billions of dollars were available after all, just like we had said all along.

• (1245)

They deceived the public during the election campaign, but it did not end there. During the throne speech debate and debacle, the Liberals said, “We are going to behave like we are a majority government. This is our throne speech. We are in a minority situation, but this is what we are going to do and if people do not like it, too bad”. My leader, and I am proud to say, said, “No, you are not going to conduct this minority government like it is a majority, like you have done for the last 11 years”. We brought in amendments that we agreed upon with other opposition parties in the House, with the NDP and the Bloc. Among those were ideas like cutting taxes for low and middle income Canadians.

We said we wanted an independent process for forecasting the government's financial situation, especially based on the government's deception during the election campaign. Many times in the past it has misled Canadians about the size of the surplus as well.

We said we wanted an independent commission to look at employment insurance because people who paid into the EI fund have been ripped off to the tune of \$46 billion over the last number of years. That is how big the nominal surplus is in the EI account. There is no money actually there. It has all been spent. It went into general revenues and it is gone. Canadians were under the impression nevertheless that this was going toward their benefits or would be reflected in lower premiums, but it is gone. It is gone forever now.

We brought in these amendments during the throne speech. The government resisted these amendments. Finally, when it became clear that the Bloc and the Conservatives were quite prepared to oppose the government's throne speech if we did not get these amendments, the Prime Minister called my leader and the leader of the Bloc and said, “What do we have to do to get this done?”

The government accepted these amendments. It accepted the amendment specifically to cut taxes for low and middle income Canadians. It said that it would form part of the throne speech, and presumably part of the plan for the government for the coming session of Parliament. That is what the throne speech does. It lays out the government's priorities for the future.

One of the priorities is to cut taxes for low and middle income Canadians. No sooner had the government agreed to that, it turned around and said that cutting taxes was at the bottom of its to do list. It was not a priority for the government. That is a deceit again. It is morally wrong to do that.

Hon. Wayne Easter: We already had the largest tax cuts in history. We are delivering the largest tax cuts in history.

Mr. Monte Solberg: My friend has obviously missed part of the speech because he comes in and says they have delivered the largest tax cuts in history. I would point out to my friend that this myth has been so thoroughly debunked by Don Drummond in his recent report. It needs no further response.

The government is deceiving Canadians again. It said that low and middle income tax cuts will now form a major part of the government's agenda. That is what it did in accepting these amendments into the throne speech. It no sooner did that than both the finance minister and the Prime Minister said that it was not a priority. They were not going to do this. They had other things that were more important.

It is one thing for me to make these arguments and I have made them many times in the 11 years I have been in this place. People will say that I have a political axe to grind and that I have another agenda. Well, if they do not believe me, then I ask them to look at the reports of people like Don Drummond, a former deputy finance minister, now a chief economist for the TD Bank Financial Group. There is a recent report from the C.D. Howe Institute that talks about how Canada has fallen further and further behind on the issue of corporate taxation.

I am sure my friend, the member for Edmonton—Leduc, our industry critic, will touch on this down the road when he speaks later today. This has a direct impact on jobs. I will talk about that later if I have time. I guess I have unlimited time so I might be here all day.

The point I was trying to make is that there are experts out there, people who have studied these things for years, who have become truly alarmed at Canada's diminishment in the world in terms of its economy. This is what I find frustrating and I have touched on this briefly before.

Government Orders

•(1250)

Canada has a heritage of being a leader in the world in so many areas. We have lost that heritage. We had a great military coming out of the World War II. That has been diminished. We had a great authority in the world as a foreign policy power. We have lost that. We had a tremendous reputation as an economic leader. We were one of the Asian tigers before there was an Asian tiger. We were one of the great leaders in the world when it came to a productive economy.

For some reason we seem to be accepting today that we can no longer do that. I do not buy that. I think we could be a world leader again, just like Sweden; Ireland; Australia, which is shooting ahead; and the Netherlands. Luxembourg has one of the highest per capita incomes in the world. In fact, I think it has the highest per capita income in the world. How did it do that? Did it do it because it has oil in the ground? No. Did it do it because it has really high taxes? No. It does it because it is smart about its public policy decisions. It has smart taxation levels that attract investment. That is what we have to do in Canada.

If we do not do that, we will repel investment. Investment goes to wherever it gets the best return. If it is not in Canada, that means we lose jobs, opportunities and the revenue ultimately that is necessary to fund our social programs. We cannot continue to do that. We have all these experts today who are saying that Canada is in serious trouble, that we are falling further and further behind.

One of the things that we run into, and I bet some of my colleagues ran into this when they were out during the break in their riding, is that the high value of the Canadian dollar is hammering businesses today. We export so much of what we produce. About 40% of our national income is derived by trade

Hon. John McKay: You've changed your tune.

Mr. Monte Solberg: I am being heckled by the parliamentary secretary for finance. He is talking about how in the past we used to complain about the low value of the dollar. I want to answer his concerns if he would quit talking for a second.

It is true. We used to complain about the low value of the dollar. It reflected the fact that our economy was not as productive as it could have been. Today the high value of the dollar reflects the fact that the U.S. dollar has fallen so dramatically. Unfortunately, because our productive capacity did not rise with the dollar, it means that exporters are being hammered very hard. We see this all the time.

I am sure members in ridings ran into this when they were out and about. I know that in the agricultural industry where I come from this is a big issue. People hear it all the time. I see the parliamentary secretary for agriculture nodding over there. It is a pretty serious issue.

The only way to combat that, if we do not have the ability to raise and lower our currency the way we want to every single day, and we do not have that ability since it is part of the world market like any other market, is to ensure that we pull the right fiscal levers so that people have lower corporate taxes, personal income taxes and we eliminate capital taxes for instance. If we do those things, then we would have the capacity to deal with a rapid rise in the dollar, at least more capacity than we have had until this point.

By not reacting, when it has had the opportunity on all these challenges that the government has been warned about for so many years, the government puts Canadian jobs in peril and the livelihood of millions of Canadians in peril. We see all Canadians poorer as a result of it.

We want to argue that as we approach the budget in three weeks time the government must heed this message. It is not simply to please me that I am asking for this, although I would be very pleased if it would go ahead and implement these things. It is necessary to help people, to help individual Canadians, all those people who we ran into in the hockey rinks, coffee shops and town hall meetings that we all had over the very frigid January we just spent in the ridings.

I urge the government to do the right thing and do what is right for the people of Canada. It would also be right politically for the members opposite, by the way. This is something Canadians are demanding.

•(1255)

In a minority Parliament it is also very important for the government to understand that if it does not do these things, then we as the official opposition will have no reason to support the government's budget. I need not paint a more vivid picture than that to show the government what it would mean if we did not support it. Potentially, it could mean the fall of the government.

We are urging the government to take these concerns seriously. If it does, I can assure the House that I will personally tell my caucus that we should support the budget, if the government cuts taxes deeply and implements a standard of living strategy that would ensure that over the long run incomes will rise and we will have revenues to support Canada's social safety net down the road, especially when our baby boomers start to hit their retirement years.

If the House wants to move that we have a question and comment period, I would be happy to address any questions that members may have.

Hon. Roy Cullen: Madam Speaker, I rise on a point of order. I would like to ask for questions and comments.

The Acting Speaker (Hon. Jean Augustine): Is the Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness asking for a limited time of perhaps 10 minutes for questions and comments?

Hon. Roy Cullen: Madam Speaker, I am asking for a 10 minute question and comment period with respect to this particular speech and then we could go back to the normal cycle. The member has raised some important questions that I feel many members would like to comment on.

The Acting Speaker (Hon. Jean Augustine): Is there agreement to allow questions and comments for 10 minutes?

Some hon. members: Agreed.

Government Orders

Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Madam Speaker, I thank you and the members of the House for this opportunity.

I listened intently to the speech of the member for Medicine Hat. There were some parts of it that I would agree with, but I think it would be useful to clarify some points he made.

I do not know how representative his sample was when he wandered around Medicine Hat and surrounding areas. I know that there have been some serious issues with respect to the cattle industry in that area, but if we look at it overall, the economy of Alberta in particular has been doing enormously well and in fact the economy of Canada has been doing enormously well. But we certainly can do better and that is what our government has committed to.

I think it is unfortunate that the member would misquote Don Drummond from TD Canada Trust. He knows Don Drummond and I know Don Drummond and I know that Don Drummond knows the difference between a tax and an investment.

Perhaps where the member gets confused is that there is an issue around take-home pay. I think we still have some work to do in terms of the disposable income of Canadians. I think we also have some work to do with respect to the productivity gap. I do not think there is any confusion around that on this side of the House.

The member talked about tax cuts and about Don Drummond mentioning the CPP going up. Of course the CPP affects one's take-home pay, but the CPP is an investment in one's retirement future. It is not a tax. It is not akin to a tax. It never was a tax. Don Drummond knows that. If the member for Medicine Hat were candid with this House he would recognize that as well.

The other point I would like to bring up is the \$100 billion tax cut. As the member pointed out, I had the great opportunity and honour to work with the then minister of finance on the \$100 billion tax cut, which actually was a \$100 billion tax cut. The problem is that members of the Conservative Party were so astounded that the government would move so aggressively on tax cuts that they have tried for years and months since then to argue that it was not a tax cut.

Let me clarify two very important points. The first is the Canada child tax credit. The members of that party over there, the Conservative Party—I cannot remember if it was the Reform Party at the time or the Alliance—do not see the Canada child benefit as a tax cut. It is true that it is not going to big business and it is not going to high income Canadians, but it is true that it is reducing the taxes that otherwise would be payable by low income Canadians with families, and in a big way nowadays, even bigger now than back in budget 2000.

An hon. member: Ten billion dollars a year.

Hon. Roy Cullen: If that does not qualify as a tax cut, I do not know what does.

The second point has to do with indexation. That party on the other side of the House argued for years and years that we should re-

index the exemptions and the whole Income Tax Act. Let us guess what happened. We did that. We re-indexed the income tax system to the cost of inflation. Then those members said, "That's fine, but that's not a tax cut".

Let me say this. What if we were going to be paying x plus 10% on our tax bill and the government were to say, "By the way, it is not going to be x plus 10% because we are going to reintroduce indexation." What would we say? If that is not a tax cut, I do not know what is.

Let me say to the group on the other side that we have said we have not finished the government's business with respect to cutting taxes. I think the member raised a couple of important points in terms of disposable income and in terms of productivity, but to stand on that side of the House and say what they have been saying for years means that they have not come to grips with the fact that it was the largest tax cut in Canadian history.

I am wondering if the member would reconsider and recognize that it was the largest tax cut in Canadian history. There is more to be done, but as for saying that the Canada child tax benefit was not a tax cut or that reintroducing indexation was not a tax cut, I wonder if he recognizes the folly of his arguments.

• (1300)

Mr. Monte Solberg: Madam Speaker, I have to say that the argument I have just heard from the member across the way is a completely ridiculous one.

The fact is that Don Drummond, in this report that I hold in my hand, criticized the government for the fact that it has not allowed Canadians to keep more of what they earn. He points out a 3.6% rise in incomes in 15 years. On the last page of his report, he states:

The tax burden on individuals must also be reduced. The top marginal federal-provincial personal income tax rates is over 45 per cent, which is nearly equivalent to sending half of a worker's earned income to the government, not to mention that it kicks in at relatively modest income levels.

He goes on to state:

And, more modest income levels get hit with the combination of taxes and claw backs in benefit payments that can raise the effective marginal tax rate to 80 per cent.

If this is that member's idea of a tax cut, I am afraid he has a lot to learn.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I would have a question for my learned colleague from the Conservative Party and member for Medicine Hat, with whom I always enjoy working.

This morning's *La Presse* had a piece by Joël-Denis Bellavance in which the leader of his party was reported as stating that the Conservatives would vote against the government without defeating the government. Could he tell me what that means? I hope it does not mean that the Conservatives are prepared to act contrary to their own convictions and that, to prevent an election or out of fear of an election being called, they figured that some of them might not show up to vote on the budget.

Government Orders

● (1305)

[English]

Mr. Monte Solberg: Madam Speaker, I will not speak for my leader, but as I said during my speech, I am quite prepared to support the government if it takes the suggestions we have made in the letter we have sent to the finance minister and actually embraces them and implements them. If it does not, then we will fulfill the traditional role of the official opposition, which is to oppose the government's budget initiative.

I can tell members that I think the situation is much more fluid and much more dynamic than might have been suggested by the member's question. I would argue that we will know when we see the budget exactly how the official opposition will react. I certainly am quite prepared to suggest that we support the government if it has initiatives in the budget that are the kinds of initiatives we can support, but if not, we will vote in very large numbers against that budget.

Mr. Gary Carr (Halton, Lib.): Madam Speaker, would the member like to comment on a couple of jurisdictions that cut taxes and ended up with huge deficits? One is the United States, where George Bush has a \$450 billion deficit because he cut taxes too much. As well, the member will know that I was a provincial member in Ontario when the government cut taxes. Ontario ended up with a \$5.6 billion deficit as a result.

We need to be very careful when we are cutting taxes at a time when we are investing in health care and child care and also in cities. My friend, who was president of the Conservative Party at that time, will know that the legacy of that government is a \$5.6 billion debt that was left to Ontario. I will say on putting money into health care that we could probably do it if we were not investing \$41 billion over 10 years.

I would like to ask the member about this, in all honesty and not to be sarcastic. The couple of jurisdictions that have tried this have ended up with deficits, so we need to be very careful, and I would ask the member to please comment on that.

Mr. Monte Solberg: Madam Speaker, I think that is a fair question, but our plan is simply and first of all to cut taxes within the fiscal framework that the government itself has acknowledged we have over the next six years: \$61 billion. It is \$73 billion if we include reallocation. Within that envelope, we would be proposing to do exactly the same as the government as doing, except that the government would use it mostly for spending and we would use it substantially for reducing taxes.

But I would also point out that there are many examples of governments reducing taxes only to see revenues go up, including, frankly, this government. Although in the speech I just gave I have lamented that the government did not cut taxes deeply enough, I also would point out that the government members were shocked when revenues actually went up, which is exactly what I would have predicted would happen. Because of course tax cuts mean that more money is left in the hands of the people who can do productive things with it, like business people who turn around and reinvest those moneys. The government then enjoys the revenues that come from more people working, from expansion. The government enjoys more revenues coming in as a result of businesses expanding. The

result when the government cut taxes was that revenues actually went up.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I want to thank the government for the opportunity it has given us to discuss our expectations for the next budget, especially since it is a minority government budget. It is more important than ever for the government to pay close attention to what the public wants to see in this budget.

I need not remind this House that during the last election, 72% of the members elected in Quebec were from the Bloc Québécois. That said, what we will present as our eight priorities—which were renewed last fall during a prebudget consultation in Quebec—are priorities Quebeckers believe in.

If there is one thing Quebeckers and Canadians agree on, it is the issue of fiscal imbalance. The National Assembly, the people of Quebec and the premiers of all the Canadian provinces all feel that the fiscal imbalance issue needs to be resolved and that tax fields need to be shared better between the federal and provincial governments in order to allow the provinces to fulfill their basic mandate as effectively as possible.

Ontario is running a deficit. Quebec is having financial difficulties. There is not enough funding for basic needs such as health, education and social assistance. Many of Canada's provinces are in a precarious situation and cannot offer their citizens as many front-line services as they should. If tax fields were shared better, the provinces would be better able to accomplish their mandates

I just came from a meeting with the Minister of Finance—at his invitation—and he asked me what my party expected from this budget. I was quite clear. As far as the fiscal imbalance is concerned, there needs to be a sense of political will on his part to ensure transfers of tax fields in the medium term. For now, the federal government absolutely must take concrete action in its next budget. In terms of actually doing something about the fiscal imbalance, it has to increase transfers for education and social assistance.

We know, under the health accord signed last September, that, in four years, the federal government's contribution will be approximately 25% of the cost of health care. When we look at education and income support for the most vulnerable members of our society, we realize that the federal government's contribution in these areas is still between 12% and 13%.

Government Orders

On behalf of my party, the Bloc Québécois, I was clear and I asked the Minister of Finance to include, in his next budget, an increase in transfer payments for education and social assistance. The same goes for equalization. Before the Liberal Party first came to power in 1993, equalization represented over \$10 billion per year. However, this year, it is \$9.6 billion. Even with increases, we are at \$9.6 billion in transfer payments under the equalization program. If we had kept the same structure since 1994 and indexed the equalization payments in effect at that time, this amount would be approximately \$16 billion. However, the government slashed it and ignored the fact that the equalization formula, among others, needed to be improved, namely, by using the ten-province standard and correct property tax data.

I stated numerous times that, in the next budget, the Minister of Finance must consider this demand, which has the unanimous support of those provinces receiving equalization payments.

As for employment insurance, all my colleagues in the Bloc Québécois from every region in Québec have been fighting for years to get the government to reinstate better provisions and overhaul the employment insurance system that it destroyed a few years ago by imposing eligibility conditions so restrictive that currently, barely 40% of all workers are able to from the employment insurance system, even if 100% of them are paying premiums.

• (1310)

Women are the main victims of the system. Only 33% of them can qualify for EI benefits, and only 20% of young workers. Young people, women and men all pay into EI, but cannot collect.

For the past seven years, the government has been helping itself to the \$45 billion in the employment insurance coffers at the expense of the unemployed. Entire regions where most of the work is seasonal are affected by unemployment, yet workers there are being deprived of money they are entitled to, which has been contributed by employers and employees.

I have made it clear to the Minister of Finance that the employment insurance program needs to be reformed to broaden coverage. For one thing, the number of hours required for eligibility needs to be lowered to 360. There also needs to be a program for workers aged 55 and over who have been the victims of mass layoffs. Some workers have been hit by the abolition of tariff quotas on textiles and clothing, which has allowed products from developing countries to be brought in, and a number of those were age 55 or over. They need to be helped. EI coverage and accessibility need to be expanded.

The commission also needs to be made independent, because the government has acted irresponsibly as far as the EI fund is concerned. It needs to be administered by the employers and employees who contribute to that fund. I also raised that point with the Minister of Finance, and made it clear to him that, if these two points were not included in the budget, we would take appropriate action. These are most definitely fundamental components of the next budget.

As far as the environment is concerned, we are facing the same problem. This is the view of the population we represent. A large majority of Quebecers, 72%, are concerned about application of the

Kyoto protocol, and this is the case in the rest of Canada as well. We want to see it applied fairly, based on the polluter-pay principle, rather than the polluter-gets-paid principle the government has gotten us used to.

In the past 25 or 30 years, the federal government has invested over \$60 billion in the oil and gas sector. The first thing we want it to do is to put an end to the variety of deductions and programs designed to encourage the use of these non-renewable and polluting resources.

Second, we are asking it to make massive investments in the energies of the future, such as wind energy, by increasing the amounts budgeted. Also, the government must keep an open mind when presented with proposals, such as we have made over the years, intended to create tax deductions for users of public transit. This is very beneficial for environmental protection.

In the next budget the government must return to two fundamental principles in enforcing environmental policies like the Kyoto protocol: fairness and polluter-pay.

Fourth, I want to repeat publicly here what I said behind closed doors with the Minister of Finance. The agricultural sector, particularly in Quebec, is living through the worst crisis in its history because of the mad cow issue. Since the dairy herds and dairy farmers are located primarily in Quebec, we are suffering more from the mad cow crisis than other areas, especially with respect to cull cattle. So far the federal government has not contributed significantly to solving this crisis. We ask it to do its part, and to do it now.

It is not normal that out of the federal government's agricultural spending of \$6 billion last year, only 9% was allocated to Quebec producers. Now, Quebec's farmers are struggling through the worst crisis. The federal government says it has done enough. It is not the agricultural producers of Quebec who are putting a strain on the federal agriculture budget. In times of crisis the federal government should increase its contribution substantially. We are not asking for a great deal, just for a payment that would help to compensate for the losses incurred in the past two years because of the mad cow crisis. Future losses should also be compensated, since the U.S. border is not going to be 100% open to beef and cull from Quebec and from Canada.

• (1315)

The federal government also has to honour the commitment it has made to increase milk prices to a level that will allow milk producers to cover their production costs. This is a promise that the current finance minister made a few years ago, when he was responsible for agriculture.

The agricultural sector absolutely has to be taken into consideration. Funding also has to be made available to assist young farmers discouraged by the current situation; agriculture had not been hit by such a major crisis in over 25 years.

Government Orders

Assistance must also be provided to the cooperatives which have requested special tax treatment, which would not cost the federal government much but could help the cooperative sector self-finance in the future as well as to compete, with competition coming from all sides.

With respect to the faculty of veterinary medicine in Saint-Hyacinthe, the only French-speaking veterinary medicine faculty in the Americas, what the federal government has started needs to be seen through. Two years ago, \$35 million was provided. Another \$24 million is required to complete the upgrading of the faculty's equipment and buildings; otherwise, it will not be able to maintain its accreditation with the American Association of Veterinary Medicine, which is already only a partial accreditation, while the other three veterinary schools in Canada all have a full accreditation. Losing this accreditation would affect the value of diplomas as well as the quality of research in Saint-Hyacinthe. This could have an impact on the agricultural sector as a whole.

I also raised with the Minister of Finance how important it is that the Canadian government meet the international aid target of 0.7% of GDP by 2015. We have been talking about this for a long time, and Canada is one of the most ungenerous countries in the world, one which spends the least on international aid. So, the target of 0.7% of GDP was established many years ago by the United Nations and ought to be met as soon as possible. The finance minister's awareness of this issue was also raised by the Bloc Québécois this morning, during our meeting.

I reiterated to the Minister of Finance that with respect to child care, it is important for Quebec's jurisdictions to be respected and for Quebec to be able to opt out of the federal program with full compensation. We already have a program that works, that the other Canadian provinces want to have and that the federal government is using as a model. The government has to go even further. It has to respect Quebec's program and allow Quebec to opt out of the federal program with full compensation.

The federal government also has to keep the promises it made during the last election and provide the necessary funding to allow the Government of Quebec to implement its parental leave program as quickly as possible. In the meantime, an entire generation is suffering.

The leader of the Bloc Québécois reiterated last week that the federal government needs to help the municipalities through infrastructure programs and other federal transfers. However, the Bloc Québécois strongly opposes the idea of funds being transferred directly from the federal government to the municipalities. The municipalities come under provincial jurisdiction. What we want—and we advise the government to respect this—is for funds to be transferred through the Government of Quebec and for arrangements to be made between it and the municipalities to help them, especially when it comes to gasoline tax transfers.

Social housing is very important to us. We have been talking about this for a long time, debates have been held on the matter and promises from the other side of the House have been broken. The federal government absolutely must invest 1% of its entire program spending on building social or community housing.

●(1320)

Since 1992, the federal government has not put one penny into social housing. It is only maintaining existing social housing units, nothing more. Investments must be made, because too many households are paying over 50% of their income on rent. When families pay more than 30% on rent, the situation becomes precarious.

Finally, as the leader of the Bloc Québécois mentioned during his meeting with the francophone and Acadian associations in Canada, it is absolutely essential—and we are committed to this—that the federal government double allocations to francophone and Acadian associations in Canada. It is a question of survival and assistance for the francophones and Acadians we have supported since we were first elected in 1993, even if we do not directly represent them in the House of Commons.

In closing, I want to send the government a clear message with regard to the coming budget. The Bloc Québécois was clear and, once again last week, its leader was too. The government must take action with regard to these priorities, as well as a number of others mentioned in our minority report included in the work on pre-budgetary consultations by the Standing Committee on Finance. There are eight sectors. The government's response to our demands must be substantial. If it does not respond to the very specific concerns of the public, which were tested again in the fall during a pre-budget consultation across Quebec as well as by the Standing Committee on Finance across Canada, we will not hesitate to vote against this budget and overturn the government if we have the power to do so and if we are also convinced that the government is not meeting our expectations. We will not hesitate to do so if the government goes against the interests of Quebec and even Canada and if it does not meet the expectations of the people and, specifically, the most vulnerable people in Quebec and Canada.

The responsibility lies with the Prime Minister. So, we hope that the Prime Minister will be as responsible as the Bloc Québécois in presenting his budget, which we will also analyze.

We are honourable people. We do what we say we will do and that is why we are making this commitment, unlike some people in this House and outside it. Our beliefs cannot be bought any more than those of Quebecers can be. If we find that this budget has little substance in relation to the priorities we identified, I will not hesitate to recommend that my party vote against it.

●(1325)

[English]

Ms. Judy Wasylcia-Leis (Winnipeg North, NDP): Madam Speaker, as I did in the earlier debate, I wish my colleagues a happy new year, yourself included.

We are at the start of a very interesting time in the life of the Parliament of Canada. I know I speak for colleagues at this end of the House when I say that we come back to this place after a time to reflect and re-energize ourselves to do the work that Canadians expect us to do in this Parliament. Canadians expect us to work on their behalf to ensure that they are not taken for granted and that their concerns are not denied the kind of attention that they require.

Government Orders

I start off this debate on the pre-budget consultation process with a note about the significance of this moment in the life of our Parliament. We are at a time when many of the stars are lining up that point us in one direction, to act on behalf of Canadians, to once and for all address the priorities of Canadians and to stop denying them the programs and services they need to be productive members of our Canadian society and thereby help to grow our economy.

We have heard many conflicting visions in the debate today. The job of Parliament is to sort out the appropriate path for Canadians, to balance the competing demands and to ensure we have the recipe for redressing wrongs and for putting Canada back on a solid footing.

Based on some of the speeches to date, one would think that everything is great, our economy is growing, the situation is rosy, the government is on the right track and all we have to do in this Parliament is figure out how we can stay on that path.

I appreciated the presentation by the chair of the finance committee who outlined a document that was the end product of a considerable amount of time and effort on the part of the finance committee. I think all members on the finance committee want to congratulate the Canadians who took the time to come forward, and to thank all those organizations that ensured we heard their views on the budget situation in Canada. There were some 200 individuals and organizations that made an effort to come forward and speak their mind and give us advice.

The question today concerns whether that advice is reflected in the committee report. Will this advice, once and for all, be taken seriously by the government of the day and not be ignored, as has been the case over the past decade of Liberal budgets?

With all due respect to the chair of the finance committee, it is obvious that the report does not reflect the sum total of presentations before our committee, nor does it reflect the majority of views on that committee.

It is very interesting that we have attached to this report, not three dissenting opinions but four; a Liberal dissenting opinion included. This is almost unheard of. It is very seldom that Liberal members or members on the government side feel that they have to issue a minority report because they do not agree with the overall conclusions of the committee's process.

• (1330)

I think that says more about the lack of unity on the part of Liberal members than anything else. It also says that the committee reflected more of the Conservative agenda than it did the will of Canadians. The Liberals on the committee were clearly reacting in their minority report to an overemphasis on tax cuts and on competitive economic circumstance, vis-à-vis the United States, and on levelling the playing field without due regard for the needs and concerns of ordinary working Canadians.

Therefore by no means can we take for certain that the report tabled by the chair of the finance committee reflects the views of Canadians, which is precisely why the New Democratic Party chose to issue a dissenting opinion. We chose to reflect what we see as the dire and pressing concerns of Canadians from one end of the country to the other.

We start by taking umbrage with statements as enunciated in the report suggesting that all is fine with the Canadian economy; that the Canadian economy is strong and growing; that businesses are striving but in need of greater concessions on the part of the government; that the debt to GDP ratio as set out by the Liberal government of 25% in less than 10 years is appropriate; that we accept without debate a \$3 billion contingency fund and another \$1 billion prudence fund despite all the furor around the government's inaccurate budget forecasting resulting in billions of surplus dollars that were not forecasted and end up automatically going against the debt without any consideration for the priorities of Canadians and the will of Parliament.

We come before the House today to try to paint the picture of Canadians as we see them and as we hear on a day to day basis about their particular concerns and issues. Life is not all rosy in this country. We may be a wealthy nation and our economy today may be on stable footing but not all Canadians are benefiting from this supposed healthy economy.

Surely one measures a healthy economy by the way we treat and help all citizens of this land without regard for region, sex or race. Surely the measure of any government budget is how it responds to the most vulnerable in our society, not by ignoring the reality of so many Canadians who struggle on a day to day basis, who have job insecurity, who may not be able to provide for their families as they would like and who subsist on a regular basis without the means to ensure good quality of family and community living. Surely it is our job as parliamentarians to reflect that reality and to then prescribe actions and recommendations to address those concerns and significant problems.

As I said at the outset, we have a golden opportunity in Parliament. We are in a situation where the government has finally publicly acknowledged a significant surplus, contrary to the last 10 years where there was an attempt to low ball the surplus and therefore not put it before Canadians and ensure that we addressed their priority concerns.

For once the government has stood up and acknowledged it had a problem, and has announced an \$8 billion surplus for this year. We hear now that it is also a low estimate of the actual surplus. We are no doubt looking at something more in the neighbourhood of \$10 billion, \$11 billion or \$12 billion. We have a huge surplus that gives us an opportunity to address the priorities of Canadians in an open and transparent way.

We also have a minority Parliament which gives us the opportunity to create a minority budget. I do not need to remind the House how frustrated we are in the House with Liberal majority budgets but one might have a sense of what Canadians feel about Liberal majority budgets, Canadians who are fed up, frustrated and angry about Liberal broken promises; Canadians who are fed up, frustrated and angry about a continued fetish and focus with artificial debt reduction targets and tax breaks for the corporate sector and wealthy in this country without due regard for the struggle that many Canadians face on a day to day basis.

Government Orders

We have a chance in this Parliament to create a budget that is in line with the needs of Canadians. We expect that a Liberal minority budget will be different from a Liberal majority budget. We expect a significant shift away from that absolute preoccupation with debt reduction and artificial targets without due regard for the human deficit that is being created by that kind of preoccupation. We have absolute views that there must be a shift away from a tax reduction agenda that benefits the wealthy and corporate interests in our society.

We want to see a budget that starts to close tax loopholes for the wealthy and for the corporate sector. We want to see an end to tax havens. We want to see the government crack down on the freebies and the giveaways to the corporate sector and ensure that the investment is channelled back into this country to create jobs and opportunities for Canadians.

We expect and will use every bit of power we have in this minority Parliament to help shape a budget that is in line with the interest of Canadians.

• (1335)

We will be standing from this day forward, until the moment the budget is introduced before Parliament and to all Canadians expected later this month, with one message: We will not let Liberals take Canadians for granted. We expect different. We will get better.

It was interesting listening to my counterpart in the Conservative Party earlier focusing again on tax cuts and on the suggestion that if we gave a little bit more money to families in Canada today they would have the disposable income to accomplish all their goals and objectives and ensure quality of life.

I am here to say that we have been there, done that, tried it and it is not working. It is not working because we have not ensured that tax breaks for corporations and the wealthy lead to investments here in this country. It has not produced an increase in productivity and therefore an increase in opportunities for Canadians. We know there is something wrong with corporate giveaways, handouts and tax breaks. We know the vast majority of Canadians realize that the little bit of money they will get through a tax break, as has happened in the past, will not buy a health care centre, nor will it create a space that is affordable for their children at university or build a day care. They know that investing in those areas will help them to create the opportunities whereby they and their children can contribute to the economy so that we can grow a great future for Canada.

Contrary to what the Conservatives have suggested to the House, Canadians believe that the government should be investing in programs, services and social policies that help ensure everyone in this country starts on a level playing field and finds the wherewithal to contribute according to their talents and abilities.

Canadians want the government to finally take action after years of neglect and the destruction and damage to the infrastructure of this country in terms of the health programs and the universality of those programs, the state of our universities and other post-secondary education, the level of damage and disrepair in our cities and municipalities across this country, keeping in mind, as members

know, we are looking at about a \$60 billion infrastructure deficit today as we speak.

• (1340)

Nowhere are the inappropriate allocation of resources and misguided set of priorities more apparent than in the newspaper on the weekend. We read that our own Pension Investment Board feels that it has to invest billions in infrastructure projects in Europe in order to get a good rate of return to ensure the security of our pensions, and that it cannot do the same in Canada because our markets, our system, our structure are not conducive to investing in this country.

Does that not say it all about what is wrong with the path we are on? Does that not point to a solution for the future? Does that not give us a recipe for how we could actually build this country? Those pension moneys belong to Canadians who have worked all their lives to ensure that they will have security in their old age. Surely if we cannot invest that money in projects that build the economy, that strengthen communities, that eradicate poverty, that create jobs, then there is something wrong. That is why this budget is so important. It is about changing priorities and starting to invest in Canada.

It is not, as my Conservative colleagues like to suggest in terms of the New Democrats' position, about willy-nilly spending, about more money for government so we can have more money for the sake of having more money and more programs for the sake of having more programs, heck no. It is about investing money in strategic areas so that we are able to grow as a country and to build a future for our young people.

How is it possible that we could ignore something as fundamental as inaccessible education in this document? It is referenced briefly. There is another set of recommendations for band-aids to put over the problem, but there is no comprehensive strategy to deal with a fundamental serious flaw in our society today, which is that many families, and they are growing every day, cannot afford to send their children to college or university because tuition is too high and student debt is too overwhelming.

If we cannot ensure equitable access to post-secondary education, what does that say about who we are as a country? What does that say about civil society? Are we not supposed to be about ensuring some level of common access, some equality of condition, some floor through which no Canadians will fall because they do not have access to great wealth and do not have inheritances, who struggle on a day to day basis to eke out an existence? Surely the role of government and the purpose of a budget is to give a road map and create a vision to get us in that direction.

It is the same with respect to the environment. How could we in the year 2005 be so behind our commitments with respect to Kyoto? How could we be a society where we have wealth, ingenuity and great innovative solutions, and we have not been able to move our economy away from its dependence on fossil fuels and toward alternative energy programs that actually would lead to jobs, to a better quality of life, and to the sustainability of our planet?

Government Orders

How is it that with the latest reports in terms of progress on the environmental sustainability index Canada is now somewhere near the bottom, at 144 out of 146 countries? How is it that a country as wealthy as Canada cannot make progress on things as basic as clean air, clean water, a sustainable environment and the future for our planet?

• (1345)

Our job today is to make this minority Parliament work for Canadians. This means investing in those areas that will not only ensure quality of life and help rid our society of inherent inequalities, but also will actually create jobs and grow the economy and help bring down our debt.

I want to reiterate that we could achieve a 25% debt to GDP reduction if we simply invested strategically now and helped Canadians to help themselves. We could accomplish what every Canadian wants which is a future for themselves and their children.

Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Madam Speaker, I would like to wish a happy new year to everyone in the House today.

Unfortunately the tsunami tragedy started off the new year in a shocking way for all of us. It reminded all of us here and Canadians across the country in a cogent way that there are people who are in far more need than any of us. There are people in need around the world, not just in the areas affected by the tsunami but also in Africa.

I am going to call my speech today the economy of hope. I am going to explain how our budget will deal with people in need around the world and in Canada.

I want to set the background of the tremendous accomplishments made by our Prime Minister and the government during its first year. I do not think any member of the opposition or any member of the media has encountered a Prime Minister who has achieved so much in such a short period of time. I am going to outline some of those areas and how they will help the big agenda items of our nation and the world.

The government started out by dealing with the biggest problem in the nation identified by Canadians, health care. That historic deal followed another historic deal made by our government. Some \$41.3 billion has been set aside for 10 years for health care. How many times in history has a prime minister in the first year in office been able to deal with the biggest problem brought forward by Canadians? On top of the regular deal there were additions for people in the north and for aboriginal people because of their special health care needs.

The second historic agreement related to equalization. A whole new structure was set up with \$33 billion, and increases will start in 2006. If anything defines the nature of this country it is equalization, where provinces that are having a hard time are supported by wealthier provinces. It is the backbone of our nation.

In the Prime Minister's first year in office, equalization was renewed, extended and increased. The wealthier provinces will help to take care of other provinces in their times of need. To emphasize that point, a couple of days ago a new deal was finalized concerning the special requirements of Nova Scotia and Newfoundland.

The health care and equalization deals are huge and historic. Part of the reason these deals could be made was the openness to understand the differences between provinces across Canada. Provinces are not always treated the same if they have special needs. That is the whole philosophy behind equalization. The provinces and territories came into Confederation with different deals. They are not identical. Canadians are open enough to understand that fact. A great strength in our federation is that different areas with different situations can come together in this great country of Canada.

The background includes the election platform of the Prime Minister and the government. Some five or six great initiatives were included in that platform. These were fundamental initiatives to deal with the needs of our nation. All of the promises that were made in the platform have been kept. They were translated from the election platform into the throne speech.

The first area is the historic demand by Canadians for a national child care and early childhood development program. Over the last few years we have been putting millions of dollars into that area. This was an even more comprehensive deal. I congratulate the federal minister and provincial ministers who came to an agreement on the basic philosophies of that program. They will meet shortly to finish the deal. When they finish that deal, Canada will be putting \$5 billion toward that area.

• (1350)

In an economy of hope another group to help is the group of seniors. What people in society could be more needy and have less control over their destiny than senior citizens? The platform included the increase in the old age income supplement for low income seniors and the return of the new horizons program, which was very popular for seniors' activities.

In the environmental area, greenhouse gases were mentioned in a previous speech. There were requests from the Bloc for an increase in wind energy. As everyone knows, our platform is quadrupling the wind energy capacity in Canada with a huge investment. That is not the only energy initiative. There are all sorts of other ones related to ethanol as well as other renewable energies such as solar energy and atomic energy. We are investing in different areas to decrease greenhouse gases.

Canadians have always been very proud of their place in the world especially with respect to peacekeeping, defence and humanitarian aid. They will be proud that we are contributing 5,000 more troops and 3,000 more reserves to continue that role to help people in other parts of the world, as we have in a number of situations which I will mention later.

S. O. 31

Another massive initiative in the platform and in the throne speech was the new deal for cities, some of which was acted on right away. The platform was to manage all the areas of challenge at the federal government level and around the world and then to add the interaction with another order of government, to tell the municipal and community level of government that the federal government would help out there too. Another remarkable achievement is that finances were managed in such a way that we could interact with a level of government with which we have not normally interacted.

Since 1994 we have put \$12 billion toward infrastructure in communities across Canada. Since then roads, bridges and water systems have been built. It has helped create jobs across the country and has helped improve the quality of life in our communities. In the new deal there was \$7 billion provided almost immediately from GST rebates. The communities in my area were absolutely delighted with this extra money with which they could build the basic infrastructure for their citizens.

There was the rural infrastructure program to help the rural parts of Canada over 10 years. We have accelerated that down to five years. There will be twice as much expenditure per year. The final negotiations are going on now related to the gas tax.

These are tremendous investments and new initiatives in the first year in office of a new Prime Minister.

The new deal for cities is more than just that. The new deal as we see it evolve will lead to an entire new relationship of how we envision the communities, from the very small to the very large, will fit into the type of vision that we see for Canada and how the Government of Canada can help achieve that vision.

As I said earlier, there is the strengthening of Canada's place in the world. In his first year in office, the Prime Minister has made a great mark around the world in a number of unprecedented initiatives.

One of my proudest moments over Christmas was at a rotary club meeting when a club member stood, as I think happened in rotaries across the country, and commended the Government of Canada, the finance minister and the Minister of International Cooperation for the \$42 million that was put toward polio, saving a campaign that was having a great deal of difficulty this year, the United Nations campaign in Africa. There is also the creation of another historic initiative, the Canada Corps, to help Canadians spread the values of good governance and living by the rule of law around the world. There is the \$20 million that we put toward helping the African union and people in Darfur.

Who in the world could be more in need of our economy of hope than those suffering tragedy and murder in Darfur? No Canadian approached me over the Christmas season to say that we should give this money back to Canadians, that we should not invest in Darfur or in people affected by the tsunami.

● (1355)

We put \$100 million into AIDS drugs, and a \$70 million increase in our AIDS, tuberculosis and malaria programs. At the same time we put peacekeepers or money in Haiti, Afghanistan, Iraq and Africa. We have also signed a Canada-Mexico partnership. It is a huge agenda for the first year of a government.

On the world scene, we have made a change in how we help countries and peoples in trouble such as Darfur. It is almost unprecedented that a new Prime Minister would have such an effect on the world scene in his first year. He has the respect of the world to make such a change, starting with the whole concept of the responsibility to protect and spreading this especially around a group of G-20 nations that can help instill this new philosophy to help prevent situations like Rwanda and Darfur. The world sees a responsibility to protect these citizens. This is a remarkable achievement by our new Prime Minister.

It also includes helping Canada and Canadians fit into the new economy. We have the new learning bond for those in lower income families. This falls on the heels of the largest scholarship in Canadian history, the millennium fund. We also have an increase in ceilings on student loans.

Following on the \$3.5 billion, the largest environmental program in history, we have added another \$1 billion to the new environmental technologies from the sale of Petro-Canada. We have \$100 million for the auto industry.

Another historic achievement in the first year was the Canada aboriginal peoples round table. There is a whole new era of cooperation and interaction with first nation peoples: a new adviser in the Prime Minister's Office; a new secretariat in the Privy Council Office; and now round tables in various areas identified in that original historic meeting. On top of that is the business of carrying on modernizing governance of first nations with the Tlicho and the Westbank land claims. Of course I encourage the government to ensure that over and above the new deals for land claims that we continue to ensure we fund the implementation sufficiently in ones that have already been signed, such as in my area.

STATEMENTS BY MEMBERS

● (1400)

[English]

LAWRENCE O'BRIEN

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, on Thursday, December 16, 2004, Labrador lost a devoted son. Lawrence O'Brien, our friend and colleague, passed away after a courageous six year battle with cancer.

First elected to the House of Commons in a byelection in March 1996, Lawrence went on to win three more elections. Lawrence was a true Labradorian, born in the small fishing village of L'Anse-au-Loup, on Labrador's south coast.

Lawrence O'Brien loved Labrador and was devoted to its progress and development. An editorial in *The Telegram* said it best, "What he valued, along with...his family, was Labrador, the Big Land at the centre of his soul". Clearly, Labrador returned that love. Over 1,200 mourners filled the town's largest church, while another 500 watched a simulcast from Lawrence's own church.

I ask all members in the House to join me in extending our deepest sympathies to Lawrence's beloved wife Alice and their children Michael and Amanda.

* * *

FISHERIES AND OCEANS

Mr. Jeremy Harrison (Desnethé—Missinippi—Churchill River, CPC): Mr. Speaker, the Department of Fisheries and Oceans is out of control, not where we might expect, but in Saskatchewan of all places.

Why the oceans department in my province is a question I will leave for another day, but the fact is DFO is causing tremendous problems for rural municipalities, industry and provincial departments right across Saskatchewan.

Now we find out that DFO has new plans to make life miserable for the outfitting industry in northern Saskatchewan. The Liberals are demanding that even highly experienced guides earn their Captain's licence, available only in Vancouver or Halifax, before being able to pilot any small vessel. Not only that, the Liberals are demanding that northerners now must register their canoes with the government.

If Canadians thought the gun registry was a waste of money, hold on to their hats because here comes the Liberal canoe registry. It is time for the Liberals to come to their senses and stop the Saskatchewan DFO madness before any more jobs and money are lost.

* * *

[Translation]

HON. LOUIS J. ROBICHAUD

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, almost three weeks ago, New Brunswick and Canada bid farewell to the Hon. Louis J. Robichaud.

The people of New Brunswick were deeply moved by his passing. P'tit Louis, as he was affectionately called, represented the riding of Kent in the legislative assembly, and I have the honour of representing that region in this House. Louis Robichaud spent his life as a lawyer, premier and senator fighting for social and economic justice and very successfully too.

[English]

At his funeral, Robert Pichette spoke for all Canadians when he said that Louis Robichaud exemplified vision, passion and courage throughout his life. I could not agree more.

I know all members join me in expressing our deepest sympathies to his wife Jacqueline and to all the members of his wonderful family.

S. O. 31

[Translation]

INTERNATIONAL AID

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, while the Prime Minister was discovering the scope of the tsunami devastation for himself, the report "Investing in Development" was laying the blame for world poverty on the rich countries that have not achieved the promised objective of 0.7% of GDP.

Canada is one of those countries, and the present Prime Minister was mainly responsible for the drastic cuts to Canada's international aid when he was Minister of Finance.

Unlike a number of other countries, Canada is still a long way from that 0.7% target. So here we are with a Prime Minister who has been trying, since the tsunami, to show Canada's sense of responsibility for the affected populations, after constantly refusing to make any clear commitments to achieving the millennium objectives.

This being International Development Week, Canada should indicate its intention to respect its commitment to the millennium objectives and endorse Jacques Chirac's proposal to levy a tax on international financial transactions.

* * *

• (1405)

[English]

TSUNAMI RELIEF

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, in the aftermath of the tsunami, Canadians showed their true character and tremendous compassion in coming together and giving in a historic way.

I want to say that in the Durham region, the region which I am from, I had the honour, along with the members for Whitby—Ajax and Pickering—Scarborough East, to get together with members from across the community in a truly historic fundraising effort. I want to recognize all their work.

Over \$200,000 was raised on the weekend. Over \$700,000 was raised overall in just about a three week period. To the chairs, both Maurice Brenner and Bill McLean who are councillors and former colleagues, I congratulate them. I also want to recognize Tony Doyle who was instrumental with the Metroland paper, the Durham Tamil Association and the Pickering Islamic Centre.

As the spotlight turns away, as the media focus turns away from southeast Asia, it is imperative that we keep up the effort. I commend the government's move to give \$160 million over the next five years and \$425 million in total.

* * *

HON. LOIS HOLE

Mr. John Williams (Edmonton—St. Albert, CPC): Mr. Speaker, on January 6 the people of St. Albert, Albertans and indeed all Canadians lost a dear friend in the Hon. Lois Hole, the 15th Lieutenant-Governor of the province of Alberta.

S. O. 31

Lois Hole represented the best of St. Albert to Alberta, Canada and to the world. Her legendary abilities to touch so many will be remembered with fondness, especially in her roles as a successful businesswoman, an accomplished author, a passionate advocate for libraries and literacy, and a dedicated supporter of the arts.

As we pay tribute to Lois Hole, we also welcome Norman Kwong to the office of Lieutenant-Governor. The "China Clipper" distinguished himself as the first Chinese Canadian to play in the Canadian Football League and had an outstanding football career. After his days in sport, he continued to set himself apart with a remarkable career in business and in the community.

He will be well suited to fill the role as Her Majesty the Queen's representative in Alberta.

* * *

RAYMOND KLIBANSKY PRIZE

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, Dr. Steven High, a history professor at Nipissing University in my riding, was recently awarded the Raymond Klībasky Prize. This award is presented annually by the Canadian Federation for the Humanities and Social Sciences.

Professor High's book *Industrial Sunset: The Making of North America's Rust Belt, 1969 to 1984* was deemed to be the best English language book in the humanities. This is the third prize that High has won for his book.

Industrial Sunset explores national differences and how workers, unions, communities respond to plant closings in the mid-western region of the United States and in southern Ontario. Professor High examines the social, economic and political issues surrounding de-industrialization and compares labour and community responses using several sources.

On behalf of the people of Nipissing and all hon. members I would like to congratulate Steven High on his recent accomplishment and wish him continued success.

* * *

[Translation]

AUSCHWITZ

Mr. Richard Marceau (Charlesbourg—Haute-Saint-Charles, BQ): Mr. Speaker, last week, the whole world commemorated the Shoah, one of the darkest episodes in the history of humankind. For the first time, at last, after 60 years, the UN held an extraordinary session to remind the world of the horror and barbarism that man is capable of, and what hatred and intolerance can lead to.

On January 27, 1945, the Red Army liberated the prisoners of the Auschwitz extermination camp, where the Nazis and their collaborators had implemented the "final solution" to what they referred to as the "Jewish Problem".

Today, can we claim that the lessons of the past have been learned? Unfortunately, no. The world idly stood by during the massacres in Cambodia, the genocide in Rwanda and, today, in Darfur. Moreover, anti-Semitism is very much on the rise again worldwide.

Canada too should look in the mirror. At one time, under the government of Mackenzie King, it closed its doors to thousands of Jewish refugees seeking asylum here. This is a period of which Canada has no reason to be proud.

In light of these disturbing facts, there are two duties that should be fulfilled, namely to remember and to act.

* * *

• (1410)
[English]

THE HOLOCAUST

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I rise today in the House to pay homage to the Holocaust survivors across Canada.

A week ago we marked the 60th anniversary of Auschwitz-Birkenau's liberation, where more than two million Jews perished.

Last week's commemoration at the UN was a historic first and Canada helped make it a reality. I would like to thank the Minister of Foreign Affairs for representing Canada at this important event.

I also want to highlight the Raoul Wallenberg Day, powerfully marked in Winnipeg on January 17. Named after a Swedish diplomat who rescued 100,000 Jews from extermination, it shows us the difference that a single person can make, even in a world gone mad.

If Auschwitz was a testament to the evils that mankind can conceive, Raoul Wallenberg's example is the selfless counterstroke to that hatred.

It is important that we follow in Wallenberg's footsteps and ensure that the words "Never Again" shape our present, not merely observe our past.

* * *

BORDER CAUCUS

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Speaker, it gives me great pleasure to announce the creation of a new all party caucus.

The Parliamentary Border Caucus will complement the work of our government in addressing issues of trade and security that affect our border with the United States.

This border is a precious resource, sustaining the world's largest bilateral trading agreement. Thousands of jobs in our ridings rely directly on the border, while millions of Canadians benefit from the export of goods and services across it

We will be holding our founding meeting on Tuesday, February 8 and MPs who have a border crossing point in their riding are welcome to attend.

I am very pleased to announce that our guest speaker next Tuesday will be the U.S. Ambassador, Mr. Paul Cellucci.

Finally, I want to thank my colleagues, the member for Saint Jean, the member for Sarnia—Lambton and the member for Windsor West for their efforts in making this all party caucus a reality.

WORLD LEPROSY DAY

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I rise before the House to acknowledge World Leprosy Day yesterday, January 30. Now more correctly known as Hansen's disease, this condition plagues approximately 500 Canadians, with about a dozen cases arising each year.

Admittedly this disease is not widespread in our nation, but with Canada's vast involvement in global affairs, as well as its sincere acceptance of immigrants and refugees, such an ailment must be conscientiously monitored. Contrary to common belief, this condition is not transmitted through touch, and more evidence is proving that this disease has been mischaracterized.

I wish to commend the efforts of the Leprosy Mission of Canada and Leprosy Relief Canada. Also, there are Canadians living here and abroad who are helping to raise awareness in various places about this often misunderstood disease.

* * *

WINDSOR WILDCATS TRAGEDY

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I rise today with great sadness in my heart. On Saturday in Rochester, New York, three people from the Windsor area, who were travelling with the Windsor Wildcats women's intermediate hockey team, and the driver of a transport truck were tragically killed in an accident.

Wildcats coach Rick Edwards will be remembered as a leader and an enthusiast for hockey in our community. His son Brian will be missed by his own hockey teammates in LaSalle and all those in the wider community that he and his dad were part of, both during the season and in the off season. My deepest condolences go out to the Edwards family and their friends.

On a personal note, I send my heartfelt sympathies to my former colleague Mike Roach, with whom I sat on city council, and to his daughter Erin and two sons for the loss of their loving mother Cathy. I will remember Cathy, who died on Saturday, and I know she will be deeply missed in the community.

The Windsor and Essex County community is proud of these young women ambassadors from our country playing our national sport and showcasing our best to the world. I hope that the bonds of teamwork will help the Wildcats and their families and friends through this difficult time.

I would like to send to all those still recovering and the many grieving families and friends our best wishes and prayers, not only from my colleague, the member for Windsor—Tecumseh, and from me, but from all my colleagues in the House of Commons. Canada is thinking of them.

* * *

IRAQ

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, democracy is best defined as government based upon the consent of the governed.

As Conservatives, we believe that people everywhere have a natural God-given right to democracy and liberty. We applaud the

S. O. 31

results of yesterday's election in Iraq, the first fully open, voluntary and democratic election in the Arab world.

We were all moved by scenes of long lines of citizens of the new Iraq standing patiently and proudly, bravely defying all threats and joining hands with their children so that those young eyes would remember forever the price so many were paying for their liberty.

Skeptics throughout the world, including many in our midst, said that these people lacked a desire for democracy and were indifferent to its alleged blessings. Iraqis, they said, would not measure up to this challenge to defy suicide bombers for the sake of depositing a ballot in a box.

The people of Iraq have proven wrong this pessimistic and demeaning judgment of them. They have reignited the cause of democracy and have set an example for those in our own midst, where only 60% of our citizens vote in federal elections.

We salute the supreme sacrifice which has been paid by Iraqi forces and coalition forces. We thank the people of Iraq for this reminder—

• (1415)

The Speaker: The hon. member for Abitibi—Témiscamingue.

* * *

[*Translation*]

SOIRÉE DES MASQUES

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, the Soirée des Masques, which celebrates the work of Quebec artists, was held last night. Theatre is the embodiment of our culture, our imagination, our identity and everything that distinguishes us. Theatre is the reflection of a people.

Some twenty actors won awards in various categories, and the Théâtre de Quat'Sous, which is celebrating its 50th anniversary this year, was awarded the prix Hommage, which is a special tribute award. This provided an opportunity to salute the boldness and the vision of its founder and its artistic directors.

However, the evening was overshadowed by the announcement of the passing of actress Gisèle Schmidt. This great lady with a unique voice was a first rate actor for 60 years.

I want to make special mention of the performance of Rouyn-Noranda's Théâtre du Tandem and, particularly, the fact that Muriel Dutil received the performer of the year award. The Bloc Québécois congratulates all the nominees and recipients at the Soirée des Masques.

* * *

[*English*]

TSUNAMI RELIEF

Mr. Gurmant Grewal (Newton—North Delta, CPC): Mr. Speaker, in watching the scenes of death and destruction resulting from the devastating tsunami that hit South Asia, our hearts immediately went out to the more than 220,000 victims and the millions left homeless. This catastrophe made us realize that even with all our scientific and technological advances, we remain vulnerable to the power of nature.

Oral Questions

As the United Nations Secretary-General Kofi Annan said, “The tsunami was an unprecedented global natural disaster” and it deserved “an unprecedented, global response”.

Governments, NGOs and ordinary people have contributed billions of dollars to the devastated countries.

In my constituency, people are doing all they can for the victims. Musicians have held concerts. Students have raised thousands through loonie drives. Maninder Gill of Radio India raised over \$700,000 for the Red Cross; I personally spent eight hours on the air as part of his fundraiser.

British Columbians are vulnerable. Our government should learn some lessons from this disaster, including improving response times for our DART and better emergency preparedness.

On behalf of my constituents, I want to thank—

The Speaker: The hon. member for Glengarry—Prescott—Russell.

* * *

[Translation]

RÉSEAU DE LA RURALITÉ FRANCO-ONTARIENNE

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, last Friday I had the honour of attending the launch of the Réseau de la ruralité franco-ontarienne. This Internet site consolidates relevant information on events and the accomplishments of rural Franco-Ontarians.

This portal will help to stimulate the creation and distribution of Internet information in French targeted at rural communities.

A tip of the hat to the Union des cultivateurs franco-ontariens, its president, Pierre Bercier, and the other visionaries behind this project. Thanks to the Minister of Industry and the Minister of Canadian Heritage for their contributions.

[English]

The Speaker: I would ask members to rise to observe a minute of silence in memory of the victims of the tsunami.

[A moment of silence observed]

ORAL QUESTION PERIOD

[English]

SPONSORSHIP PROGRAM

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, on a happier note, I am sure that all of the House will want to join with us in congratulating the brave people of Iraq in standing up to tyranny and terrorism and advancing the cause of democracy.

Some hon. members: Hear, hear!

Hon. Stephen Harper: Speaking of democracy, whenever a public inquiry gets close to the truth, the Liberals shut it down. That is what they did with Somalia and APEC and they tried the same thing with Krever.

Now that the former Liberal leader is trying to have Justice Gomery removed, the Prime Minister has suddenly become very silent. Has the Prime Minister told Mr. Chrétien in no uncertain terms that his actions are inappropriate and unacceptable?

● (1420)

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, first of all, on the subject of Iraq I would like to inform the House that I spoke to Mr. Kingsley this morning. As we know, he oversaw the election process that took place. He has already published on his website that in fact the election was held under circumstances which can give us great confidence in the results. I, too, want to speak on behalf of the Canadian people and say how much we admire the courage of the Iraqi people and how glad we are to see the result.

In terms of the hon. member's question, he should know that this afternoon, in fact perhaps as we speak, the government's counsel is before the commission giving the government's position. But let me just assure the hon. member that it was this government that brought the commission into being, not the opposition. We did it because we want the Canadian public to have all of the answers. That was our position then, it is our position today, and it will be our position tomorrow.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, I will be happy to acknowledge that the government set up the commission as long as it acknowledges that it shut down all the previous ones.

I am looking for the Prime Minister to be more categorical in leadership in telling Mr. Chrétien that his actions are unacceptable, but on top of that, can the Prime Minister explain why the Liberal Party's own lawyers did not appear before the commission today to make this argument?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, it is somewhat ironic to hear the Leader of the Opposition now standing up attempting to defend the commission when for the last six months he and his party have done every single thing they could to subvert what the commission is doing, by standing up in the House of Commons misstating evidence, contradicting testimony that has been given, and taking things out of context.

They have tried to throw every obstacle they can in the way of the commission. They have not succeeded and they will not succeed.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, what this party has done is exercise its constitutional responsibility to force answers on the floor of the House as well as at the commission.

[Translation]

On January 21, for the second time, Justice Gomery asked the Prime Minister to give him access to certain cabinet documents. And suddenly the former Liberal leader asked that the judge be replaced.

Instead of replacing Justice Gomery, will the Prime Minister give him the documents he is looking for?

*Oral Questions**[English]*

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am very pleased to report to the House that government and inquiry counsel met today and resolved all outstanding issues to the satisfaction of all parties. In fact, Justice Gomery is very much satisfied with the response of the government because he knows that this Prime Minister and this government have provided full cooperation, openness and transparency and support for Justice Gomery's work. We support Justice Gomery's work and we will continue to do so.

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, what people should be saying to that is "finally". Last year this government and this minister said repeatedly "we are providing full cooperation to Justice Gomery". Months later, now they are admitting that yes, they will finally cooperate.

We know the Privy Council Office routinely edited documents before releasing them to Mr. Justice Gomery, so let me ask the Prime Minister, why was his government preventing Justice Gomery from doing his important work? What was he hiding then and what is he hiding now?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the hon. member will no doubt benefit from the knowledge that the information that Justice Gomery is satisfied with today is the same information that was provided to Justice Gomery earlier. With the discussions this morning between the government counsel and the counsel representing the commission it was agreed that the information was fully consistent with the government's commitment to provide all the cabinet confidences that pertain to the mandate of the Gomery commission.

• (1425)

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, that makes no sense at all.

The former prime minister is putting a Shawinigan handshake on the Gomery commission. The Prime Minister is doing the CSL cabinet shuffle. Mr. Chrétien is doing everything he can to shut down the Gomery commission and the Prime Minister was, for the longest time, trying very hard to limit the information that Mr. Gomery could access.

The Prime Minister has now been forced by his former leader, Mr. Chrétien, to defend the integrity of Mr. Justice Gomery. It is good to see that he is finally prepared to defend the integrity of the commission itself.

Why was the Prime Minister withholding information from the Gomery commission until today's agreement with Mr. Justice Gomery?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I will explain once again that the information that Justice Gomery is comfortable with and accepts as full disclosure on behalf of the government is the same information.

The fact is that the government committed to providing all pertinent information as it pertained to the mandate of the Gomery commission. The government provided that information. Justice Gomery is totally satisfied. The real question is why the opposition is not satisfied with Justice Gomery's satisfaction with the govern-

ment's response and why the opposition is interfering with the work and the analysis of Justice Gomery.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister intervened through his office when he was Minister of Finance, in order to split a contract worth \$600,000 to promote the hiring of the EKOS company, a partner of Earncliffe, which thus obtained a contract for \$300,000 without being the lowest bidder.

Can the Prime Minister, who denounced cronyism in the sponsorship scandal, explain why he acted in the same way to give an advantage to his buddies in the Earncliffe matter?

[English]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, if the hon. member has information that pertains to the sponsorship program he should submit it. The Bloc is in fact an intervenor to the Gomery commission. I would urge him to submit any information he has. Justice Gomery will continue to work hard and provide his sound analysis on behalf of all Canadians.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, should we understand from the Minister's reply that the Prime Minister, when he testifies before the Gomery Commission will be completely open to answering the questions he will be asked regarding the Earncliffe file and that the federal government's counsel will not object in any way to having the Commission tackle the Earncliffe matter and to its being part of the mandate of the Gomery Commission?

[English]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I thought it was bad enough when opposition members were commenting on testimony that had already occurred at the Gomery commission but now they want to comment on testimony that they hope to occur before the Gomery commission.

Whether or not the testimony has or has not occurred, whether or not they are predicting or hoping that particular testimony will occur, it is improper for the opposition to be commenting on testimony before the Gomery commission. We should support the Gomery commission, as is the case with the government, and wait for his analysis. We look forward to his report, as do all Canadians.

[Translation]

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, given that the Prime Minister is going to testify at the Gomery Commission, can the Minister of Public Works give us very clear assurance that the government's lawyers will not object in any way to the Prime Minister being asked about the Earncliffe scandal, in which he is personally involved?

*Oral Questions**[English]*

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, first, the Prime Minister has said from the beginning that he would be totally willing to appear and testify before Gomery. He has said that from the beginning and will be doing exactly that.

I do not understand the logic of the opposition members commenting on what they believe could, may be or perhaps will be or will not be testimony before the Gomery commission. I think they ought to wait as opposed to guessing as to what the Gomery testimony may be and what the response by counsel may be to that testimony.

• (1430)

[Translation]

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, I want the minister to be clear, once and for all.

When we question the Prime Minister about his ties to Earnscliffe and his interventions here in this House, we are told it is up to the Gomery Commission. It is not specifically part of the direct mandate of the Gomery Commission, and there is no guarantee that the government's or the Prime Minister's lawyers will not object to his answering these questions.

What I am asking today, what we want to know is whether you will object, yes or no, to the Prime Minister being questioned on this

The Speaker: The hon. Minister of Public Works and Government Services.

[English]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, once again, questions as to the suitability of testimony will be resolved within the auspices of the Gomery commission. That is completely consistent with the independence of a judicial inquiry. We know the Conservative Party does not understand the independence of a judicial inquiry or in fact the Constitution or the Charter of Rights and Freedoms.

We know members of the Bloc do understand some of those issues but I am disappointed that they do not understand the importance in this case of the independence of a judicial inquiry.

* * *

THE ENVIRONMENT

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, this is the first question period of 2005, the year in which pollution reduction was supposed to have happened by 20% according to Liberal promises. Instead, pollution is up by 20% and we are moving to the back of the pack globally.

The NDP has presented a plan to meet the Kyoto targets on time according to the international rules that have been set out.

Will the Prime Minister stand today and indicate that this country will meet the Kyoto targets on time, or will this be another Liberal broken promise?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the government takes the whole Kyoto agenda very seriously. This is

one of the most important international agreements that globalization has brought forth. With the Russian ratification, what it now says essentially is that the international community has as its goal a major environmental target and all countries must do everything they possibly can to ensure that it succeeds. Canada will certainly do its part.

Mr. Jack Layton (Toronto—Danforth, NDP): For the record, Mr. Speaker, let it be said that the Prime Minister has refused to stand and indicate that Canada will meet the Kyoto targets on time. It is no wonder. The government has refused to take on the biggest polluters. It has refused to set out mandatory emission standards. It likes to see Canadians do their part but it is not willing to do its part.

Will the Prime Minister commit that the timelines will be met?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, the commitment is in the throne speech and it is very clear. The Government of Canada will respect its commitment to the Kyoto protocol on climate change in a way that produces long term and enduring results while maintaining a strong and growing economy. This is the commitment that will be done.

* * *

FINANCE

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, last fall the minority government agreed to amend its throne speech to include a proposal for tax relief for low and middle income Canadians but no sooner had it made that commitment than it started to backpedal away and say that it was a very low priority.

How can Parliament be expected to support any budget that reneges on its own throne speech?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, as the hon. gentleman knows, I am now deep in the midst of prebudget consultations. I have had the opportunity to meet him and the finance critics for the Bloc Québécois and for the NDP. All of their views and representations will be taken into account as reflected in the throne speech debate, as reflected in the finance committee's report and as reflected in the debate that is happening in the House today and tomorrow. All of that will be very carefully weighed and respected.

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, if the finance minister were sincere about that he and the Prime Minister would not be downplaying the need for tax relief in Canada today.

The truth is that Canadians have not seen their take home pay rise in 15 years and yet the government is still trying to weasel out of its throne speech commitment to cut taxes for low and middle income Canadians.

If the Liberals cannot be trusted to keep their commitment to low and middle income Canadians, how can they be trusted on anything at all?

Oral Questions

●(1435)

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, we have cut taxes in every budget since 1997. In the course of the last election, we made a number of commitments to Canadians: commitments on health care, equalization, child care, cities, defence, foreign affairs and a number of other matters. Canadians can be assured the government will keep all of its promises.

* * *

TECHNOLOGY PARTNERSHIPS CANADA

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, there has been another revelation about the mother of all corporate welfare programs: Technology Partnerships Canada.

It was revealed today that the government has recovered less than one-fifth of its promised repayments and that after nine years has only recouped less than 5% of the \$2 billion it has given to profitable, private sector companies.

Why has the government failed to recover the subsidies? When will the government stop wasting taxpayer dollars in this fashion?

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, I think every research study that has been done by independent, arm's length research organizations indicate that we have a technology deficit in Canada. We are not doing enough research and development in Canada. Technology Partnerships Canada is a way to encourage small and medium size firms.

Incidentally, 88% of TPC contributions go to small and medium size companies. That is the way to ensure the Canadian economy maximizes its potential.

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, throwing taxpayer money away will do nothing to address the technology deficit in this country.

The fact is that everything the government has said about this program has proven to be false. It put forward absolutely bogus job creation figures which it later retracted. It said that this program would recover far more than the 100% that was given. In fact, it is recovering less than 5% after nine years. Three industry ministers in a row, including the present industry minister, promised a full review, which has not been delivered on.

When will the government deliver on the promise to review this program? When will it finally honour taxpayer money, as it should?

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, we are doing the review and we will make it available as soon as we are satisfied that we have it right.

We have said continuously that the technology partnerships program is based on long term recovery of investments in technology; as much as 20 years. It will not happen in five years. We are not a chartered bank. We are not out there to make profits off small companies. We are out there to incent the adoption of technologies.

[Translation]

EMPLOYMENT INSURANCE

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, when she was sworn in, the Minister of Human Resources and Skills Development contended that a fundamental reform of EI was out of the question.

Given that the restrictions to EI mean that only 45% of those who lose their job qualify for benefits, does the minister intend to take advantage of the budget to fundamentally reform the EI program and restore these figures to an acceptable level?

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, on behalf of the government, I intend to act on the commitment made in the Speech from the Throne that the employment insurance program must continually adjust itself to the labour market and the needs of workers. This is what we are currently doing.

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the Standing Committee on Human Resources Development, Skills Development, Social Development and the Status of Persons with Disabilities signed a unanimous report condemning the misuse of the unemployment insurance fund, which has hit older workers, women and the young the hardest.

Does the minister intend to reconsider her position and establish an independent employment insurance fund, as recommended unanimously by this committee?

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, we have received this report from the Standing Committee on Human Resources Development, Skills Development, Social Development and the Status of Persons with Disabilities. I think it contains eight recommendations concerning the employment insurance program. These recommendations are currently under consideration. We will respond to them, as required under the standing orders of this House, in due course.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, workers were promised a number of times by the current Prime Minister, especially before the election, an employment insurance reform. This is an election promise that was never fulfilled by the Liberal government.

Since the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities is unanimous in recommending the creation of an independent fund, will the Minister of Human Resources and Skills Development act on that recommendation in the next budget, as pledged in the throne speech?

Oral Questions

•(1440)

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, once again, we intend to follow up on the commitment made in the Speech from the Throne to evaluate the employment insurance program, so that it reflects the needs of the labour market and, therefore, those of employers and workers.

In addition to the report of the parliamentary committee, we have also received suggestions from several members on this side of the House, from our caucus. We are currently looking at these suggestions and we intend to make the necessary adjustments to the program.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I remind the minister that the vote in committee was unanimous, which means members from both sides of the House. A number of our fellow citizens feel that now is the time to act and that this budget provides a unique opportunity to correct the injustices of which they are the victims.

Will the minister finally agree to lower the eligibility threshold to allow seasonal workers, women and young people to get real protection from the employment insurance program?

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, we are currently conducting an in-depth review of each of the recommendations made by the parliamentary committee. If I am not mistaken, we have 150 days to respond to a report from a parliamentary committee. So, we will examine this issue.

In the short term, we are also taking a close look at the impact of seasonal work on the various economies of this country and on workers. We will try to make adjustments.

* * *

[English]

THE ENVIRONMENT

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, this is Kyoto in a nutshell: too bureaucratic and we cannot reach our targets. Those are not my words; they are from the Prime Minister and the environment minister in recent weeks. They were the last ones to know what all of us have known since signing Kyoto in 1997, but they still wasted \$3.7 billion with no results. Enough is enough.

When will the Prime Minister act like a leader, cut our losses on Kyoto, and develop a real plan to reduce real pollution in Canada?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, the government is working in order to improve the 2002 plan, to refine it. It was a commitment in the throne speech.

One thing I do not understand is why the hon. member is raising an issue about the environment when his neighbour the finance critic sent his requirements for the budget to the Minister of Finance for Canada and there was not a word about the environment. It is a shame.

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, I think the minister knows how to spend well enough without getting results without getting the message from us.

Liberal cabinet documents released to the media in the last couple of weeks really demonstrate the bungling on the Kyoto file. The Liberals have wasted \$3.7 billion with no results. CO₂ emissions have steadily climbed. The Liberals are in no way ever going to reach their targets.

The Prime Minister was the environment critic in 1992 during the Rio conference. He and Maurice Strong have had 13 years to come up with a plan. When is the minister going to—

The Speaker: The hon. Minister of the Environment.

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, we have a plan and we will improve it. We will reach our target in a way that will be very impressive despite the opposition members who do not believe in the file and are unable to say a word about the environment when they are speaking about the next budget. This shows how much they do not care about the quality of life of Canadians.

* * *

[Translation]

WORLD AQUATIC CHAMPIONSHIPS

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, on one hand, our Minister of Canadian Heritage loves to travel. She wanted to go to Paris with the mayor of Montreal to prop up Serge Savard and Francis Fox. On the other, the Minister of Transport wants nothing to do with this rotten kettle of fish. Such quarrels are fatal to Quebec's interests.

Which of them is supposed to defend Quebec here in the House?

•(1445)

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, I must say that we are extremely proud of the efforts of the mayor of Montreal, who said yesterday at a press conference that he had the support of the Prime Minister of Canada.

Like the Prime Minister of Canada, I can say that supporting Montreal means supporting Quebec too.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, the failure to organize the World Aquatic Championships is not due to a lack of know-how by Montrealers but rather to the total lack of credibility and integrity of people such as Serge Savard, Francis Fox and company.

What honest sponsor would want to be associated with such conspirators whose latest exploits are revealed each day by the Gomery Commission?

When will the minister demand the resignation of these Liberal imposters in order to save the World Aquatic Championships in Montreal?

Oral Questions

Hon. Liza Frulla (Minister of Canadian Heritage and Minister responsible for Status of Women, Lib.): Mr. Speaker, I find it literally scandalous to pillory the efforts of the mayor of Montreal, since it is well known that FINA and the championships will bring over \$70 million to Montreal. When you love Quebec, when you love Montreal, you defend it. That is why there are absolutely no Conservatives in Quebec.

* * *

[English]

NATURAL RESOURCES

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

All Canadians were delighted last Friday to see an offshore resources agreement between the federal government and the governments of Nova Scotia and Newfoundland and Labrador, fulfilling completely the Prime Minister's commitment. This deal requires, however, that resource is discovered.

There are some challenges. The minister plays a key role in the Atlantic energy round table. Could the minister assure us he will examine all aspects of our offshore industry, including regulatory protocols and timelines, in order to maximize the economic benefit to the people of Nova Scotia and Newfoundland and Labrador?

Hon. R. John Efford (Minister of Natural Resources, Lib.): Mr. Speaker, with respect to the agreement signed last weekend, I would like to thank the Prime Minister for keeping his word to the people of Newfoundland and Labrador and to the people of Nova Scotia. I would also like to recognize the Minister of Finance for his tireless efforts in this negotiation.

* * *

NATIONAL DEFENCE

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, Canadians know, despite Liberal denials, that when George Bush came to Canada he put serious pressure on us to sign on to star wars. Why would he do that? Because the Prime Minister continues to waffle. The Prime Minister wants to have it both ways and the government has not been clear on where it stands on missile defence.

With the resumption of Parliament will the Prime Minister cease his dithering and do as Canadians want and just say no to Bush's missile defence madness?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, clearly the hon. member's question on BMD is a very important one. We will have the opportunity to continue discussing the issue in the House.

As members know, the government is engaged in a dialogue with the United States. We will continue to have that dialogue with the Americans to make sure that the best interest of Canada is well taken care of when we look at the future defence of the North American continent.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, a one-way conversation is no kind of dialogue. What we have here is another non-answer. What we have is more dithering. In fact, we have had a whole year of non-answers from the Prime Minister. Canadians do not call him Mr. Dithers for nothing. Not only that, there is utter

disregard for the excellent testimony before the foreign affairs committee that has documented the dangers in failures of missile defence.

Where is the backbone to say no to missile defence madness?

• (1450)

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, the member has reiterated very clearly her position and we have known it for a long time.

Our interest is the interest of Canada. We will always have at heart the defence of our country and the defence of our continent, in which we have been very involved for many years with Norad. We will continue to do that. We are looking at all the options.

* * *

FOREIGN AFFAIRS

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, last week in Beijing I expressed my condolences at the home of Zhao Ziyang, the Chinese reform leader deposed for the crime of standing by the students massacred in Tiananmen Square.

I was surprised that the Prime Minister attacked me falsely, claiming that I had violated the Zhao family's request for privacy. As the media reported, I was clearly welcomed and thanked for paying respects, as were hundreds of visitors who could get through the cordon of secret police.

Why did the Prime Minister attack rather than support this gesture of solidarity with the victims of Tiananmen Square? Could it be that he was afraid of offending the butchers of Beijing?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the family members had expressed their request to the ambassador that in fact their grief be honoured and that this not be turned into a media event.

The hon. member has missed the point. While he wanted to go there with the media, the fundamental issue is on that day there were meetings held between parliamentarians on our side and parliamentarians on the Chinese side, during which questions of human rights were discussed and the hon. member refused to go. He did not go and sit down with the parliamentarians where he could have made his point. Then he took a plane and cut loose. He skipped town.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, shame on the Prime Minister. The record will show, as my colleague will testify, that Liberal parliamentarians did not once raise a question of human rights with those Chinese parliamentarians.

The Prime Minister in a bizarre fashion equated the traditional definition of marriage with the systematic violation of human rights in China, with a system that has hundreds of thousands of people in forced labour camps, where freedom of religion results in imprisonment and arrest.

How could the Prime Minister possibly equate a position held by millions of Canadians, including himself five years ago, with the violent oppression of human rights?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the fight for human rights must take place at all levels.

Oral Questions

The fact is that there was a meeting of parliamentarians from both sides, the Chinese side and our side. Those meetings took place and the hon. member was not there.

I was there for part of it. In fact the question of human rights was raised. The fact is that the hon. member was not there. When he should have been fighting for human rights in China, he was in the Maple Leaf Lounge in Hong Kong.

Some hon. members: Oh, oh!

The Speaker: We seem to have hit a noisy time in question period. Perhaps we could calm down a little. I know the member for Calgary Southeast would want to help the Chair in that regard with his question.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, for the record I have never been to Hong Kong, but I was at the household of Zhao Ziyang, whose family clearly was grateful for the expression of condolence on my part.

How could the Prime Minister be taken seriously on this matter when he said in China that he was pleased to sit next to an important leader of the opposition in the Chinese parliament? News flash: there is no political opposition in China. The only Chinese opposition leaders live in forced labour camps.

How could the Prime Minister of this country embarrass himself and us by suggesting that a parliamentary opposition exists in that authoritarian society?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, what the hon. member ought to do is take a look at the amendments that were brought in some six months ago and some of the nominations that were made. Is it an opposition such as ours that we have in our parliamentary system? No, but it is the beginning of an opposition.

I want to go back to the fundamental issue. There is an opportunity around the world for parliamentarians to debate with other parliamentarians, to make the views of Canadians felt. The hon. member took a trip halfway around the world and when it came time for him on behalf of the Canadian people along with other parliamentarians to defend human rights, he skipped town. That is what he did.

•(1455)

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, that is unadulterated nonsense. If the Prime Minister had seen me getting pushed around by the Chinese secret police when trying to express condolences to the family of the man who defended the victims of the butchers of Beijing, maybe he would change his tune.

The Prime Minister says that things have improved. On January 17 a 34-year-old woman was beaten to death for the crime of distributing Bibles in China. What I want to know is did the Prime Minister raise this case? Did he specifically raise the continued cultural genocide in Tibet? Did he specifically raise the hundreds of thousands of people in forced labour camps? I do not think so because he was defending the interests of—

The Speaker: The Right Hon. Prime Minister.

Right Hon. Paul Martin (Prime Minister, Lib.): Yes, Mr. Speaker—

Some hon. members: Oh, oh!

The Speaker: The Right Hon. Prime Minister has the floor. Order, please.

Right Hon. Paul Martin (Prime Minister, Lib.): Yes, Mr. Speaker, I raised the question of human rights. We left 10 specific cases with the Chinese authorities to respond to. I raised the question of human rights with the President. I raised them with the Prime Minister. I raised them with every single member of the Chinese government that I met with. The issue is that when the hon. member had the opportunity to do so, he turned tail and ran.

* * *

[Translation]

AEROSPACE INDUSTRY

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, on January 13 the Minister of Transport confirmed that an aid proposal had been submitted to Bombardier for construction of its C series aircraft. Yet Bombardier CEO Laurent Beaudoin contradicted the minister by stating that he had no idea how the federal government was planning to help. New Mexico has indicated its readiness to welcome Bombardier, while the federal government is dragging its feet and refusing to disclose its intentions.

Does the Minister of Industry intend to present a concrete offer to Bombardier, or does he not?

[English]

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, I spoke to the President of Bombardier last Friday. We sent a letter on Friday. We have been in communications. We are having specific discussions. We are working on an aerospace strategy for all of Canada. We will continue to do that in consultation with industry members from across the country.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, while the federal government was busy consulting, New Mexico made a concrete proposal and Mr. Beaudoin travelled there.

According to the Minister of Industry, 54% of aerospace jobs are concentrated in Quebec. Can the minister confirm that at least 54% of the jobs related to C series aircraft construction will be in Quebec, in keeping with the logic that the aerospace industry is to Quebec what the automotive industry is to Ontario?

[English]

Hon. David Emerson (Minister of Industry, Lib.): Mr. Speaker, this is not a centrally planned economy. That is going to be a private sector decision as to where those jobs are.

*Oral Questions***CITIZENSHIP AND IMMIGRATION**

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, the Prime Minister has some explaining to do in the case of the former immigration minister's closest aide, Ihor Wons. There was talk of Wons resigning when it was discovered that he had conducted immigration business in strip joints and in the minister's election campaign office, but the Prime Minister told Wons to go on paid stress leave instead.

Why did the Prime Minister give these orders and then run for cover when it proved to be a poor judgment call?

Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the hon. member opposite gives me an opportunity to begin to outline for members on both sides of the House a six point action plan on what we will do in immigration.

First, and she would be pleased to know, is to address the issue of undocumented workers and to regularize the system. Second, we would like to take a look at accelerating the processing times with a view to improving both the efficiency of service and the delivery time. Third, we would like to take a look at those inventory backlogs which I know are of importance to her, especially as associated with—

• (1500)

The Speaker: The hon. member for Calgary—Nose Hill.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, here is one. There is growing evidence that the Liberals improperly use ministerial permits in exchange for campaign and voter support. It is also becoming clear that the government awards a disproportionate number of permits to Liberal cabinet ministers and caucus supporters. Of course, this is completely unfair to applicants across the country.

The Liberals are trying to hide this shameful misuse of ministerial power by refusing to be open and transparent about how permits are being distributed. Will the new immigration minister today come clean with those numbers?

Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I have never heard anything so outrageous in my life. The member opposite already knows that the report is there. It was tabled in the House. She can read the stats. I will not accept those allegations, but I welcome the opportunity to finish the other three items of the six point program.

She will be pleased to know that we will taking a look at how to reform the temporary workers program, how to improve the program regarding student visas, et cetera, and then to pursue the regionalization of immigration, which is very important for her province of Alberta and for other provinces as well, and then finally—

The Speaker: The hon. member for Madawaska—Restigouche.

* * *

[*Translation*]

IRAQ

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, at this time when Canadians and all the world are waiting for the final results of Sunday's election in Iraq, can the

Minister of Foreign Affairs describe to the House Canada's reaction to this historic election?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada salutes the courage of the Iraqi people. We congratulate them for going to the polls despite difficult and dangerous conditions and for voting in Sunday's historic election. Millions of Iraqi voters, the election officials, the international observers and the candidates all deserve our recognition and our support, because they have all contributed to the successful organization of this very important vote. Their determination and commitment to the democratic process are a source of inspiration to us.

* * *

[*English*]

NATURAL DISASTERS

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, in 1996 the Liberal government proudly boasted that the disaster assistance response team would be available for dispatch within 48 hours.

On December 26 one of the worst natural disasters in history occurred in Southeast Asia requiring immediate humanitarian assistance. Yet the Liberal government dithered for nearly two weeks deciding whether or not to dispatch the DART, eventually sending it in rented aircraft.

Will the minister explain why the government delayed its decision when help was so desperately needed?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the first thing I would like to make clear to the House is that we are all very proud of the work that the DART is presently doing in Sri Lanka. It is making a great contribution.

The government did not dither about sending the DART. The government considered all the options that it had to take into account including the costs. I worked with my colleagues, the minister responsible for CIDA, the Minister of Foreign Affairs and the Prime Minister. We had a coordinated position. We determined that sending the DART was the right thing to do after a reconnaissance team met with the Government of Sri Lanka and decided that it was correct. It is there. It is doing a great job and we should thank it for doing so.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, the government by its recent actions has proven that our military does not have sufficient airlift to transport the DART.

Today we are informed that the government intends to establish a DART plus. This is more political puffery. If the Canadian Forces cannot move the current DART, they will not be able to move the DART plus. This is typical of the Liberals who consistently make promises they cannot deliver.

Will the minister explain how the government will meet a bigger humanitarian commitment when the Canadian Forces cannot transport the current one?

Tributes

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the hon. member knows full well that whenever the Canadian Forces have had to move their troops or the DART or anything else, we have been able to do it by acquiring aircraft necessary for the job like most other countries do.

We will have a defence review. We will have an opportunity to discuss with the opposition what is the appropriate way to approach strategic lift. That is the way we should go into this very important discussion.

However, I can assure the hon. member that we have the capacity, we have always had it, to move our troops when we need to. We will continue to do that. We can do DART plus because we are capable of doing it and we are committed to doing it.

* * *

• (1505)

LAWRENCE O'BRIEN

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, Lawrence O'Brien was Alice's husband. He was Michael and Amanda's father. He was one of many brothers and sisters, and his family was the centre of his life.

[*Translation*]

For eight years, Lawrence O'Brien was a member of this House. Before that, he was a teacher of children and adults and worked as a municipal councillor.

In each of these positions, all through his life, Lawrence served the people. He was someone who gave more than he took, and whose deepest motivation was to help the people of Labrador.

[*English*]

Last fall when the time came for the vote on the Speech from the Throne, it was going to be close. Lawrence O'Brien was in a hospital in Labrador battling cancer. I spoke to him on the phone. He told me he was coming in for the vote. I told him not to come, but he came anyway. He never listened.

Lawrence O'Brien was a passionate and tireless advocate for his beliefs. Those who knew him will know what an understatement it is to call his interventions vigorous and spirited. When he was done telling someone what the virtues and the importance of CFB Goose Bay were, that person was ready not only to defend the base in cabinet but ready to pick up a hammer and saw to build a new mess hall.

Lawrence O'Brien was a Labradorian. I remember his speech during the debate on the amendment that would change the name of his province to Newfoundland and Labrador. With everyone's permission, I would like to read a passage from it:

There are still some who believe and will say that Labrador is just a part of Newfoundland. They fail or refuse to recognize our special character and our unique place. However, when we see the broad expanse of Lake Melville, nearly as large as Prince Edward Island, stretching through the horizon, when we stand at the bottom of the Saglek Fjord with 3,000 foot cliffs towering overhead, when 25,000 caribou come streaming over a barren hill in back of Double Mer, when we drive across the seemingly endless iron hills of the interior, a landscape that inspired the Group of Seven, or when we find an arrowhead or chip that was left by our aboriginal forefathers 5,000 years ago, it is hard to accept that this is just another part of Newfoundland.

Our land and our people make us unique, not better, just unique. Our identity, just like that of Newfoundland, Quebec, Nunavut or Alberta, is worthy of celebrating and recognizing.

It is a small thing, a simple thing, but from today on there will never again be any reason for forgetting

Such was the passion in his words and the conviction in his voice that when Lawrence finished speaking the deputy speaker rose and said, "For a moment I thought maybe we were leading to an amendment that would state 'the province of Labrador and Newfoundland'".

Lawrence O'Brien was a man of honour and compassion. He was a man of principle. He was a man of character and integrity. He was a man of Labrador. He will be missed by the House. He will be missed by all of Labrador. He will be missed very, very much by his family. He was my friend and I will miss him.

• (1510)

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, I am pleased to have the opportunity today to say a few words in tribute to our former colleague, a fellow Newfoundlander and Labradorian, Lawrence O'Brien.

I want to assure his wife, Alice and their family, Michael and Amanda, that our thoughts and prayers continue to be with them in these difficult days ahead.

I first met Lawrence O'Brien about eight years ago, in 1997. Immediately I was aware that even though we were on different sides politically, Lawrence was more of a friend than he was an adversary. It became evident very quickly to me that Lawrence was a result-oriented person. If political differences had to be set aside to achieve the greater good for Newfoundland and Labrador, then so be it, Lawrence was eager to accommodate.

Newfoundland in general, but Labrador in particular, has lost a great friend, a strong supporter, an individual whose commitment to his people was unprecedented.

When one reads about the political interests of Lawrence, as it relates to committee work here in the House of Commons, it soon becomes apparent that he was intensely interested in committee work that would advance the cause of his beloved Labrador. His membership on the Standing Committee on National Defence and Veterans Affairs assured him of keeping his finger on national defence issues in Goose Bay.

His membership on the Standing Committee on Aboriginal Affairs and Northern Development assured aboriginal constituents that they were well represented.

His membership on the Standing Committee on Fisheries and Oceans was beneficial in no small way, not only to the great Labrador fishery, but to the Newfoundland fishery in general. When the time came for Lawrence to advance to parliamentary secretary, is it any wonder that he would lobby exclusively for parliamentary secretary to the minister of fisheries and oceans, which he carried out with dignity, with commitment and with enthusiasm.

Tributes

Lawrence O'Brien has left a leadership void in his beloved Labrador, but his presence will also be missed in the House of Commons. His good nature, his friendly attitude toward his fellow Newfoundland MPs of all political persuasion has given all of us cause to reflect on the things that really matter in life, which is very difficult to maintain here in this adversarial role we have, namely, good relationships, working together for the common good and, regardless where our political allegiances may be, an awareness that hopefully we all come here ready to follow the good example of our friend and colleague whom we miss, Lawrence O'Brien.

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I am very pleased and honoured to rise today to pay tribute to Lawrence O'Brien, the hon. member for Labrador.

First of all, Lawrence O'Brien had all the qualities required of a great humanist as well as a very great member of Parliament. When I say humanist, I think that everyone agrees that he was very pleasant to work with. He also had remarkable interpersonal skills. He made friends easily with everyone, not only within his party but also in other parties.

I had the great privilege of happening upon him during the 1997 election campaign. I was responsible for aboriginal issues at the time, if memory serves, and was touring Labrador. I think I had gone to Nain, an Innu community in Labrador.

It was incredible. There was this gentleman who was not yet a member of Parliament—but would become one—and already the Innu had very great admiration for this man. It was clear from his record that he had always defended minorities and always paid special attention to people in a tough spot.

So, in my opinion, Mr. O'Brien was a great MP and a great humanist. He was also a good listener. I often saw him meet with aboriginals and listen attentively to them. He had another quality too, which was his outspokenness. Once he had listened and understood what people were telling him, he was not afraid to speak his mind and then take action. That was Lawrence O'Brien with his great qualities as a humanist.

He was close to people too. I think I mentioned this to some extent. I talked about my relationship with him on the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources but he was interested in National Defence too. He was an ardent defender of the military base in Labrador. He was devoted to the Liberal Party, naturally, but especially to people and to his constituents. No one can take that away from him. I think that he had the recipe for how to get as close as possible to his constituents.

Now, he was also a remarkable parliamentarian. He was extremely courageous and, as I mentioned earlier, extremely loyal. It takes a lot of courage and loyalty to leave the hospital and come vote in the House of Commons, accompanied by a nurse, when he was in terminal stage. I am happy to hear today that the Prime Minister had advised him not to come. However, his actions are proof of his extraordinary courage.

In closing, I want to say that we will all miss Lawrence. Lawrence, we will miss you.

● (1515)

[*English*]

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I rise today on behalf our party to pay tribute to a person who I think was one of the finest constituency MPs I ever met.

When I came to the House in 1997, one of the first persons to greet me was this great big fellow from Labrador. He wanted to make sure it was correct. He did not say Newfoundland. He said “Labrador, oh and by the way, Newfoundland”.

He was a man who was really proud of the white, green and blue flag of Labrador. He wore it all the time. In fact, in my little pin collection the first one I got was from him. It was a little flag. He told me to wear it with pride every time I went to Labrador.

One of the honours I had was when the Standing Committee of Fisheries and Oceans was in Richmond, British Columbia for a committee hearing. My mother lived just about a block away from where the hall was, and she invited all of us over for breakfast that morning. Mr. O'Brien of course never could pass up a good bacon and egg breakfast. We were late for the committee by almost an hour because he sat with my mother. He asked her about coming to Canada, about the west coast and what it was like in a group home, et cetera. He was that interested and concerned about my mother, and he used that concern with his own constituents. He was a man who looked at Parliament in the way that it should be looked at, as being truly representative and of being a representative of his people.

For those of us who have had the privilege of working on the fisheries committee, there was no one who argued against ministers and their staff, even if they were from his own party, harder and tougher than Lawrence O'Brien. In fact, sometimes I got a little nervous for Lawrence because he went at them so ferociously, but he did it with a sense of respect and the fact that he knew of what he was speaking. That is something we will all miss in the House of Commons.

I say to the people of Labrador, to his wife and children and to his office and parliamentary staff, thanks very much for sharing Lawrence O'Brien with us in the House of Commons and for that matter, all Canadians.

We will sadly miss him. He is now in God's hands and I am sure he is talking to God right saying, “Now Labrador, let me tell you how beautiful it is down there”. As Lawrence once told me, when God created earth he created Labrador first and the rest of the planet came after.

On behalf of our leader, the New Democratic Party across the country and all the friends and people who knew Mr. O'Brien in a personal way, we will very much miss him, but he is in God's hands. We say God bless to the memory of Lawrence O'Brien and to all his friends and family.

The Speaker: On behalf of all hon. members, I want to thank the members who expressed their tributes to our departed friend and colleague. Perhaps the House would like to rise and observe a moment of silence in honour of Lawrence O'Brien.

[*A moment of silence observed*]

Routine Proceedings

● (1520)

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, during question period today, in response to questions from the official opposition, a government member responded that there was an agreement reached between government lawyers and Mr. Justice Gomery, indicating that all documents would be tabled as requested.

Would the government agree to table that agreement in the House?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the agreement was reached minutes ago. Justice Gomery has agreed with the government counsel, after discussions between our counsel this morning, that the information provided in the previous documents is appropriate. Justice Gomery is completely satisfied with the full disclosure that the government has provided.

Justice Gomery is satisfied. The opposition still is not, but we should not expect that it would be satisfied.

Mr. Peter MacKay: Mr. Speaker, that, as usual, was a non-response. That is not my question. I asked if the government would agree to table the agreement to which the minister is referring, if he would provide that information to the House. The issue is about full disclosure, not blacked out documents or partial documents. This has been a tactic that has been used.

We are asking if that agreement would be tabled in the House of Commons so there would be full disclosure. All Canadians could bear witness to the fact that this is a transparent full disclosure on the part of the government.

Hon. Scott Brison: Mr. Speaker, once again, Justice Gomery has said that the issue is settled for him. Obviously discussions and agreements between counsel at a judicial inquiry are achieved between counsel and settled to the satisfaction of the inquiry and within the auspices of the inquiry. I am surprised that the hon. member, as a lawyer, would not understand that it is basic principle.

We know opposition members do not understand the Charter of Rights. We know they do not understand the Constitution. Now we know they do not understand the independence of a judicial inquiry. No wonder they are not qualified to run a government if they do not know the laws of the land.

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I asked the Minister of Industry during question period about a review

that he has promised, that the previous industry minister promised, with Technology Partnerships Canada. He did indicate that the final report was not completed, but I believe he indicated that the results were completed. I would like him in the interests of openness, transparency and respect for taxpayer dollars that he table those results in the House for all parliamentarians and taxpayers to see.

Second, would he table the report that was mentioned in the article by Jack Aubry in the *Ottawa Citizen* today? According to sources, much of this document has been blacked out. Again in the interest of openness, transparency and respect for taxpayer dollars, I would ask the government to table that report as well, not blacked out, so all taxpayers and parliamentarians can see how their money is being spent.

Hon. Tony Valeri (Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the Minister of Industry made it very clear in his response that once the review was complete, he was prepared to deal with it in a way that he saw fit. I want to assure the hon. member that I am sure the Minister of Industry in everything that he does, does so in a very transparent and effective manner, and he will deal with this report in the same manner.

* * *

REPORT OF ETHICS COMMISSIONER

The Speaker: Pursuant to section 15(3) of the Conflict of Interest Code for Members of the House of Commons, it is my duty to lay upon the table the list of all sponsored travel by members for the period of October 4 to December 31, 2004, as provided by the Ethics Commissioner.

ROUTINE PROCEEDINGS

● (1525)

[Translation]

GOVERNMENT RESPONSE TO PETITIONS

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 52 petitions.

[Editor's Note: For continuation of proceedings see Volume B]

CONTENTS

Monday, January 31, 2005

Vacancy			
Labrador			
The Speaker	2819		
PRIVATE MEMBERS' BUSINESS			
Excise Tax Act			
Bill C-259. Second reading	2819		
Mr. Crête	2819		
Mrs. Yelich	2820		
Mr. Szabo	2821		
Ms. Wasylycia-Leis	2822		
Mr. Duncan	2824		
(Motion agreed to, bill read the second time and referred to a committee).....	2824		
Suspension of Sitting			
(The sitting of the House was suspended at 11:50 a.m.)	2825		
Sitting Resumed			
The House resumed at 12 p.m.	2825		
GOVERNMENT ORDERS			
Finance			
Ms. Bennett (for the Leader of the Government in the House of Commons)	2825		
Motion No. 8	2825		
Mr. Pacetti	2825		
Mr. Solberg	2828		
Mr. Cullen (Etobicoke North)	2833		
Mr. Loubier	2833		
Mr. Carr	2834		
Mr. Loubier	2834		
Ms. Wasylycia-Leis	2836		
Mr. Bagnell	2839		
STATEMENTS BY MEMBERS			
Lawrence O'Brien			
Mrs. Redman	2840		
Fisheries and Oceans			
Mr. Harrison	2841		
Hon. Louis J. Robichaud			
Mr. LeBlanc	2841		
International Aid			
Ms. Lalonde	2841		
Tsunami Relief			
Mr. Holland	2841		
Hon. Lois Hole			
Mr. Williams	2841		
Raymond Klibansky Prize			
Mr. Rota	2842		
Auschwitz			
Mr. Marceau	2842		
		The Holocaust	
		Ms. Neville	2842
		Border Caucus	
		Mr. Hiebert	2842
		World Leprosy Day	
		Mr. St. Amand	2843
		Windsor Wildcats Tragedy	
		Mr. Masse	2843
		Iraq	
		Mr. Day	2843
		Soirée des Masques	
		Mr. Lemay	2843
		Tsunami Relief	
		Mr. Grewal (Newton—North Delta)	2843
		Réseau de la ruralité franco-ontarienne	
		Mr. Boudria	2844
		ORAL QUESTION PERIOD	
		Sponsorship Program	
		Mr. Harper	2844
		Mr. Martin (LaSalle—Émard)	2844
		Mr. Harper	2844
		Mr. Martin (LaSalle—Émard)	2844
		Mr. Harper	2844
		Mr. Brison	2845
		Mr. MacKay	2845
		Mr. Brison	2845
		Mr. MacKay	2845
		Mr. Brison	2845
		Mr. Duceppe	2845
		Mr. Brison	2845
		Mr. Duceppe	2845
		Mr. Brison	2845
		Mr. Gauthier	2845
		Mr. Brison	2846
		Mr. Gauthier	2846
		Mr. Brison	2846
		The Environment	
		Mr. Layton	2846
		Mr. Martin (LaSalle—Émard)	2846
		Mr. Layton	2846
		Mr. Dion	2846
		Finance	
		Mr. Solberg	2846
		Mr. Goodale	2846
		Mr. Solberg	2846
		Mr. Goodale	2847
		Technology Partnerships Canada	
		Mr. Rajotte	2847

Mr. Emerson	2847	Mr. Martin (LaSalle—Émard)	2850
Mr. Rajotte	2847	Mr. Martin (LaSalle—Émard)	2850
Mr. Emerson	2847		
Employment Insurance		Aerospace Industry	
Ms. Gagnon (Québec)	2847	Mr. Crête	2850
Ms. Robillard	2847	Mr. Emerson	2850
Ms. Gagnon (Québec)	2847	Mr. Crête	2850
Ms. Robillard	2847	Mr. Emerson	2850
Mr. Guimond	2847	Citizenship and Immigration	
Ms. Robillard	2848	Mrs. Ablonczy	2851
Mr. Guimond	2848	Mr. Volpe	2851
Ms. Robillard	2848	Mrs. Ablonczy	2851
		Mr. Volpe	2851
The Environment		Iraq	
Mr. Mills	2848	Mr. D'Amours	2851
Mr. Dion	2848	Mr. Pettigrew	2851
Mr. Mills	2848		
Mr. Dion	2848	Natural Disasters	
World Aquatic Championships		Mr. O'Connor	2851
Mr. Moore (Port Moody—Westwood—Port Coquitlam)	2848	Mr. Graham (Toronto Centre)	2851
Ms. Frulla	2848	Mr. O'Connor	2851
Mr. Moore (Port Moody—Westwood—Port Coquitlam)	2848	Mr. Graham (Toronto Centre)	2852
Ms. Frulla	2849	Lawrence O'Brien	
Natural Resources		Mr. Martin (LaSalle—Émard)	2852
Mr. Savage	2849	Mr. Doyle	2852
Mr. Efford (Avalon)	2849	Mr. Bachand	2853
		Mr. Stoffer	2853
National Defence		Points of Order	
Ms. McDonough	2849	Oral Question Period	
Mr. Pettigrew	2849	Mr. MacKay	2854
Ms. McDonough	2849	Mr. Brison	2854
Mr. Pettigrew	2849	Mr. Rajotte	2854
		Mr. Valeri	2854
Foreign Affairs		Report of Ethics Commissioner	
Mr. Kenney	2849	The Speaker	2854
Mr. Martin (LaSalle—Émard)	2849		
Mr. Kenney	2849		
Mr. Martin (LaSalle—Émard)	2849		
Mr. Kenney	2850		
Mr. Martin (LaSalle—Émard)	2850		
Mr. Kenney	2850		
		ROUTINE PROCEEDINGS	
		Government Response to Petitions	
		Mr. LeBlanc	2854

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:

Publishing and Depository Services
PWGSC, Ottawa, ON K1A 0S5
Internet: <http://publications.gc.ca>
1-800-635-7943 or Local 613-941-5995

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*

Les Éditions et Services de dépôt
TPSGC, Ottawa (Ontario) K1A 0S5
Internet: <http://publications.gc.ca>
1-800-635-7943 ou appel local (613) 941-5995

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Additional copies may be obtained from Publishing and Depository Services, PWGSC, Ottawa, ON K1A 0S5

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.

On peut obtenir des copies supplémentaires en écrivant à : Les Éditions et Services de dépôt, TPSGC, Ottawa (Ontario) K1A 0S5

**On peut obtenir la version française de cette publication en écrivant à : Les Éditions et Services de dépôt
TPSGC, Ottawa (Ontario) K1A 0S5**



CANADA

House of Commons Debates

VOLUME 140 • NUMBER 046 • 1st SESSION • 38th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

**Monday, January 31, 2005
(Part B)**

—

Speaker: The Honourable Peter Milliken

CONTENTS

(Table of Contents appears at back of this issue.)

All parliamentary publications are available on the
"Parliamentary Internet Parlementaire" at the following address:

<http://www.parl.gc.ca>

HOUSE OF COMMONS

Monday, January 31, 2005

[Editor's Note: Continuation of proceedings from Volume A]

* * *

PETITIONS

GENETICALLY MODIFIED ORGANISMS

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, I am very pleased today to table a petition with thousands of signatures. It has been signed by thousands of Quebeckers who are calling upon the federal government to ban the production, use, marketing and importing of GMOs and products containing GMOs.

It is my hope that the tabling this petition will convince the government to ban the production and use of GMOs as promptly as possible.

* * *

[English]

QUESTIONS ON THE ORDER PAPER

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 11, 29, 30, 31, 32, 38, 41, 43, 44, 45, 46, 48, 49, 50, 51, 54, 55, 56, 57 and 59).

[Text]

Question No. 11—**Mr. Brian Pallister:**

What expenditures, including a complete itemized list of such expenditures, did Canada Post Corporation incur for promotional activities, marketing and advertising expenses from 1996 until 2003?

Hon. John McCallum (Minister of National Revenue, Lib.):

Mr. Speaker, Canada Post has spent an average of \$32 million per year in advertising and marketing during the period 1996 to 2004. This amount is comprised of approximately 9,000 transactions annually including different types of expenses such as newspaper ads, television and radio airtime, promotional material, et cetera. Although Canada Post's accounting and information management system can generate listings of these individual transactions, the data that they contain is a series of accounting codes that by themselves are meaningless.

In order to produce a detailed listing of transactions that have the relevant information, Canada Post would need to take each transaction, return to the source document and manually convert the "accounting data" into readable and understandable information. This represents a massive and expensive effort. For each transaction, Canada Post estimates that it would take an equivalent of thirty person-minutes to identify the source data, obtain the documentation

and type in details into listings. For all 80,000 transactions, it would take over 5,300 days of work for an estimated cost of \$1.4 million.

Question No. 29—**Mr. Greg Thompson:**

Regarding the fisheries license buyout program whereby the Department of Fisheries and Oceans purchases fishing licences, boats, gear and training from non-aboriginals in the Fundy region, for the years 2001, 2002, 2003 and 2004, up to and including September 30: (a) did the government hire consultants to facilitate this program; (b) what are the names of the individual consultants, their firms and the amounts they were paid?

Hon. Geoff Regan (Minister of Fisheries and Oceans, Lib.):

Mr. Speaker the answer is as follows: (a) In the Bay of Fundy area, the government hired a consultant to work in the Maritimes Region to facilitate the provision of licenses, vessels, and gear to the first nation communities. (b) Mr. Bruce Churchill, of the firm East Coast Marine Brokers, was selected through the government tendering process on a contract basis. The following table indicates, by fiscal year beginning in 2000-2001 and ending in 2004-2005, the amounts paid to East Coast Marine Brokers for services provided to Fisheries and Oceans Canada.

FIRM	AMOUNT PAID BY FISCAL YEAR					TOTAL
	2000-01	2001-02	2002-03	2003-04	2004-05*	
East Coast Marine Brokers	74,410.85	158,773.51	132,690.43	108,322.81	29,583.23	503,780.83

* To September 30, 2004

Question No. 30—**Mr. Greg Thompson:**

Regarding the wooden structure to the north of the Justice Building: (a) is this building the last of the "temporary buildings" constructed during World War II; (b) does the government consider this building to be of architectural or historical significance; and (c) does the government plan to preserve the building and, if so, what actions does it intend to take to save this structure?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the answer is as follows: (a) The Justice annex was built in 1942-43 as a variant of standard designs created by the office of the Department of Public Works' Chief Architect D.C. Sutherland. Constructed to provide additional space for the RCMP during wartime, the building is now under the custodianship of Public Works and Government Services Canada. The annex was one of a number of buildings designed and constructed in haste to meet the government's wartime accommodation needs. One of the last temporaries to be built by Public Works, it stands as the sole survivor of its type in Ottawa, and is a reminder of the role of the Department of Public Works in solving the critical problem of wartime accommodation.

(b) In 1994, the Justice annex was designated Recognized (second highest designation) by the Federal Heritage Buildings Review Office, FHBRO, for its architectural significance, its environmental qualities, and its historical associations.

(c) The annex must be removed in order to implement the long term vision and plan, LTVP, for the parliamentary precinct as currently defined.

PWGSC has made the best efforts required under TB Heritage Building Policy to protect the heritage character of the building by relocating it, without success. These efforts consisted of: a circulation for interest among other federal departments; Exploration of the possibility of moving the building to the Cumberland Heritage Village Museum, including: July 22, 2002, letter from the minister indicating that the Crown would be responsible for the moving costs, about \$3.1 million, although no specific amount was offered; and discussions with the City of Gatineau.

None of these efforts resulted in an offer to take the building. On January 28, 2004, FHBRO concurred that these represented the best efforts that PWGSC is required to make under the TB Heritage Building Policy, although FHBRO cannot endorse the demolition of a recognized heritage building.

Currently, the building is temporarily being used for storage of furniture. No schedule has been set for the removal of the building. Good heritage practice dictates that a building scheduled for removal be left in situ until there is an immediate need to remove it. In the meantime, the building is receiving minimum maintenance to ensure that damage from neglect does not occur.

Question No. 31—Mr. Peter MacKay:

Does the government have a policy or guidelines regarding security clearances for contractors and companies performing work in government buildings or under NAFTA trade agreements and, if so: (a) who conducts and approves the security clearances; (b) what is the average turn-around time for these clearances; (c) are the security clearances valid for all departments and all government occupied space and if not, why; and (d) are the clearances valid for a certain number of years?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the Government of Canada has policies and operational standards in place that provide direction and guidance regarding the processing of security clearances for contractors and companies performing work in government buildings, or under NAFTA. They are contained in the government security policy, promulgated by the Treasury Board and its associated personnel screening and security in contracting standards.

Their practical application is amplified in the industrial security manual produced and maintained by Public Works and Government Services Canada, PWGSC. These documents have been made available to the public electronically at the following sites: http://www.tbs-sct.gc.ca/pubs_pol/gospubs/TBM_12A/gsp-psg_e.asp and <http://www.ciisd.gc.ca/ism/text/prefac-e.asp>

In response to a) for contracts let through PWGSC that have security considerations inherent in them, security clearances are conducted and approved by PWGSC.

In response to b) the average turnaround times since April 2004 are: eligibility status, simple, 2 days; reliability status, complex, 21 days; if fingerprints are required, 80 days; if out-of-country checks are required, 1 year; confidential and secret, 50 days; and top secret, 140 days.

In response to c) all contractor clearances granted by PWGSC are valid for all departments and all government occupied space on a need-to-know and need-to-access principle.

In response to d) reliability status, confidential and secret level clearances are valid for 10 years. Top secret is valid for 5 years.

Question No. 32—Mr. Peter MacKay:

With regard to lawsuits filed against the government for the failure to fulfill security clearance requirements in a reasonable time: (a) how many lawsuits have been filed; (b) how many have been settled; (c) what was the total cost; and (d) what was the average settlement cost?

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):

Mr. Speaker, with regard to Justice Canada, there have been no lawsuits filed against the government for the failure to fulfill security clearance requirements in a reasonable time.

In response to a) none;

b) not applicable;

c) not applicable; and

d) not applicable.

With regard to Public Works and Government Services, the answer is nil.

Question No. 38—Mrs. Cheryl Gallant:

With regard to the government's Chlorinated Substances Action Plan, what action has the government taken or does it contemplate taking in light of the government of Ontario's expansion of the use of these substances under its Drinking Water Systems Regulation O.Reg. 170/03?

Hon. Stéphane Dion (Minister of the Environment, Lib.):

Mr. Speaker, with regard to drinking water treatment techniques, it is the Province of Ontario that has the authority to take decisions regarding the use of chlorine based drinking water treatment techniques.

Within the context of the chlorinated substances action plan, CSAP, Environment Canada continues to assess and manage the risks associated with chlorinated substances consistent with the federal toxic substances management policy and the provisions under the Canadian Environmental Protection Act, CEPA, 1999.

The chlorinated substances action plan is part of an overall federal strategy to protect human health and the environment from the effects of toxic substances. This science-based action plan includes both regulatory and non-regulatory measures targeting chlorinated substances of concern. It is an important component of Canada's domestic and international efforts to address those substances that threaten our health and the environment.

Question No. 41—Ms. Jean Crowder:

Under the Softwood Industry and Community Economic Adjustment Initiative administered by Western Economic Diversification Canada: (a) how many projects in British Columbia were allocated funding; (b) of these projects, how many have had their allocation rescinded and for what reasons; and (c) to what other projects have the monies been reallocated?

Hon. Stephen Owen (Minister of Western Economic Diversification and Minister of State (Sport), Lib.): Mr. Speaker, the answer is as follows:

a) There are 146 active projects under the softwood industry community economic adjustment initiative, SICEAI, in B.C. against which federal funding is currently committed.

b) There are an additional five projects under the SICEAI in B.C. for which federal funding has either been “withdrawn or decommitted”. The five projects that are not proceeding, and the reasons, are: first, Village of Port Clements, tourist centre, unable to secure other sources of funding required to complete project; second, Diversified Concrete Products Ltd., concrete form manufacturing, unable to address all environmental issues required for completion of a satisfactory environmental screening reports under the Canadian Environmental Assessment Act, CEAA; third, City of Nanaimo, conference centre, unable to complete the project by the March 31, 2005, deadline for termination of SICEAI program; fourth, Merritt and District Chamber of Commerce, western facade branding, unable to complete the project by the March 31, 2005, deadline for termination of SICEAI program; and fifth, Sliammon First Nation, cultural interpretive centre, the band's priorities for projects have changed and the band no longer wishes to pursue this investment.

c) SICEAI funds that have been “decommitted or withdrawn” have been reallocated to the following projects: first, Nexbuild Manufacturing, an aboriginal-led project establishing a pre-fab home construction operation; second, Midway Development Authority, development of an aviation business park in Midway; third, Central B.C. Railway & Forest Industry Museum Society, establishment of a mini-passenger rail tourist attraction in Prince George; and fourth, Prince Rupert Port Authority, design and engineering work for expansion of the Fairview container port facility in Prince Rupert.

Note: Western Economic Diversification Canada delivers the SICEAI program on behalf of Industry Canada.

Question No. 43—Mr. Gordon O'Connor:

Further to correspondence dated August 31, 2004, with the Minister of National Defence concerning the property of Mr. Ronald Mayhew, which sits adjacent to the Dwyer Hill Training Centre: (a) is it the intention of the Department of National

Defence (DND) to acquire this land and, if not, will they restore Mr. Mayhew's land to its original state and compensate him for his lost business; or (b) if DND does want the land, will they provide Mr. Mayhew with an equivalent acreage in the same general area or purchase it at fair market value and compensate him for his lost business?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the answer is as follows:

a) The Department of National Defence is presently reviewing and updating its master infrastructure development plan for the Dwyer Hill Training Center. The review should be completed by late winter 2005. Until the master infrastructure development plan is finalized, the Department of National Defence cannot indicate any intent towards a possible acquisition of Mr. Mayhew's property for the purpose of expanding the Dwyer Hill Training Center.

The Department of National Defence has been engaged in discussions with Mr. Mayhew in order to resolve his complaints. In the course of negotiations, the Department of National Defence offered to compensate him for his damages, including his loss of business, and to purchase his property. The government negotiations were conducted in good faith and Mr. Mayhew was offered fair market value for his land. Subsequent action will depend on the court proceedings and whether Mr. Mayhew indicates a desire to reopen discussions.

b) If Mr. Mayhew agreed to sell his land to the Department of National Defence, he would receive fair market value for the land. It would be left to Mr. Mayhew to use the proceeds to buy another property.

Question No. 44—Mr. David Chatters:

Since 1963, with a breakdown for each each year, how many injuries and deaths have occurred relating to the Sea King Helicopters, either through malfunctioning or by accidents?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the attached table includes data for the last 38 years.

The majority of the minor injuries were not related to malfunctions of the equipment; rather, most represent “slip and fall” incidents.

Year	Minor	Major	Death	Year	Minor	Major	Death
1967		2	3	1986	1		
1968	2			1987	1		
1969	3			1988	1		
1970	2			1989	5		
1971	4	1	3	1990			
1972		3		1991	3	3	
1973	4			1992	4		
1974	1			1993	6		
1975				1994	5	2	2
1976	7			1995	6		
1977	2			1996	10		
1978	3			1997	6		
1979	1			1998	3		
1980				1999	5		
1981	1			2000	2	1	
1982	1			2001	7		
1983	5			2002	6	1	
1984	6			2003	9		
1985	3			2004	7		

Note: The flight safety database does not include the requested information from 1963 to 1967. As a result, the department conducted an additional search of information for these years. This search revealed no record of any Sea King accidents, only injuries associated with accidents were recorded during this time period.

Question No. 45—Mrs. Carolyn Parrish:

With regard to permits granted by the Minister of Citizenship and Immigration in the last 12 months, what was: (a) the total number of permits issued; (b) the distribution of those permits over 308 electoral districts; and (c) the number of permits granted through lawyers and consultants who charge fees for immigration services?

Hon. Joseph Volpe (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, insofar as Citizenship and Immigration, CIC, is concerned, by November 1 of each calendar year, the Minister of Citizenship and Immigration submits an annual report to Parliament. This annual report includes the total number of temporary resident permits, TRPs, issued in Canada, at ports of entry and visa offices abroad by all delegated officials.

From December 12, 2003, to December 11, 2004, the Minister of Citizenship and Immigration authorized a total of 690 instructions for the issuance of TRPs which encompassed 902 persons. One instruction may cover a family or a couple.

The department does not keep statistics on the issuance of permits by electoral district.

As well, CIC does not keep statistics on the number of clients who choose to be represented by immigration lawyers and consultants in their dealing with the department, whether on issues related to TRPs or others.

Question No. 46—Mr. Scott Reid:

With regard to government appointments, contracts and employment, since 1992, how many and which former and current members of the Press Gallery were paid by the government, and, for each: (a) what types of service were provided and to which departments, agencies or Crown Corporations were they provided; (b) what was the cost of these services; and (c) how much time elapsed between employment as a journalist and employment by the government?

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):

Mr. Speaker, the information requested by the member cannot be generated directly from government information systems. Though the government was able to compile a list of approximately 850 names of press gallery members since 1992 from a review of relevant Canadian parliamentary guides, this information is not sufficient to extract from government information systems an accurate and complete reply to the member's question, as it would not ensure that the individuals identified are the same individuals who are or were members of the press gallery. Thus, any answer provided by the government, on the basis of what the government can currently generate, would not be complete or accurate.

Additional corroborating information, such as date of birth or confirmation of membership in the press gallery, would be required to be able to accurately identify the individuals covered by the member's question. There is no known public source from which this information could be gathered.

The government has no authority, given privacy considerations, to compel individuals to provide the type of corroborating information that would be necessary to provide a proper answer to the member's question.

Question No. 48—Mr. Jim Prentice:

With regard to the measures relating to processing times from the Department of Indian Affairs and Northern Development on applications to register as a status Indian that flow from the departmental review recommendations and that the Indian Band Registration and Band Lists will be implementing: (a) precisely, what measures have been or are being implemented; (b) will these measures effectively address the average processing time for an application; and (c) if these new measures fail to address the average processing time for an application, will the Minister call for an audit by the Auditor General of Canada and implement those recommendations?

Hon. Andy Scott (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, Lib.):

Mr. Speaker, the answer is as follows: a) In 2003 the Departmental Audit and Evaluation Branch completed a review of the Indian registration process which identified a backlog on Indian registration. The backlog identified is attributed to a high volume of complex registration transactions combined with difficulties in obtaining complete documentation to support registration activities. As of January 1, 2005, there are 8, 605 applications.

The Department of Indian Affairs and Northern Development is fully committed to implementing specific audit recommendations to improve Indian registration and band list management services for first nations.

In addition, the services of an external consultant have been retained to undertake a comprehensive review of the Indian registry through a diagnostic and organizational analysis project.

The key findings of the review fall into two main categories: first, operational review, the most significant of which is the registration backlog. The primary causes identified relate to processing, human resources, management systems and management capacity. Second, the need to clarify the role and authority of the registrar particular to registration policy, litigation and relationship with the department.

b) In addition to the comprehensive review, an increase of temporary resources has been allocated until March 31, 2005, to address the registration backlog.

The integrated and comprehensive approach taken by the department is to ensure permanent and lasting improvements which fall into four categories: first, organizational solution, establish accountable structure; second, human resources solution, detailed analysis of needs and position reviews; third, management information/performance target solution, process mapping and streamlining to improve performance and productivity; and fourth, management capacity solution, building a requisite management team and skills.

Key management focus will be to strengthen performance management and measurement, accountability framework, planning and priority setting and risk assessment and management strategies.

c) Once the restructured registration process has been fully approved and implemented in the 2005-2006 fiscal year, one of our key priorities will be to conduct assessments, and where appropriate, audits and evaluations of Indian registry projects and initiatives.

At this time, we do not think it is necessary to call upon the Auditor General to conduct an audit with respect to this initiative. We are continuing to monitor and improve the process. We are pleased that response times for registration applications are improving and that we are making progress.

Question No. 49—**Mr. Jim Prentice:**

Relating to the Canada Educational Savings Grant (CESG) available for post secondary studies at accredited institutions outside Canada: (a) why is the government suddenly disallowing previously accredited educational institutions abroad from qualifying as accredited; and (b) how will this affect the CESG standing of attendees that are in receipt of it?

Hon. Lucienne Robillard (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, the conditions surrounding the payment of an education assistance payment EAP, from a registered education savings plan RESP, which contains Canada education savings grant CESG, is governed by the Income Tax Act and is administered by the Canada Revenue Agency, CRA. One of the conditions for payment of an EAP is that the post-secondary institution be “designated”. Domestic institutions listed for designation purposes are identified by the provinces and maintained by the Canada student loans program for student loan purposes. These lists are sent to CRA for use in administering both Section 118.5, Tuition Credits and Section 146.1, RESPs of the Income Tax Act. Foreign institutions qualifying for tax credits are identified and listed as designated by the international tax office in CRA.

Neither CRA nor the Canada student loans program is aware of any delisting of foreign education institutions. Foreign institutions are normally only delisted if there have been no Canadian students attending the institutions for a specific number of years. Furthermore, though delisting of a foreign institution may affect a student's ability to claim their education related expenses on their tax return under S. 118.5 of the ITA, it usually will not necessarily impact eligibility for an EAP as the rules surrounding designation for EAP are different.

If a previously accredited educational institution becomes delisted then a student will not be able to withdraw the money that they have in their RESP to pay their education costs while the institution remains delisted. A student can request that the institution become part of the list designated institutions for EAP purposes.

Question No. 50—**Mr. Jim Prentice:**

Regarding the cutbacks in Non-Insured Health Benefits payment arrangement for pharmacy services to First Nations and Inuit clients in British Columbia: (a) why has the government proceeded with these cutbacks in British Columbia; (b) why is it occurring in British Columbia only; and (c) does the government intend on making the same cutbacks across Canada?

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, Health Canada's non-insured health benefits, NIHB program pays for the drug claims of eligible first nations and Inuit clients when they have a valid prescription from a health professional, and the prescription is filled by a registered pharmacist. The fee structure for pharmacists differs between provinces as NIHB Program officials fees with pharmacists on a regional basis, based on provincial and regional relevant points of reference.

Both the 1997 and the 2004 reports of the Auditor General found that the program could do more to ensure savings, particularly through dispensing fee negotiations, and expressed concern regarding situations in which the program was paying higher fees than other plans. Overall, Health Canada strives to compensate pharmacists serving NIHB clients in a fair and reasonable manner by ensuring that NIHB fees are comparable to provincial fees.

In British Columbia, Health Canada had historically agreed to pay pharmacists a 10% mark up on drugs dispensed, in addition to their professional dispensing fees. Other plans in British Columbia, including British Columbia pharmacare, were not being charged this mark up.

As a prudent manager of public funds, Health Canada endeavours to ensure that program resources are spent on providing client benefits and access to services. To this end, Health Canada has undertaken lengthy negotiations with those representing British Columbia pharmacists in an effort to determine a fair and reasonable level of compensation for pharmacists, without including a mark up on drug costs. Despite these efforts an agreement on fees could not be reached, and Health Canada was forced to adopt a new fee structure which reflects an increase in the dispensing fee paid to British Columbia pharmacists, as well as the elimination of the mark up previously charged on drug costs. Following the implementation of this new fee arrangement, the NIHB is still paying pharmacists at a higher rate than British Columbia Pharmacare. Health Canada feels that British Columbia pharmacists are reasonably compensated for the important service they provide to NHIB clients, and trust that pharmacists will recognize this as a reasonable arrangement.

Question No. 51—Mr. Garry Breitkreuz:

With regard to the following statement made on the Canada Firearms Centre's website update dated October 30, 2004, "3.4 million CFRO queries have been made by police and other law enforcement officials since December 1, 1998": (a) how many of these queries were successful in finding the information being requested by the police; (b) how many of these queries were made by police personnel; (c) how many queries were made by other law enforcement personnel and who are they; (d) how many queries were made by non-law enforcement personnel such as Canada Firearms Centre employees; (e) how many queries were made by bureaucrats in other federal departments, in other provincial governments and in other regional and municipal governments; (f) how many queries were made as a result of some automatic search feature on the Canadian Police Information Centre's website; and (g) how long did the average successful query take to return results to the police officer making the request?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the Canadian firearms registry online, CFRO, service provides police officers access to firearms licence and registration information in the Canadian firearms information system, CFIS. This information, among other things, helps the police to intervene and respond to calls effectively to prevent injury and crime, assists in the investigation of firearm-related crimes and helps police forces to identify and return stolen and lost properly to its rightful owner.

a) The CFRO system provides information to police on the existence or non-existence of a firearms licence and registration certificate for every query made.

b) Police agencies and a number of investigative and enforcement branches of other federal and provincial departments have access to CFRO only if they have access to Canadian police information centre, CPIC. CPIC is part of national police service NPS, which is administered by the RCMP. NPS provides essential, front-line support services to the law enforcement community in Canada and abroad.

c) Police agencies and a number of investigative and enforcement branches of other federal and provincial departments have access to CFRO only if they have access to Canadian police information centre, CPIC. CPIC is part of national police service, NPS, which is administered by the RCMP. NPS provides essential, front-line support services to the enforcement community in Canada and abroad.

d) Canada Firearms Centre, CAFC personnel do not access CFRO in view of the fact that they have direct access to CFIS. CAFC personnel would only access CFRO for testing or troubleshooting purposes.

e) Police agencies and a number of investigative and enforcement branches of other federal and provincial departments have access to CFRO only if they have access to Canadian police information centre, CPIC. CPIC is part of national police service, NPS, which is administered by the RCMP. NPS provides essential, front-line support services to the law enforcement community in Canada and abroad.

f) The system cannot determine the circumstances under which a query is made.

g) The average CFRO server response time to return a person's query is 1.4 seconds. The response time to process the query is for the CFRO server and does not take into consideration other factors

that may slow down response time. Slow downs may be caused by system interfaces with various police departments, technical issues.

Question No. 54—Mr. Garry Breitkreuz:

With regard to the "load leveling" exercise recently completed by the Canada Firearms Centre that involved the mailing of renewal notices to some 770,000 holders of Possession Only Licences, for each province and territory: (a) how many envelopes were sent out; and (b) how many envelopes were returned for each reason noted on the envelope such as "unclaimed", "no such address", "address incomplete", "moved address unknown", "no such post office", "refused by addressee", "deceased" and "unknown"?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, the answer is as follows:

(a) The number of renewal notices sent to possession only licence holders by province and territory are the following:

New Brunswick	44,700
Newfoundland and Labrador	28,870
Nova Scotia	44,565
Prince Edward Island	4,332
Saskatchewan/Manitoba/Nunavut	84,799
Alberta/Northwest Territories	89,812
British Columbia/Yukon	93,048
Quebec	173,089
Ontario	210,003
Total:	773,218

(b) As of Monday, December 13, 2004, 46,509 envelopes were returned as "undelivered" from Canada Post Corporation CPC. The reasons for return were not categorized.

Question No. 55—Mr. Nathan Cullen:

With regard to the cleanup of the Sydney Tar Ponds, what technologies has Environment Canada examined and which of these, if any, have they approved?

Hon. Stéphane Dion (Minister of the Environment, Lib.):

Mr. Speaker, during a seven year period of working closely with the community through the joint action group on all aspects of the Sydney Tar Ponds project, a review of proven technologies was conducted. Some of the specific technologies reviewed included: bioremediation, stabilization and solidification, soil washing, thermal desorption, pyrolysis, hydrogen reduction, incineration, co-burning and capping, and containment. Following the review, the Government of Canada supported the Province of Nova Scotia in developing a short list of options for the cleanup. Six options were identified for the tar ponds and four for the coke ovens. The options included combinations of containment, soil washing, bioremediation, co-burning, incineration, and pyrolysis technologies. These options were based on the community's desire for a permanent cleanup that uses proven technologies.

In May 2004, this government entered into a memorandum of agreement with the Province of Nova Scotia. This MOA is intended to facilitate the final phase of the remediation of the site. The province submitted details of the project to our government in late December 2004. This detailed project description will undergo a thorough review and approval process under the Canadian Environmental Assessment Act.

The Minister for Public Works and Government Services Canada will lead the Government of Canada's continuing support of the province.

Question No. 56—Mr. Pierre Poilievre:

With regard to the potential move of National Defence Headquarters: (a) is the government considering moving the site of National Defence Headquarters from its present location and, if so, what locations are currently under consideration; (b) has the government entered into negotiations with any party and, if so, at what stage are negotiations; and (c) what is the government proposed timeline for the move?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, PWGSC is not presently in any activities related to relocation of the NDHQ functions presently carried out at 101 Colonel By Drive and as such, no other locations are currently being considered or analyzed; PWGSC is not negotiating with any party for the relocation of NDHQ functions presently carried out at 101 Colonel By Drive; in light of the above, PWGSC is not managing any timelines for such a move at this time.

Question No. 57—Mr. Pierre Poilievre:

With regard to the potential move of National Defence Headquarters: (a) is the government considering moving the site of National Defence Headquarters from its present location and, if so, what locations are currently under consideration; (b) has the government entered into negotiations with any party and, if so, at what stage are negotiations; and (c) what is the government proposed timeline for the move?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the answer to a) is no and the answer to b) and c) is not relevant.

Question No. 59—Mr. John Williams:

With regard to project applications received for sponsorship under the Millennium Bureau of Canada and the Canada Millennium Partnership Program: (a) what was the process by which applications for funding were solicited, received, recorded, and assessed (including ministerial or ministerial staff approval in the process); (b) what was the criteria by which each application was assessed; (c) what was the number of applications received, by province; and (d) what was the number of applications approved and the dollar amount of each, by province?

Hon. Claude Drouin (Parliamentary Secretary to the Prime Minister (Rural Communities), Lib.): Mr. Speaker, I am informed by the Privy Council office, as follows:

a) Solicited, received, recorded, assessed

The rationale for the Canada Millennium Partnership Program was articulated in the 1997 Speech from the Throne with the statement that the government would help to build partnerships to mark the new millennium.

The Millennium Bureau's communications strategy included a web site on which the application guide for the program was available, the 1-800 Inquiries Canada toll-free telephone line, mail-out pamphlets, television advertisements in partnership with stations such as the Weather Network and a toll-free number at the Millennium Bureau (1-888-774-9999). In addition, information

was delivered to MPs' offices to help them promote the Program within their constituencies. The application guide and promotional pamphlet were widely disseminated. Applications were received by the Millennium Bureau by mail, fax, courier, or otherwise hand-delivered.

Once received, the applications for funding were:

- i) received by the bureau's registry, stamped and put in a project file,
- ii) the post office stamp was verified to determine if the application was sent within the time frame. If not, a "late arrival" letter was prepared. If faxed, the date faxed was also verified, for the same reason,
- iii) the application was input to the bureau's project management database designed specifically for managing a contribution program,
- iv) an acknowledgement letter was sent, and
- v) a number was assigned to each file for tracking and management purposes.

All applications were assessed based on theme and dispersed among project officers. Initial assessments were against basic eligibility criteria and either rejected or subjected to further assessment. Advice would be sought, for local projects, from the local Member of Parliament, federal/provincial/territorial/municipal governments and community leaders.

Proposals could be rejected for several reasons see Part B. Proposals not rejected were forwarded ultimately to the program committee, bureau executive committee, then the minister. Projects could be rejected at any of these stages.

If the project was deemed eligible, a project officer would submit a completed recommendation form for further review. An assessment team would then review to ensure eligibility with due consideration of regional balance, official languages, and potential environmental impacts. Projects under \$25,000 could be approved by the director general, programs; those from \$25,000 to \$49,999 by the deputy minister. Projects over \$50,000 must be approved by the minister. Following a decision, applicants were notified.

b) Assessment criteria

The first assessment was to filter out clearly-rejected projects. Projects were rejected if:

- i) the application was not received within deadline,
- ii) the application was not an eligible organization
- iii) the proposal suggested creation of a new infrastructure (or a purchase of land),
- iv) proposals consisted of projects of a commercial nature,
- v) the activities would occur in 1999 and not 2000,
- xi) information about the project was lacking,
- vii) the funds were for the creation of an organizational structure,
- viii) the funds were for renovation of buildings, unless deemed an official heritage site by municipal, provincial, federal or another authorized body, and
- ix) the funds were for a celebratory event, or an endowment/scholarship fund the funds were for acquisition of capital assets

If not rejected, the projects must meet one or more of the program's themes, as follows:

- i) celebrate achievement so that Canadians are inspired to know and appreciate our past, and to welcome the challenges and opportunities of the future;
- ii) encourage Canadians and other peoples of the world to explore our vast country and its natural and cultural diversity;
- iii) exchange ideas and approaches that strengthen Canada and that reinforce our position in the world;
- iv) support a sustainable environment and new ways of showing our respect for nature while we progress as a leading economy;
- v) stimulate interest in communities large and small, and bring our youth together to support the evolution of these communities;
- vi) advance Canadian innovation that will benefit individuals and communities, contributing to our collective well-being;
- vii) demonstrate, through artistic and cultural expression, our heritage, our way of life, and our aspirations for the future;
- viii) outline the activities to be performed in pursuit of the objective of the Program;
- ix) provide an estimate of expenditures to be incurred, including the share to be borne by partners;
- x) describe the results to be achieved and how they would be measured;
- xi) highlight the project's lasting benefits to the community. For projects that resulted in on-going activities, it was essential to demonstrate how these activities would be sustained and supported;
- xii) demonstrate that proponents had identified 2/3 funding from sources outside the federal government;
- xiii) show how the project was consistent with the organization's aims and objectives;
- xiv) demonstrate the degree of community involvement and support;
- xv) if the project was eligible for other federal funding, how was Canada Millennium Partnership Program funding complementary to other sources of funds?
- xvi) that the project would take place in or would be underway by Dec. 31, 2000; and
- xvii) be non-commercial.

c) Number of applications received, by province. The last performance report of the Millennium Bureau indicated the following:

Total number of applications received, by region				
1,206	2,612	3,404	1,825	1,372
British Columbia/Yukon	Prairies/NWT/Nunavut	Ontario	Québec	Atlantic

Source: Millennium Bureau, Performance Report, 2000/2001.

Further research would be required to provide detail on applications received for the individual Atlantic provinces, prairie provinces, and territories.

d) What was: i. the number of applications approved (by province)
ii. the dollar amount of each (by province)

(i) See attached chart.

(ii) The response provided in Q-58, parts a) to e), lists projects funded, not approved. A small number of projects were approved but not funded, due to their being withdrawn, to other sources of funding not being available, or to other circumstances which did not permit their meeting all the terms and conditions of the program.

The chart below provides some of the information requested, but further research would be required for specific total approvals for the Atlantic provinces, for the prairie provinces, and for the territories. As well, the bureau was organized along the geographic divisions below, not by individual province, so further research would be required to provide the dollar amount of approved applications, by province.

Total number of projects approved, by region				
179	430	600	301	234
British Columbia/Yukon	Prairies/NWT/Nunavut	Ontario	Québec	Atlantic
Total = 1744				

Source: Millennium Bureau, Performance Report, 2000/2001.

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Questions Nos. 6, 28, 33, 34, 35, 36, 37, 40, 42, 52, 53 and 58 could be made orders for returns, these returns would also be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 6—Mr. Cummins (Delta—Richmond East) :

With regard to the exclusive arrangement entered into by the Canadian Hydrographic Service and Nautical Data International (NDI) involving electronic nautical charts under Crown copyright and the reluctance by Navionics and C-Map to accept the new royalties and other fees now demanded by NDI: (a) when the exclusive relationship with NDI was renewed were competitive bids sought, and, if not, why not; (b) when the exclusive relationship was renewed, did the Canadian Hydrographic Service seek the approval of Canada's competition watchdog, if not, why not, and, if yes, what was the response; (c) what is the nature of the exclusive relationship with NDI involving electronic nautical charts under Crown copyright; (d) does this exclusive arrangement authorize NDI to prohibit re-sellers of electronic charts under Crown copyright from disclosing or complaining about the royalty or other fees imposed by NDI; (e) in response to the new 50% royalty and various access fees and annual renewal fees recently imposed by NDI for electronic nautical charts, did the Canadian Hydrographic Service seek the approval of Canada's competition watchdog, if not, why not, and, if yes, what was the response; (f) did the Canadian Hydrographic Service approve the 50% royalty now being demanded by NDI; (g) has the Canadian Hydrographic Service given over to NDI the complete and final authority to set the royalties and other fees charged for electronic nautical charts under Crown copyright; (h) what authority or role does the Canadian Hydrographic Service have in the setting of royalties and various fees charged for electronic nautical charts under Crown copyright; (i) what is the purpose and value of the annual "access fees" for re-sellers and the annual renewal fees for purchasers of electronic nautical charts under Crown copyright; (j) did the Canadian Hydrographic Service approve the "access fees" and annual renewal fees imposed on electronic nautical charts under Crown copyright; (k) has the Canadian Hydrographic Service given over to NDI the complete and final authority to set "access fees" and annual renewal fees charged for electronic nautical charts under Crown copyright; (l) what authority does the exclusive contract renewed in 2003 with NDI give the Canadian Hydrographic Service to ensure that boaters and fishermen have continued access to electronic nautical charts in a timely manner necessary to ensure that marine safety is not impaired; (m) what remuneration has the Canadian Hydrographic Service received from NDI in each of the following years: 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002 and 2003, and thus far in 2004; (n) what is the remuneration NDI has received under this exclusive arrangement in each year since 1993; (o) what grants, contributions or loans have been provided to NDI or other companies owned or controlled by Mohammed Al Zaidak since 1993, and what was the purpose and date of each; (p) what contracts have been entered into with NDI or other companies owned or controlled by Mohammed Al Zaidak since 1993, and what was the purpose and date of each; (q) what members of the staff of the Canadian Hydrographic Service have moved to NDI either as employees, officers, consultants or in some other capacity; (r) what unique value-added service, if any, does NDI provide in relation to the data used by Navionics and C-Map and similar electronic nautical chart re-sellers that could not be sourced elsewhere; and (s) has the Canadian Hydrographic Service undertaken comparisons with similar governmental agencies in the United States with regard to both its exclusive relationship with NDI and the royalties and other access fees charged for electronic nautical charts under Crown copyright and, if so, what were the findings?

(Return tabled)

Question No. 28—Mr. Thompson (New Brunswick Southwest) :

Has the government been approached to allow the passage of vessels carrying liquid natural gas through the waters of Head Harbour Passage, and if so: (a) when, and by what company or companies; and (b) what was the government's response?

(Return tabled)

Question No. 33—Mr. Rajotte (Edmonton—Leduc) :

Since March 1, 2004, what grants, contributions, contracts and/or loan guarantees have been made either through a crown corporation, department and/or agency of the government to Canada Steamship Lines and/or its holding companies, specifying the dollar amount, date made, reasons for funding/statement of work, and the present status of the grants, contributions, contracts and/or loan guarantees (whether repaid, partially repaid, or unpaid) or in the case of the contract, whether the contract was fulfilled and how it was tendered?

(Return tabled)

Question No. 34—Mr. Rajotte (Edmonton—Leduc) :

Since March 1, 2003, with regard to the regional economic development bodies (i. e. Western Economic Diversification, Atlantic Canada Opportunities Agency, Federal Economic Development Initiative in Northern Ontario and Canada Economic Development Agency for Quebec) and the Community Futures Program: (a) what was the annual budget for each body; (b) what portion of the annual budget—both in dollars and as a percentage of the total budget—was for grants, loans and contributions; (c) how were these distributed by province and territory; (d) what percentage of these grants, loans and contributions was repaid on an annual basis; (e) what percentage of the grants, loans and contributions was written off on an annual basis; and (f) what were the ten largest individual write-offs, listed in dollars, by agency/program for that time period?

(Return tabled)

Question No. 35—Mr. Rajotte (Edmonton—Leduc) :

With regard to the Technology Partnerships Canada program since its inception: (a) how much money has been spent by the program on grants, contributions and investments, and how much has been spent on administering the program; (b) how many applications have been received and how many have been accepted for funding; (c) what companies, listed by year, have received funding; (d) how much, listed by year, has been repaid; (e) what was the forecast repayment for each year; and (f) how much has been repaid, in all, by each company?

(Return tabled)

Question No. 36—Ms. Ambrose (Edmonton—Spruce Grove) :

Since April 1, 1999: (a) how much money has the government spent on early childhood education programs; (b) how are these programs delivered; (c) how much money has been spent on parental leave benefits; (d) how many Canadians received parental leave benefits during this time; (e) how many children were born during this time; and (f) how much money was spent on other programs and services for children?

(Return tabled)

Question No. 37—Mr. Hearn (St. John's South—Mount Pearl) :

With regard to the inclusive quota catch of Northern shrimp: (a) what are the categories of allocation; (b) how much is allocated within each category; (c) do the Labrador Inuit receive a specific quota and, if so, what is the amount; (d) what criteria are used to allocate the quota to specific groups and individuals; (e) how does a group or an individual qualify for an allocation of the quota; and (f) who decides which groups and individuals receive a quota?

(Return tabled)

Question No. 40—Mr. Anders (Calgary West) :

For each year since 1995: (a) how much funding was provided to the University of British Columbia's Liu Centre for the Study of Global Issues; (b) by which departments, agencies and Crown corporations was funding provided; (c) who requested the grants and signed on behalf of the Liu Centre; and (d) does Lloyd Axworthy's name appear on any of the grant or loan applications?

(Return tabled)

Question No. 42—Mr. Reid (Lanark—Frontenac—Lennox and Addington) :

For each of the years from 1990 to the present, what has been the pass rate and the failure rate on the Second-Language Evaluation test at each level of competence (A, B, C) and for each type of language skill (reading, oral, written, interaction etc.) for those who received French-language training from Language Training Canada and for those who received English-language training from Language Training Canada for persons whose first language is a non-official language, and to what degree is the failure rate higher or lower than the failure rate for persons whose first language is an official language (in other words, whose first language is either English or French)?

(Return tabled)

*Government Orders*Question No. 52—**Mr. Breitzkreuz (Yorkton—Melville)** :

With regard to Firearms Act cases, Criminal Code cases related to firearms, and court and Charter challenges of firearms legislation and regulations, each as a category of litigation, and for each province and territory since December 1, 1995: (a) in how many litigation cases has the Department of Justice been involved; (b) in how many litigation cases is the department currently involved; (c) are any of these cases considered “high impact legislation” cases and if so, how many and what impact are they likely to have on government expenditures and legislation; and (d) how much time and money has the government expended on the litigation of these cases?

(Return tabled)

Question No. 53—**Mr. Breitzkreuz (Yorkton—Melville)** :

With regard to the DNA cases in process at the RCMP forensic laboratories and the DNA data bank, for each of the last three years: (a) how many urgent and routine DNA cases were received; (b) how many urgent and routine DNA cases were processed; (c) how many urgent and routine DNA cases were left unprocessed at the end of each year; (d) what was the average time to process urgent and routine DNA cases; (e) based on the success rate of matching DNA cases to offenders in the DNA Data Bank, for urgent and routine cases what was the average number of repeat offenders that were on the loose and the average time they remained on the loose waiting for DNA cases to be processed; and (f) how does the performance of our DNA analysis compare with other countries in areas such as case backlogs, average processing time for urgent and routine DNA cases, differences in definition of urgent and routine, and success rates for matches with repeat offenders in their DNA data banks?

(Return tabled)

Question No. 58—**Mr. Williams (Edmonton—St. Albert)** :

With regard to every project funded by the Millennium Bureau of Canada and Canada Millennium Partnership Program (CMPP) during its existence, in each case: (a) what was the name of the project being funded; (b) what was the name of the recipient organization; (c) where was the location of the recipient organization and project being funded; (d) what was the date of the project approval and in what fiscal year was the project funded; (e) what was the total amount of the grant or contribution for each project; (f) for which projects did the grant or contribution go directly from the Bureau or CMPP to the recipient organization; (g) for which projects was the grant or contribution channeled through a third party; (h) has there ever been internal audit(s) or assessment(s) conducted on any aspect of the work of the Bureau and CMPP; and (i) if so, what was the name of each audit or assessment, who conducted each audit or assessment, in what year was each conducted, and how much did each cost?

(Return tabled)

[English]

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

[Translation]

The Speaker: It is my duty, pursuant to Standing Order 39(5), to inform the House that the matter of the failure of the ministry to respond to question No. 39, standing in the order paper in the name of the hon. member for Edmonton—St. Albert, is deemed referred to the Standing Committee on Government Operations and Estimates.

GOVERNMENT ORDERS

[English]

FINANCE

The House resumed consideration of the motion.

Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, just before question period I outlined a remarkable list of items that the Prime Minister had achieved in his first term. I talked about the historic health care deal and the historic equalization deal; the support for child care, seniors and 5,000 more peacekeepers; the new deal for cities; the \$1 billion for new environmental technologies; the brand new Canada Corps; our work in Darfur; our peacekeeping aid to Haiti, Afghanistan and Africa; the Canada-Mexico agreement; our work toward solving AIDS, malaria, TB and polio; the Prime Minister's remarkable international movement to protect those citizens who were under attack by their own governments; his work on getting the G-20 together to help solve international problems; the learning bond; the increase in the ceiling on student loans; the historic new relationship with aboriginal peoples and the historic Canada aboriginal peoples round table and the signing of new land claims and the encouragement of more.

I was also telling the finance minister how important it was to not only fund and sign new land claims but to make sure sufficient funds were available to implement existing land claims in Yukon and elsewhere.

This is already an unprecedented list for the first year of any Prime Minister but I want to go on and talk about the Prime Minister's democratic reform. It is amazing how the House has been reformed since the new Prime Minister has allowed free votes in the House on the government side on most items. For members who were here in the last Parliament they will remember that everyone was talking about reform and now we are not talking about it at all.

Ottawa society has to get used to the fact that it does not matter if the government loses votes because that is democracy. The members on the government side now have free votes. It is a whole new atmosphere of democracy here.

Another exciting historic initiative which perhaps sets our government aside from all others is the new northern economic development plan and the new northern strategy that was announced just before Christmas with many cabinet ministers outlining a new look at the north and its place in Canada.

While there are all these expenditures to help those in need and to give hope to millions of Canadians, we still have sufficient fiscal control and organization to give the largest tax cut in history of \$100 billion. This is especially important for low income people because a lot of the tax cuts were aimed at low income people.

Last night I, along with a number of parliamentarians, attended the play *Danny, King of the Basement*. I commend the actors, the writers and the National Anti-Poverty Organization for putting the play on and for bringing forward the problem of child poverty in Canada, which we must work toward eliminating.

Government Orders

These tax cuts reduce the taxes for families with children in Canada by 27%, which is another way to help bring many of those children out of the poverty cycle.

The government has also created one of the most important social programs in history since medicare and that is the national child benefit. The government is constantly increasing that so that by 2007 it will be up to \$10 billion. There are all sorts of other initiatives in this economy of hope for people in need: initiatives for people with disabilities, \$1 billion for affordable housing, the new horizon program for seniors and the enhancement of our programs for the homeless. We have made these expenditures to help millions of people in all segments of Canadian society with the issues of the day.

• (1530)

Have we been able to still keep the country in fiscal balance and be responsible for the economy without bankrupting the country? The answer of course is yes, through prudent fiscal management. Granted, it does not leave a lot of room to manoeuvre to provide extra tax cuts or other expenditures but it certainly is done within a very solid and responsible fiscal framework.

Approaching and including the time of the Prime Minister's great new economy of hope, we have created three million more jobs in Canada in the last 10 years. Since 1997 we have led all the G-7 countries in growth of living standards. Low interest rates in Canada have led to a housing boom. We have not and we will not go into deficit.

We have had seven consecutive budget surpluses. Canada is the envy of the prosperous countries in the world. I do not think anyone in the opposition or in the media could deny this unprecedented agenda and these accomplishments in only one year of a new Prime Minister's time in office.

However because of the limited room to manoeuvre we cannot provide large tax cuts. There is no huge surplus to do what people would suggest. We must remember that we have a large national debt in the order of just under \$500 billion and we need to contribute toward that. That is what has led to the success of all these programs. Because of cutting down the interest rates we have billions to spend on Canadians in need.

I will finish my speech where I began it, which is that we awoke one morning to the news of a tragic tsunami. All Canadians reaffirmed and recognized that others were in much more need. That is the economy of hope. It is a program designed to help people around the world and in Canada who have need of it.

I am proud to be a Liberal because our philosophy is to have a strong economy so that we can help those in need. I am proud of the Prime Minister and the government which created this incredible success in the first year of our mandate.

• (1535)

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, I am pleased to add my comments to the prebudget debate today.

I learned the other day that goldfish apparently cannot create new memories, which is interesting. I guess that every time they swim around their bowl that little plastic castle is a brand new thing to them, an exciting new event.

This may be humorous when it comes to goldfish, but it is not an appealing quality in a government. It is not an appealing quality for a government to be unable to learn from its mistakes or to learn from the past. Unfortunately that is what we have in this country.

Canadians deserve better. Unfortunately, I do not believe they are going to get this old dog of a government to learn any new tricks after a dozen years. The old tricks may have helped the government retain power but they have diminished Canada's image at home and abroad.

In recent months, Canadians are learning the sad degree to which power corrupts for this group: the adage seems to be that if it is good for the Liberal Party, it is good for Canada. There are many examples—too many—and they include: abusive and overt political manipulation of the immigration system; rampant patronage in senior levels of government departments and crown corporations; political favouritism in the awarding of government contracts, including direct involvement by the Prime Minister's Office; and the laundering of millions of dollars of payments to Liberal-friendly firms through the sponsorship program in exchange for doing little or no work, at least for the taxpayers of Canada, that is.

This is a tired government and a self-serving government. It is unwilling to admit its own failings. It is a goldfish government. It is unwilling to learn from its mistakes. It is led by a dithering leader whose international road show is simply a pathetic public relations exercise but also a tacit consequence of the absence of a domestic agenda, all thumb-twiddling and reaction but not a plan.

After all those years of wanting power the Prime Minister does not seem to know what to do when he gets it. There is reaction. There is reaction to the Auditor General's report by attacking the Auditor General. There is reaction to the Gomery commission by delaying and then partially disclosing information, or worse, by attacking the judge himself. There is reaction to questions regarding the stripper-pizza fiasco by attacking the opposition or making blanket assertions, wrong and false of course, about the opposition's immigration policies.

It is very difficult not to be cynical when one knows this is a government that has wasted billions of dollars on a failed gun registry in order to play to the post-Montreal massacre polls, a government that mismanaged away millions of dollars in the HRDC boondoggle and then broke the department in two just to get rid of the acronym, a government that deliberately keeps employment insurance premiums elevated and overtaxes working Canadians but claims to have compassion for low income people, who are disproportionately punished by high employment insurance premiums.

We have seen overpayments of \$45 billion and counting. That is \$6,000 per household. That is money that working people should have had in their hands so they could decide what to do with it. Most damaging of all to the low income workers of this country is the fact that this money is not in a reserve somewhere. It has been spent and it is never coming back.

Government Orders

This is a government that continues to allow the diversion of profits from this country to tax havens abroad by the creation of debt-reducing tactics allowed here, such as leveraging on Canadian assets and borrowing money to invest offshore, which results in the shifting of profit and the reduction of tax obligations for Canadian corporations so located, such as Canada Steamship Lines International.

Most of all, it is hard to believe that this debate and the hundreds of hours of prebudget consultation with Canadians are anything more than a cynical shell game when one recognizes that apparently the government has no accurate ability to conceive or develop its own budget numbers.

Last year \$1.9 billion was the projected surplus and the finance minister went to great lengths during the election campaign to dispute any notion of the Conservative Party's proposed expenditures in a number of areas, saying they would drive us into deficit. Then we found out just weeks later that the actual surplus was not \$1.9 billion but \$9.1 billion, or off by \$7 billion. Previous years have been almost as bad.

The inaccuracy, combined with the employment insurance overcharge, has accelerated debt paydown by default, but it has come at the price of transparency and in the absence of a fulsome discussion of what our priority investments as a nation actually ought to be.

The Liberal approach does a disservice to the budget process. More important, it discredits the budget process.

● (1540)

From our perspective, the Conservative Party believes in an elimination of wasteful spending. We believe in lower taxes, including lower EI charges, in increased basic exemptions and in reduced marginal rates.

I would particularly like to emphasize today the need to raise the lifetime capital gains exemption for small businesses and farmers. This level has not been increased since 1987.

I would also emphasize the need, particularly as a consequence of the BSE crisis in this country, for us to move on income averaging for farm families.

As well, because of the consequences of the elimination of the Crow rate by this government, road use has changed dramatically, particularly and nowhere more so than in rural western Canada. As a consequence, secondary roads are deteriorating rapidly under the use of heavy truck traffic that was not anticipated in the years gone by when those roads were designed.

This shifts an incredible burden of billions of dollars of investment onto provincial and municipal governments. We need a plan, an infrastructure strategy for road renewal in this country, and we need it urgently.

As well, when one considers all aspects of our corporate tax system, not just the corporate tax rate but depreciation, sales tax on capital inputs, inventory deductions and others, Canada has one of the highest tax rates on capital in the world, which is why tax havens in Barbados are so popular.

Unlike Barbados, however, we are not an island. We must be competitive. We export 80% of what we produce. We cannot allow uncompetitive tax structures to diminish our productivity and we must never be complacent about job creation.

There is another area I would like to address: aboriginal policy. As a member of Parliament for Manitoba I think this is particularly important, although I believe it to be a national issue. In Manitoba we have the highest percentage of aboriginal people within a province. It is currently at 13% and it will rise.

We have seen the social malaise that has too often characterized both the life on aboriginal reserves and the life for aboriginal people off reserve, but as with so many other subjects, the Prime Minister seems unable to address the issues around Canada's aboriginal people, apart from the "we feel your pain" rhetoric, perhaps.

I came across a quote the other day. These are the words of Frank Scott concerning a former prime minister, William Lyon Mackenzie King. He stated:

He seemed to be in the centre
Because we had no centre,
No vision
To pierce the smoke-screen of his politics.

We had no shape
Because he never took sides,
And no sides
Because he never allowed them to take shape.

These words could describe our current leader. Or current Prime Minister; I hesitate to use the word leader.

He squashed the previous government's accountability initiatives for aboriginal governance and he promised change, but nothing has happened in the years since. He was sworn in with a sweetgrass smudging ceremony conducted by an aboriginal elder from my province, but it was all about optics. Since then there has been no substance. So far the only thing the Prime Minister has raised is false hopes. While he dithers, people suffer and billions of dollars are thrown at a problem, with no end in sight. As a country we need to develop a plan.

I have a six point plan for him, developed with the input of aboriginal people across Canada and supported by the Conservative Party. None of these proposals will be expensive. Certainly they will all pay for themselves in very short order, unlike the perverse outcome of the \$2 billion a year in welfare payments which will be distributed to aboriginal people this year. That money, most of it given to perfectly healthy young people, has become a welfare addiction, according to the Manitoba chiefs, and a rite of passage for 18 year old aboriginal young people.

These proposals, on the other hand, will not cater to power hungry chiefs but will enhance the power of their constituents.

First of all, we need to extend the Canadian Human Rights Act to protect reserve residents, the only Canadians who are not so protected.

Government Orders

Second, we need to eliminate the Indian Act provision which prohibits the repossession of chattels sold on reserve. This is an unnecessary obstacle to aboriginal people who wish to obtain credit.

Third, we need to establish home ownership programs, as has been done on several dozen reserves already, so aboriginal families will share the same property rights and responsibilities the rest of us take for granted. This will remove the power of chiefs and councils to evict families from their homes.

● (1545)

Fourth, we need to introduce schools of choice programs so families can exercise influence over education, which has been restricted by some chiefs and historically by non-aboriginal governments.

Fifth, we need to reform welfare delivery so that it enhances skills development and self-esteem rather than diminishing both.

Sixth, we need to establish matrimonial property laws consistent with provincial legislation so that aboriginal women are no longer forced to stay in abusive relationships.

These changes will address the root causes of much social malaise for aboriginal people. They are not a panacea, but they are far better than funnelling \$10 billion through 20 different government departments.

These changes and others will build accountability from within far better than 5,000 federal bureaucrats can do from without.

Alas, my bet is that the Liberal government will do a poll and find out that playing to the status quo is easier. People do not like change. Any poll will show us that. It is especially so for those in power. They just hang on to power. That is all this government seems capable of or interested in doing.

We can provide more efficient government, more honest and transparent management, lower and fairer taxes and a better future for low income Canadians and aboriginal people.

That is precisely what this opposition party is proposing to do.

[*Translation*]

Mr. Christian Simard (Beauport—Limoilou, BQ): Mr. Speaker, I have listened with interest to the hon. Conservative member's speech. The budget is being discussed seriously after hours and hours of budget consultations. The budget speech is perhaps the most important of a government's speeches, because this is where its true principles are, or are not, recorded. Anything else is rhetoric. I felt there was a good deal of rhetoric in the Conservative speech. As for the budget speech or the budget preparations—the stage we are at—I would like to know the basis of the negotiations, or the minimum the Conservatives require in order to support, or not support, the budget to be presented.

It is important to know precisely what the Conservatives propose as far as reduction of the fiscal imbalance is concerned. What sort of tax cut are they calling for? It is their program.

There are a great many other points. For instance what will have to be in the budget for them to support it? It is very important that people say what they will do and do what they say.

So I would like to have a very precise idea of the basis for this party's negotiations as far as reducing the fiscal imbalance is concerned, and as far as some other points in the member's speech are concerned. What must there be as a minimum for this party to oppose the budget, or not to oppose it, and to speak clearly to the public?

[*English*]

Mr. Brian Pallister: Mr. Speaker, while I thank the member for his rhetorical interventions, I invite him to read the minority recommendations that the Conservative Party has prepared and has forwarded to the finance minister. They outline in great detail some of the questions that he has raised just now.

I also want him to be aware in his references to the fiscal imbalance. Unlike the government opposite, we do not deny that such an imbalance exists. The fact is, of course, that with the support of the Conservative Party the Bloc finance critic was able to succeed in his attempt to have a resolution brought forward which established a subcommittee precisely to look into that issue.

I alluded in my comments to a couple of specific examples from my area which relate to that imbalance. I think in part that the infrastructure references I made, and the aboriginal policy references with specific interventions and specific ideas for a policy initiative, were two examples of where we believe the government's lack of policy, lack of direction and fuzziness around those and other categories of policy development are creating a major concern and a major and growing problem across Canada.

That being said, I again invite the member to consult his own colleagues and become more aware of the specifics of the issue, using the resources that are available to him.

● (1550)

Mr. Rick Casson (Lethbridge, CPC): Mr. Speaker, I was listening to my colleague's comments on the budget debate. He talked a bit about the infrastructure in provinces and municipalities; I know his background is in that area provincially.

One of the issues that has been brought forward by this party and by others is how to help fund municipal and provincial infrastructure. The issue that keeps coming forward is the partial rebate on the gasoline tax or fuel tax, whatever the wording is today. We have seen very little come forward from the government. I would like the member to expand on what his thoughts are as to how that should be structured and how the money should flow back to the municipalities and the provinces that need it.

Mr. Brian Pallister: Mr. Speaker, our colleagues from other regions may not be aware of the change in the Crow rate which used to subsidize the exporter transport of raw materials out of western Canada to processing facilities elsewhere, for example, in eastern Canada. I suppose an example of this would be the tie-in with the Canadian Wheat Board, which really is not the Canadian Wheat Board but is actually a western Canadian wheat marketing monopoly. There is a misunderstanding of the concept of those things which many colleagues in the House may still retain.

Government Orders

With the Crow rate demise, what happened is that shipping costs for agricultural families, farm producers, escalated considerably. This changed the cropping practices of much of the land base in western Canada. For example, Manitoba has just surpassed Prince Edward Island as the leading producer of potatoes in the country. There are two major potato processors within my riding, Simplot and McCain. This has resulted in expanded potato acreage.

Potatoes have to be hauled by heavy trucks. The use of our roads has changed dramatically. The wear and tear on our roads has changed dramatically, but the method of funding the construction, repair and maintenance of those roads has not changed significantly. What has happened is we have shifted an onerous burden onto our local governments and our provincial governments in this respect.

One example would be that the Trans-Canada Highway, the national highway system, through much of western Canada was designed to allow for overpasses to be built over the highways. The roads are brought together very closely in many locations. Those overpasses have never been built. What is happening now is the B-trains, the big long potato-hauling and grain-hauling trucks are pulling out into the intersections and blocking the Trans-Canada Highway to the detriment and danger of the people travelling down the highway and to the people doing the hauling.

We need an investment in a national highways program. We need that gas tax reinvested in the jurisdictions which need those investments to be made urgently in the interests of the safety of the citizens there and the citizens who travel across Canada.

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, as the senior environment critic it certainly is my privilege to stand in this prebudget debate to talk about what we would like to see in the budget regarding the environment.

My background is as a biologist. My involvement has gone a long way back with speeches in the 1970s on the conservator society and what we should do with landfill, rivers, streams, soil and all kinds of management issues.

When I tried to think of what I wanted to talk about on the government's upcoming budget, I thought I could turn it into somewhat of a fairy tale, but then I thought that might be making light of the issue too much. I could say that once upon a time in 1992 at the Rio accord when climate change was first identified and the present Prime Minister was there as the senior environment critic along with his cohort and white knight Maurice Strong, they basically signed on as they have signed on to some 100 other international agreements on the environment. The environment commissioner has told us that we have not lived up to very many of those. That is largely because we seldom if ever have a plan when we proceed on environmental issues.

In 1997 it was not much different. We met with the premiers in Regina and then rushed off to Kyoto. The whole purpose was to sign something and to look better than the Americans. The Americans said that they would agree to 5% below 1990 levels, so we went with 6%. There was no plan. There was no consideration that this is a very large country, that this is a very cold country, that we have few people relative to many other countries and that we have very little infrastructure for transportation that would allow us to make some of the savings that we might want to make. The U.S. obviously came to

the same conclusions and made the decision that it could not live up to this, particularly without having countries like China, India, Mexico, Brazil and other developing countries as part of it. Again the government had no plan.

We went through the period of 1997 to 2002 and still the government had no plan. It is now 10 years since agreeing that climate change is a major issue. There were closed door consultations. The government talks about prebudget consultations. I hope they were not anything like the ones that went ahead on the Kyoto protocol. There were 14 meetings in 14 cities. There was an invited guest list. The media was not invited. Members of the opposition were not invited; we had to literally crash the meetings. No one was allowed to speak unless of course the person agreed with the government's position. If that is consultation in Liberal terms, I can see why there is no plan.

In Johannesburg in 2002 again our Prime Minister was present. I was there. I spoke to him prior to his making the announcement that we would ratify the protocol. I said, "Mr. Prime Minister, where is the plan?" He said, "It is going to come". We are still waiting. It is now two weeks before the whole implementation and we understand that in this budget there may be up to \$3 billion in more spending, but where is the plan? I think everyone can understand the degree of frustration for many of us who really would like to see something happen.

By 2004 we were 25% above where we were in 1990. The bureaucrats have announced that we will be 30% above our 1990 levels within the next two or three years. We are going the wrong way. We have committed \$3.7 billion. In this budget we understand through leaked documents that we are about to commit another \$3 billion. That will be a total of \$6.7 billion. That makes it at least three times the gun registry. Do we have another such program being rolled out by the government in this budget that will end up like that?

• (1555)

On the plane last night I read Rex Murphy's comment about the one tonne challenge and the big advertising scheme that is going on right now by Rick Mercer. He said, "I'd say Rick has about as much credibility on the one tonne challenge as Céline Dion has selling us the virtues of Air Canada". There is a lot to be learned from yesterday's article. That is where the government is at. It is interesting to note that a comedian was hired to promote what it is about to do.

Government Orders

We have known for a long time that the heavy emitters could not achieve 55 megatonnes. We understand it is going to be 37 megatonnes. If we all reduced our use of carbon it would only make up 20 megatonnes of the now 300 megatonne commitment. If the heavy emitters are down to 37 megatonnes and Canadians at a maximum are expected to account for 20 megatonnes, where is the rest going to come from? Obviously we hope to learn that from the budget, but I doubt very much that we are going to.

Instead we are going to see the government allocating more money, another \$3 billion to a whole bunch of programs. That is exactly what we do not need. We need to commit directly to Canadians that we are going to give them the incentives to do something about the carbon that is being released. We do not need a bunch of programs. We do not need more bureaucracy. What has plagued Kyoto all along is program after program after program.

The Europeans are going through the same thing. We learned that in Buenos Aires in December. They are setting up programs. Their big scheme is carbon trading. If that is not one of the biggest hoaxes and biggest non-environmental ways to deal with the problem I do not know what is.

The government has no plan, but we have a plan. We have a long term plan, one that involves air and the sequestering of CO₂. It involves the removal of sulphur dioxide, nitrous oxide, particulate matter, those things which cause real pollution. The Conservative Party has a plan that involves clean water, that involves mapping our aquifers and understanding the positive and negative charge of those aquifers. The Conservative Party has a plan for soil, for brownfields, for clean up, for all of the issues that affect every municipality throughout the whole country.

We have an energy plan based around conservation. There is much we could do there. The government has some good ideas, but its method of implementing them I do not believe will work.

We also want to talk about transitional fuels, about alternate energy, and about the many ways we could provide for the development of new technology. There is lots of new technology out there that could deal with our environmental problems.

There is no vision from the government. There is no plan from the government. The government simply wants to throw money at the problem and hope it will go away. That is not the way to deal with environmental issues. They are dealt with through cooperation with municipalities, through cooperation with the provinces, and by giving Canadians a vision of where we want to go regarding the environment.

We have to reward industry for the new technologies. We have to develop those new technologies so we can transfer them to other countries, so we can help India, China, and the developing world that is not part of the Kyoto plan.

We need to provide incentives to consumers. We need to provide incentives for wind energy, solar energy, tidal biomass, geothermal and all of those other things.

As the environment commissioner said, there is a lot of talk across there but very little action has been taken over the last 11 years of Liberal government. The Conservative Party will commit to doing

that through a solid plan, not this make believe plan and this fairy tale that the Liberals have been living.

● (1600)

Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.): Mr. Speaker, it is a pleasure today to speak on the prebudgetary consultations. It is fair to say that we have heard a lot of comments in the House today, a lot of it rhetoric. At the end of the day what is the government's responsibility with respect to budgets? It is to ensure that we live within our means and that we do not spend more than what taxpayers give to us.

Some would believe that we just throw money at a lot of nice projects, that we spend on a wide variety of things, but no government can do that. If we were to do that, we would go back to the dark days when government spent more than it took in and, as a result, compromised the very social programs, the very economic stability and the bedrock of our nation.

When we look at those countries that have spent more than they take in, we see how that behaviour by a government erodes the fabric of its country and how it affects all members in that country, particularly those in the lowest socio-economic groups who are the most vulnerable.

What does that do? If we deficit spend and build up a debt, we take money out of the money received from taxpayers to pay the interest on the debt. It carves out and takes away the amount of money we would have to spend on social programs. It also puts a burden on the private sector because it often forces governments to raise taxes in the false belief that raising taxes somehow engenders more money in the short and long term to pay for what we ask.

Raising taxes and having an ever increasing tax rate actually puts a depressive effect on the private sector. In doing so, it chases private sector firms away from a country, reducing the number of jobs. Raising taxes and engaging in deficit spending hurts an economy and causes one's tax base to be contracted. It therefore leaves less money for the social programs that we need and want to help those who are most vulnerable in our society.

In short, our government has always held up to the notion, and has lived up to it for seven years, that we have to get our house in order. For seven years we have managed to reduce a trend of deficit spending which would have critically hurt our country and turned Canada into a basket case.

When I was first elected in 1993, it was a serious problem. It was one of the reasons why many of us ran so we could change that. Over the last seven years Canada has had a surplus budget, the only country in the G-7 to do so. If we look at all the G-7 countries, Canada has had the best economic performance of any of the G-7 nations.

Translated into what really counts, which is what Canadians care about at the dinner table, it means more jobs. As my colleague mentioned, we have three million more jobs in the country. It provides us with the resources to pay for health care, the number one issue on the minds of Canadians. It provides us with moneys for a wide area of social programs that will help those who are least advantaged in our society.

Government Orders

That is the balance we have tried to create and that has happened over the last seven years. It has been a balance between living within our means, making tough choices, but on the other hand providing the economic groundwork so the private sector can thrive and so we have the resources to invest in the social programs about which Canadians care.

It is important to understand and not minimize this feat. No other country in the G-7 has managed to accomplish that. Some people, particularly in certain opposition parties, would criticize us for the decisions that have been made. Being in government entails making tough decisions. It is very easy to sit down and simply criticize. It is a lot harder to make tough decisions and to provide solutions that are sound, effective, equitable and fiscally responsible. That is what we have tried to do, that is what we have done and that is what we will continue to do.

• (1605)

On the financial side, first, our objective with this budget is to continue with surplus budgets. Second is to provide research and development moneys, which we will engage in and partner with the private sector to accomplish. It is to provide the private sector with the investment that it needs in order to invest in new technologies, which will enable our companies to lead the world in their respective areas.

Also, we have tax relief. We have engaged in \$100 billion in tax relief. We have managed to remove one million Canadians from the tax rolls, those in the lowest socio-economic areas. Is that enough? No. We can do better, and we will do better.

A personal issue I have been fighting for is to remove everybody who makes under \$20,000 a year from tax rolls. If we can ultimately accomplish that and enable people to keep more money in their pockets, particularly in the lowest socio-economic areas, then we will have truly accomplished something. Rather than money going from the tax base into government and back to those who are in the low socio-economic grounds, why do we not enable those people to keep those moneys in their pockets? That would be a worthy effort.

On the social side, the government has invested money into early learning. Why is this important? I used to work in a jail. Let us look at an array of social problems, from youth crime, to challenges such as teen pregnancies and poverty. We find that in those populations a lot of the individuals, if we look back in their history, in their first early years were marred by environments that were likely less than acceptable. Many have been subjected to sexual abuse, violence, neglect, improper nutrition. In other words, they did not live in a secure, loving environment. They were subjected to poor parenting. Look at studies that have been done by a number of pediatricians. Then look at this population and ask, what can we do to change that kind of environment in order to have a positive effect on the future? That has happened.

My colleague from New Brunswick, with her husband, was a world leader in the head start program in the early 1970s. Programs like the Ypsilanti head start program in Ypsilanti, Michigan has been around for more than 25 years. What did those programs do? They tried to ensure that parents had the skills to be good parents and that children lived in a loving, caring, secure environment where their basic needs were met. This was not a function of income. This was

something that went across the whole socio-economic domain. Some children in low socio-economic grounds did not have poor parenting and some children in families that had a lot of money did not have poor parenting. However, they teach parents to engage their children in a loving, secure environment. Reading to children is critically important. Spending quality time with them is important, not putting a child in front of a computer screen or in front of a television set. Engaging their minds intellectually is important. The first few years their brains are like sponges and at that time neuro connections take place that will set them on a certain road that will largely be irreversible.

What happens when the parent-child bonding is improved? We find is that the life can be quite different for that child. In fact, the head start program reduced youth crime by 50%, teen pregnancies by 80%, kept kids in school longer, less demand on social programs and a \$7.00 to \$8.00 saving for every dollar that was invested. I submit that was a superb investment.

That is what the minister is doing now. Our government has engaged and will engage with the provinces for an early learning program that will strengthen the parent-child bond and will have a profound impact upon those parameters that can determine the future of a child.

On the issue of accountability, our government has introduced a comptroller system that will improve the way in which we spend taxpayer money. It is critically important, and many of us have said this time and again, that one of our chief responsibilities is to ensure that taxpayer money is spent wisely, effectively and responsibly. That is why the Prime Minister started the process of introducing the comptroller system, which we hope will go a long way to ensuring that the moneys that the people of Canada give us to spend responsibly will be spent responsibly.

• (1610)

On the issue of Canada and the world, we are at a propitious moment. The world has a number of challenges that we could not possibly have envisioned 10 years ago. The world changed post-9/11, as we all know. What the world is looking for is true leadership to address those challenges we face.

Terrorism is a multi-headed monster. The military option must be used under certain circumstances, but it will require much more than that. I am very pleased to congratulate General Hillier who will be the chief of defence staff. He is an individual who gets it. He understands very clearly that we need to address these challenges, from the soft skills, which our Canadian military is good at, to the sharp, hard, killing skills, the lethal sharp pointy edge that we must have as a military. He understands that in today's challenges we must have an array of those capabilities, in which our Canadian Forces are superb and very effective.

Government Orders

The goal of the government is to give our Canadian Forces the tools to do the job, personnel, equipment and training. The Prime Minister has said that we will increase the number of personnel by 5,000 in the regular forces and by 3,000 in our reserves, and that is good news. Our Canadian Forces members have worked very hard. They have had a very high operational tempo. We need to give them and their families a break. By having extra personnel, we will be able to carry out our duties internationally. We will also be able to ensure that our personnel do not burn out. We need new resources to do that and the Minister of Finance is working with many of us to accomplish that.

In looking at the world, the challenges are vast. To achieve the political, economic and social emancipation of people, this must be done through education, trade and diplomacy. That is the route to peace. If we use the array of tools we have, we can begin to address the antecedents and underlying problems that exist. I will give an example.

It is wonderful, in fact truly outstanding, that Canadians from coast to coast have donated so much to the disaster in southeast Asia. However, let us also not forget other areas of the world. As an example, in the eastern Congo alone, 31,000 innocent civilians die every month as a result of conflict. In January I was in South Africa. Day in and day out the equivalent of two 747s fully loaded with people crash into the ground; 670 people die every day from HIV-AIDS. I have spoken about this before in the House. There is no threat to our species greater than that disease. While we have spent a lot of money internationally on this, the amount of money pales in comparison to the larger challenge with which we are faced.

However, is not only how much money we spend, but how we spend it. If we look at the continent of Africa, particularly sub-Saharan Africa where the majority of failed or failing states are, while the countries themselves are very poor, the people are impoverished. Sub-Saharan Africa has 40% of the world's natural resources: oil, gold, diamonds, minerals, semi-precious materials, timber, hydro power. The list is endless and yet curiously those countries that have the most number of resources have the greatest amount of poverty. The Sudan has vast oil wells, but two million people are dead and four million people homeless. People are being slaughtered right now. People live in abject poverty. I have been in refugee camps and it is a sight that is beyond belief.

•(1615)

A central theme in all of that is not in ignorance or in the lack of engagement on the part of the world in terms of aid. It is the lack of engagement on the part of the world in terms of leaders who are willing to abuse their positions, kill civilians and destroy decades of social development by their countries and the international community because they are corrupt, venal dictators. A case in point right now is Zimbabwe, a former breadbasket of the world that exported food to the world food program, which is now prepared to suffer the potential deaths of two million of its civilians by starvation. Why? Its leader, Robert Mugabe, is killing his people in order to retain power.

The point I am trying to make is that this is not an issue of a lack of aid money getting to countries. It is a lack of interest and

engagement by the international community in holding these leaders to task.

The Prime Minister's new initiative, the L-20, is one that has hope for the world. By using these 20 leaders who represent the east, the west, the north and the south, we can develop and embrace a critical mass of leaders who are prepared to say no to the past, yes to the future and yes to breathing life into the multiple array of treaties that we have all signed on to, to save children, to prevent genocide, to stop torture and everything else in between.

Last week was the 60th anniversary and commemoration of Auschwitz where the death of more than six million Jews and other minorities in western Europe took place. The world once again said that we would never again allow this to happen. However time and time again, day in and day out, year in and year out, genocides occur. Why? It is because we have not learned our lessons. We have not developed a multilateral framework to prevent these disasters, and they are eminently preventable. These are not acts of God. These are acts by a small number of venal, corrupt, ruthless, murderous individuals who have power in countries and who are prepared to exercise that power at the expense of their civilians and in a way that causes the mass deaths of innocent people.

The L-20 is a new way of working with the international community to develop, embrace and implement those solutions.

The other solution is Canada Corps, a brilliant suggestion by the Prime Minister and our government to send abroad the best that Canada has to offer. It is a work in progress but what will it look like? We have something called Canada Executive Services overseas which is a group that takes retired people to places where they can use their expertise abroad. What if we were to ask Canadians throughout the country who had a certain expertise, such as agronomists, hydrologists, engineers, physicians, nurses and teachers, if they wanted to go to a developing country? We would pay for them to go to those countries and teach people to teach themselves and to teach health care workers on the ground. We could help those countries rebuild their social and economic infrastructures by exporting the best that we have to those countries.

Imagine if Canada Corps were made up of individuals like that in our country who were prepared to serve, not only here but also abroad. What a wonderful legacy that would be and how practical that would be because many of these countries have incredibly talented people who need a bit of a hand up. If we engage them we can go far.

One part of that might be the element of good economics and a reasonable tax system. For a lot of developing countries, if they want to get their feet on the ground and they have a lot of resources, good governance and an appropriate tax structure that will enable the country to reap the value of those resources and help the people of their country, it would be an enormous benefit.

Government Orders

•(1620)

Our government has put forth a number of innovative solutions that will help Canadians from coast to coast to deal with things that people care about at the dinner table, such as putting food on the table, getting jobs, their health care and other social benefits. We aim to continue to do that under the umbrella of living responsibly and by economically putting forth a plan that involves surplus budgets in the future.

Sound economic management and responsible social development are the cornerstones of this government. We will continue to adopt that stance.

•(1625)

[*Translation*]

Mr. Guy Côté (Portneuf—Jacques-Cartier, BQ): Mr. Speaker, last June, during the election campaign, the Bloc Québécois made a tour of Quebec promising Quebeckers a number of things. The Bloc Québécois is a party which, unlike the members opposite, intends to keep its promises. On June 28 the commitments of the Bloc Québécois were overwhelmingly endorsed by Quebeckers.

Since September, I have had the privilege of sitting on the Standing Committee on Finance. From September to December we heard from many people representing economic, social and community organizations. They told us what they thought should be done in the budget the Minister of Finance will soon be presenting.

After these consultations, the committee put its proposals on the record in the report of the Standing Committee on Finance. The Bloc Québécois issued a complementary dissenting report detailing the directions it wanted to see taken.

These directions have also been validated by the people of Quebec. My hon. friend from Saint-Hyacinthe—Bagot and I travelled around Quebec specifically to meet representatives of groups and organizations in Quebec, in order to make certain that what we were going to propose to the Minister of Finance truly represented the best interests of Quebec.

Now, let us not fool ourselves; bringing down a budget is a very intense time for any legislature, especially with a minority government. Unlike the members opposite, we intend to vote in accordance with what we have promised to our constituents and not to make promises only to change them later. We made firm commitments during the last election campaign and there is no question that we will go back on our principles.

That said, if the upcoming budget does not contain a certain number of elements that satisfy the concerns of Quebeckers, we will be obliged to vote against it. The ball is now in the court of the governing party, and more specifically in the court of the finance minister.

How can the Minister of Finance ensure that the Bloc Québécois will vote in favour of his budget? There are certain elements to guide him in his considerations, and he knows them already because my colleague, the member for Saint-Hyacinthe—Bagot, talked to him this morning about the subject. With your permission, I shall review the list of these subjects.

First, we are talking about an issue that has been well explained to Quebeckers in recent months, namely the fiscal imbalance. As recently as today, we were talking about a very hot and important issue, with spring just around the corner, and that is the employment insurance program. The environment and the Kyoto protocol are issues that will have to be settled, or regarding which concrete measures will have to be taken to move them forward.

Then there is agriculture. This is a critical sector for Quebec. We even used an opposition day to debate it. The Minister of Finance will have to take action in this area.

Unfortunately, during the holiday season, we were confronted with some very sad events, such as the tsunamis that hit some regions of the world. Canada's international aid will have to increase significantly.

All too often, the government's reflex is to infringe on the jurisdictions of the provinces and of Quebec. This budget will have to include concrete measures while respecting the Quebec government's jurisdictions.

As regards social housing, the situation is catastrophic. For the past ten years or so, the government has almost completely withdrawn from this sector. Again, the budget will have to include means to improve the plight of those who need social housing units. Of course, and the Bloc Québécois has raised this issue on a regular basis, additional support will have to be provided to francophone and Acadian communities.

We are open to discussions on all of these issues. However, I want to make it clear that on budget day all Bloc Québécois members will be present in the House.

•(1630)

We will not renege on our election promises; the people of Quebec would find it inexcusable.

Unless the government takes concrete action to correct the fiscal imbalance, improve the employment insurance program, establish an independent fund and support all the other measures I mentioned, we will be voting against the budget. Then, it will be up to the Prime Minister to explain to the public why he is not committed to the interests of his fellow citizens.

Moreover, this is a government which keeps piling up surpluses year after year while maintaining that these were unforeseen. We are talking about some \$60 billion since 1997. I hope that the Prime Minister and the Minister of Finance will not try to have us believe that they cannot afford to help their fellow citizens.

The fiscal imbalance is a major issue for all provincial governments and for Quebec. The Liberal government half-heartedly admitted that Quebec and the provinces were facing financial pressures, of course. We are not afraid to call a spade a spade. We had a motion passed in the House of Commons, which was one more step toward identifying and presenting the federal government with practical solutions to deal with this fiscal imbalance. I am referring to the establishment of the Subcommittee on Fiscal Imbalance, on which I will be representing the Bloc Québécois. Incidentally, our report will be tabled in this House on June 2, 2005, at the latest.

Government Orders

In the meantime, concrete and meaningful action will have to be taken as part of budget 2005, in February. The fiscal imbalance has an impact on how other governments, and Quebec in particular, are managed. Quebec had no other choice but to increase funding in health, at the expense of its other mandates, including the one for education.

The conference held last September saw the federal government finally agree to contribute close to 25% of the costs assumed by the province. Bear in mind, however, that transfers specifically for education continued to drop during that time. We are now talking about a federal contribution representing some 12%, or \$9 billion per year Canada-wide.

Such underfunding in education has many effects that may not be felt in the short term, but quite certainly have an impact in the medium and long terms. We will have a less qualified workforce that will be less able to meet the needs of an ever-changing market.

Another effect of the fiscal imbalance is in this government's management of equalization. Once again, the government has imposed its solution on the various provinces, which have had no other choice but to accept it. Yet, there are a number of ways to improve the equalization program. The Bloc has proposed many, such as taking into account the fiscal capacity of the ten provinces, not just the five, as at present. Furthermore, the floor and ceiling provisions need to be eliminated and the representative tax system approach needs to be fully respected. The measurement of fiscal capacity has to be based on reality, not on figures decided in advance.

More importantly for the governments and for Quebec, the equalization calculation must not be unilaterally changed by Ottawa. If a change needs to be made, it will be made following discussion and only over a five-year period, in order to ensure stability.

This government's management of the employment insurance system is scandalous. Rather than help people who truly need it, people who are less fortunate and whose families are in crisis, employment insurance has become an employment tax. It is a tax for employers who have to pay contributions and a tax for employees who have to finance this program with their own pay. It is only normal for them to finance the program if they receive the services they are paying for.

• (1635)

We have often talked in this House about the \$46 billion taken from the premiums paid by these employers and employees. The government must repay these funds. This is scandalous.

In 2001, there was a unanimous report. In 2004, there was another unanimous report. An independent fund must be created, so that the government cannot just dip into it. Special measures need to be taken with regard to employment insurance for workers in the seasonal industry. Seasonal work is common in the regions but also in the major centres.

There is what we call a black hole. The government can deny it all it wants, but the reality is that this black hole does exist. In fact, all too often, claimants exhaust their benefits and find themselves, for a more or less lengthy period, without access to this type of income support. Since 35% of workers exhaust their benefits, special status

must be given to workers in the seasonal industry and there must be a single eligibility threshold of 420 hours. The government must increase the maximum benefit period by five weeks, from 45 to 50 weeks.

This program, by its administration, has become discriminatory toward young people and women. Individuals making an initial application are often young or returning to the labour market and have not applied for EI benefits for two years. These people must accumulate 910 hours of employment in order to be eligible for benefits. This greatly penalizes young people and women. This is truly what could be considered a discriminatory measure.

Such administration has also excluded older workers. Until 1997, there was an adjustment program for older workers who, unfortunately, may have trouble finding another job after being laid off. We have a government where the current Prime Minister, when he was finance minister, dared to abolish this program despite its success. This program should recognize the new realities of the labour market. Some 30, 40 or 50 years ago, the phenomenon of self-employed workers was almost non-existent. Today, 16% of the workforce qualifies as self-employed. There should be a voluntary EI program so that these workers can receive some coverage.

The next budget is also an opportunity for this government to demonstrate that it really does have a political will and a plan in connection with the environment and implementation of the Kyoto protocol. This is a plan that ought to have a long term focus, but short term action. It ought not to exist solely to satisfy the oil and gas sector. This government must invest heavily in the wind energy sector. It absolutely must stress the importance of encouraging the development of wind-powered energy and step up its investment in the incentive program.

In the 2001 budget, the government announced the allocation of funds, but it needs to go far beyond that. We will not accept the government's going back on its promise and offering less than one billion dollars over 15 years.

As well—again in connection with the environment—certain new technologies must be encouraged, particularly the purchase of hybrid vehicles. Why not a tax credit for the purchase of hybrid vehicles, \$4,000 per purchaser, for instance, provided a certain number of standards are met? These measures would affect the consumer immediately and would foster a healthier environment.

• (1640)

The way this government is managing agriculture is disastrous. Few countries have abandoned their agricultural sector to the extent that Canada has. Quebec agricultural producers in particular have been the victims of this government in this area of jurisdiction. We are referring to the non-reopening of the U.S. border, the questionable control over the ban on animal meal, the non-regionalization of health practices. With this budget, the government could put in place some measures to benefit this sector.

Government Orders

Furthermore, the Government of Quebec has to compensate for federal injustices. Federal subsidies for agriculture in 2003-04 were \$6.7 billion. Of that total, Quebec farmers received only \$600 million, or 9.8% of the total subsidy.

Federal government aid packages do not take into account the specific problem of cull cattle in Quebec. Again, the current government does not consider Quebec's claims. Unfortunately, I often feel like I am repeating myself on this. However, maybe one day the government will finally understand.

That is why the Bloc Québécois has many expectations of this budget. Why does the government not take advantage of this budget to help the Government of Quebec facilitate the implementation of a ceiling price of 42¢ a pound? That would provide transitional assistance representing roughly \$11 million for the federal government. The federal government absolutely must reinvest in Quebec's agriculture, while respecting the various jurisdictions.

As for international assistance, the government has often promised to increase aid to 0.7% of GDP. It has said so many times, but has done very little. At the rate things are going, this target will be reached in 2032, which is a long time from now. The government absolutely must increase its international aid budget more quickly in order to reach the target by 2015.

The greatest difficulty this government has is in respecting provincial jurisdictions. During the Speech from the Throne we heard the Prime Minister and various members of his cabinet proudly announce that their priorities were the municipalities, health, child care and education.

Someone should tell the Prime Minister that he is in the wrong level of government and that he would be better off in a provincial legislature or even in Quebec. This government has a growing habit of extensively interfering in the jurisdictions of Quebec and the provinces. Unfortunately, it can get away with doing so because of the fiscal imbalance and the massive surpluses it hides from this Parliament.

Sometimes the government invests in Quebec's areas of jurisdiction. Thus, it infringes on Quebec's jurisdiction, for example in the matter of parental leave. This dispute has been going on since 1996. In May 2004 we had the announcement, as if by chance, two days before the election campaign began, that there was an agreement in principle. Still, today, we have not yet seen the result of this agreement in principle.

The federal government has not withdrawn its appeal to the Supreme Court. What is it waiting for? Once again, Quebec is the loser. The Government of Quebec wants to establish a better system for Quebec parents, and the federal government refuses to hand over the funding it is owed to bring this about. The government must not take the parents of Quebec hostage, out of sheer partisanship. That is offensive.

If there is one program that is envied by many, it is the daycare program. Having been a member of the board of an early childhood centre in Quebec, I can say that it is an exemplary program. The provincial governments as well as the federal, should learn from it. Still, it is important for the federal level to transfer money to the provinces without imposing national standards that might run

counter to what already exists. All the more so because, according to the latest OECD report, Quebec has the best day care system in Canada.

In conclusion, I wish to remind the Minister of Finance that we will support his budget if he listens to the demands of Quebecers. If not, we will vote against it.

[*English*]

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, my colleague from the Bloc did not mention the importance of the government's improvements to the EI program in the upcoming budget as being one of the areas the Bloc wished to see addressed. Certainly the New Democratic Party wants this area addressed within the budget.

I would like to emphasize that over the course of time the Liberal government has taken \$46 billion out of the EI fund. The government has used it in general revenues and as part of the surplus. At the same time it has cut back on benefits to unemployed workers. The situation now is that roughly 40% of unemployed workers no longer qualify for EI.

It is much along the lines of setting up numerous programs to assist farmers when they were in the downside of the mad cow crisis and the numerous other programs for crop insurance. The government sets the programs up in such a way that no one is able to benefit from the programs. The government can hang onto that money and possibly fool around with it in a scandal of some sort.

Certainly to use the EI dollars for the surplus and other things rather than having it go to unemployed workers is rather unconscionable.

Is my colleague from the Bloc interested in commenting further on the issue of the government's use of the EI fund?

• (1645)

[*Translation*]

Mr. Guy Côté: Mr. Speaker, I thank the hon. member for her question. She will understand that 20 minutes is a rather short time to cover all the mismanagement by this government. I did refer to how the employment insurance program is managed, how poorly managed it is by the government. As we speak, the effect of the management of this program is that many EI recipients no longer qualify for benefits.

Everyone knows—it was stated repeatedly in this House—that \$46 billion was taken out of the fund and put into the government's general revenue to finance various measures, including debt payment. As incredible as it may sound, the EI program has become a tax on employment. Every now and then, there is talk about lowering taxation for all Canadians and Quebecers. Lowering those amounts would have been one way to achieve that.

The gap experienced in the seasonal industry is very real in our regions. Because the measures are not tailored to that reality, people are facing certain periods without any income.

Government Orders

As part of unanimous reports, we made very specific recommendations with respect to employment insurance, parental leave, accessibility for young people, women and seasonal workers, but the government turned a deaf ear. That is most unfortunate. The fact is that the proposals contained in proposals heard at the Standing Committee on Finance are along the same lines as the unanimous report tabled in May 2001 by the Standing Committee on Human Resources Development.

This government will have to make a point to listen to those from the cities and from the regions alike who, unfortunately, need employment insurance benefits from time to time.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, I would like to begin by congratulating my colleague from Portneuf—Jacques-Cartier for his very thorough overview of this government's shortcomings as far as taxation is concerned.

My colleague referred to the farmers. I can tell you that I have memories of my grandfather grumbling about the government because it did not know how to meet the needs of Quebec farmers. He was not a sovereigntist. In those days there was no talk of sovereignty, no talk of Quebec independence.

In the past few weeks, I have met a lot of groups in my riding that are engaged in preparing documents calling upon this government to explain what it intends to do about social housing.

This morning I heard something about that on the news. In the Outaouais region there is an organization that is called Logemen'occupe, I believe, which has been speaking out about the unsuitable housing some of our fellow Quebecers are living in. I think this is mainly in the Hull sector. There has been no progress made in this situation.

I would like to ask my colleague to explain what this government is doing at the present time about social housing.

• (1650)

Mr. Guy Côté: Mr. Speaker, this government's action in connection with social housing is easily stated: no action. It is as simple as that.

In the last federal election campaign, the government committed to between \$1 billion and \$1.5 billion annually for five years. However, this is totally ignoring the fact that the government pulled totally out of funding new social housing in Canada between 1993 and 2001. This withdrawal deprived those in substandard housing and the homeless of approximately 160,000 social housing units, more than 40,000 of those in Quebec.

At this time, Canada Mortgage and Housing has an accumulated surplus of \$2.4 billion, and this should be up to \$6 billion by 2008 if the trend continues. The main reason for this surplus is that, since 1998, almost all of the proceeds, and in some years all of them, from insurance activities were allocated to capitalization rather than the creation of new social housing.

In 2001, 17.6% of renters paid 50% of their income for housing. According to the popular action front FRAPRU, at the present time 111,000 Quebec households are allocating more than 80% of their income to housing. In spite of a surplus that for this past fiscal year

alone added up to \$9.1 billion, the government is doing nothing about social housing. That is the situation.

Ms. Françoise Boivin (Gatineau, Lib.): Mr. Speaker, I would like to respond to the hon. member who referred to certain social housing units in the Outaouais region. I am nonetheless proud to announce that, just a week ago, I had the great honour of meeting with representatives of Logemen'occupe. We on the government side are very aware of the needs in terms of social housing. We are certainly trying to do something about it. In fact, the minister is encouraging consultations in Quebec on this issue.

One must not confuse the issue of substandard housing with that of social housing. That having been said, we members from the Outaouais region are very aware of the problems in that area. We are working very hard to ensure that these needs are addressed in the budget.

My question is for the hon. member who discussed gross generalities, as is typical of the Bloc Québécois, which is starting 2005 the same way it finished 2004. We are asked to come up with real measures, to move on the issue of agriculture, to substantially increase international aid. I am curious as what these concrete measures should be. When asked what ought to be included in the budget to make his members happy, the Bloc leader's answer is that it is not up to them but to the government.

It is easy to tell the government that it should include this, that or the other in the budget. I would like concrete answers as to what real environmental measures my hon. friends are proposing and what agricultural measures they encourage the Minister of Finance to include in his budget.

Mr. Guy Côté: Mr. Speaker, since the hon. member appears to lack ideas and solutions, we will offer her some.

In agriculture, we recently participated in a meeting with the UPA. One proposal was that the allowable capital gains deduction for agricultural property should be raised from \$500,000 to \$1,000,000, only for transactions where the farm would continue in operation. That is a first step.

We also propose that Ottawa extend the regulations regarding rollovers to all members of the immediate family under 40 years of age. That is another measure.

Yet another proposal is that an agricultural transfer savings plan be established to enable farmers to accumulate a tax-sheltered retirement fund. The government could also make a contribution, as it does for education savings plans. This contribution would be conditional on continued operation of the farm after the transfer. That is another step.

It has been proposed that the rules surrounding property ownership be made more flexible, in order to enable young farmers to obtain a larger share of a residence owned by a company, or to use their RRSPs to acquire a farm business. That is another measure.

We also propose that the federal government transfer a recurring amount to the Quebec government to encourage young people entering the agricultural sector. Those are some of the proposed measures.

Government Orders

This government is lacking in ideas. It does not know what to do with its money.

• (1655)

The Acting Speaker (Mr. Marcel Proulx): Order, please. It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Nanaimo—Cowichan, Fisheries and Oceans; the hon. member for Regina—Qu'Appelle, Citizenship and Immigration.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to participate in this prebudget consultation. As all hon. members know, the finance committee has completed its annual exhaustive consultation with Canadians and has produced a report with some 33 recommendations, which I suspect have a costing of some \$7 billion to \$10 billion more than it is possible to spend.

It is an important point to make because we should not be looking at a budget in isolation. We should look at budgets as a series of budgets and find out where we have been, how we have performed, where we have to backfill and where we have to reshape or reformat some of the spending in certain areas and indeed respond to emerging matters.

But there has been some consistency in regard to the budget preparation since 1993. That consistency has to do with the principle that we need balanced budgets in Canada. Canadians want balanced budgets. We want to stay out of the deficit scenario.

I do not want to have to review the history, but we have been fortunate, through fiscal prudence and a balanced approach, in being able to balance the budget and continue to pay down debt, to support program spending as well as introduce new programs, and to keep those priorities in focus.

The other consistency in the budgets since 1993 has been our commitment to the health care system. It is very clear that it is the number one priority of Canadians and, I believe, of this House, so I am not going to talk very much about health care.

As well, we have a number of areas such as the cities agenda, the infrastructure et cetera, and those kinds of needs that our cities have. We have heard many stories of infrastructure deficits within our cities. This is going to take a concerted effort from all levels of government. The federal government is not solely responsible for roads, bridges and sewers at the municipal level, yet there has been since 1994 an infrastructure program each and every year for the benefit of our municipalities.

I will not talk very much about Kyoto or about our environmental portfolio. It is going to be in the budget. There is a commitment and the Prime Minister reaffirmed today our commitment to our Kyoto targets.

Children are also a part of the government's throne speech in its commitment to Canadians to continue to address the needs of children. In the past we have dealt with the Canada child tax benefit and the national child benefit. Now we are dealing with child care issues. There will be more child care spaces because we understand

the need of families and particularly children to have quality child care.

I am pleased that we have been able to deal with equalization matters and that the issue with regard to offshore revenues has been resolved through negotiations between the federal and provincial governments. It is an important step that has been taken.

We had a debate in this place about fiscal imbalance and about some of the aspects of how the federal and provincial governments can in fact address their needs in terms of revenue requirements. It was clear from that debate that both levels of government have ample opportunity to raise tax revenue. They have the tools to do it.

But in some provinces, quite frankly, what has happened is that they have, through extensive tax cuts, reduced their revenues to the point where they cannot meet their obligations under their constitutional responsibilities, including health care specifically. Those provinces will not be cutting taxes very much in the near future. I am very sure of that.

I have a couple of other areas I would like to talk about if I had the time. I would like to talk about the underground economy and the principle that if we all paid our fair share of taxes we all would pay less. That is an area which requires substantial work. I hope that the government will initiate some action to ascertain how we can continue to address what I think is this major leak in the revenues of the Government of Canada, i.e., for the people of Canada.

• (1700)

What I do want to talk about, however, is the issue of poverty. Poverty is something that I have spent a great deal of my time on as a member of Parliament over the last 11 years, and more so on the nature of child poverty. I once wrote a monograph in which I described child poverty as a situation where one cannot live in one's own community without being noticed, which I think is a thought provoking way to put it.

Poverty is not just about food, clothing and shelter; poverty has to do with whether I can live in a community, participate in a community's activities and interact with people in my community without being noticed. It is like children wearing shoes with holes in them to school and being mocked by their fellow students because they do not have proper shoes to protect their feet.

That led me to think about and reflect on poverty as a national issue, but in a broader context. Child poverty is really family poverty. If children are living in poor conditions then obviously their families are unable to provide for them to the level we would like to see.

There are many things families can do. We know that family breakdown has a very significant impact on the probability of poverty. In fact, 15% of all families in Canada are one parent or lone parent families, but they account for some 54% of all children living in poverty. Thus, if we are going to address child poverty, we really have to start addressing the social breakdown of the Canadian family. It is really an important aspect. We simply cannot expect governments to take care of children. Everyone has a choice.

Government Orders

There is another aspect, which is that of high school dropouts, and it is a terrible situation in Canada. It took a long time to get people in the field of education to admit what the levels of high school dropouts were. I remember that as a member of the finance committee I once at a meeting described high school dropouts as those who choose to sit on the curb and watch the parade go by. They are Canada's poor in waiting. In the vast majority of cases we cannot have less than a high school education and expect to be able to sustain ourselves and become contributing members of society.

That is one of the reasons why in the past we have done things with post-secondary education. We have done things with the millennium scholarship fund. We have done things in terms of student debt in debt repayment, in repayment geared to income and in writing off debts.

The universities now are telling us that we have no shortage of students and that as a matter of fact we need to be able to take more students. I am also encouraged by the fact that 95% of students who have student loans pay them off on time. That is an important aspect.

But we can always do more. Can we do more in this budget? That remains to be seen.

Those are some elements of family poverty, but I want to focus the poverty discussion a little more on those who are probably the forgotten persons in the Canadian family, those in our society who have the least ability to help themselves. I am talking about Canadian seniors.

In fact, I want my speech to be reflective of my concern that we do not have an appropriate strategy for our seniors. We need a long term strategy for seniors that will enable them to address some of the pressures they have. We have all heard about the problems of living on a fixed income and being faced with higher than normal uninsured medical or drug costs. We have heard about the home care problem and the nursing home problem, the costs of these and the demands on the family

We have heard about people being forced to leave their jobs at age 65. If for some odd reason a person has been unable to prepare properly for retirement, suddenly that person's skills and knowledge are no longer available to that workplace and that person is now out on his or her own and has to find another job, which makes absolutely no sense.

I would like to outline for the House a few thoughts for its consideration and for the government's consideration, a few thoughts on poverty, particularly seniors' poverty. First of all, I think we have to establish provincial, territorial and regional poverty lines. We do not have poverty lines established in Canada.

• (1705)

It is time that Canadians asked themselves what level of poverty they are prepared to tolerate in Canada. It is an important question. We cannot raise all people up to some arbitrary level because it would probably cost hundreds of billions of dollars. There is a large group of people within our society, many of whom are seniors, who are living on such low levels of income that it is embarrassing. It should be embarrassing. It is a tragedy. We need to do something.

We should be prepared to establish a guaranteed annual income for seniors. Seniors ought to be respected for what they have contributed to Canada. They should be respected and given the dignity which they have earned. We hold them in high esteem. There are many seniors who are living on very low levels of income. I believe that seniors are entitled to a guaranteed annual income.

We have to take all steps necessary to eliminate mandatory retirement at age 65 across the entire country. The retirement age of 65 years came in during Bismarck's time. At that time people who were 65 years of age were referred to as the unnecessary eaters. Now people live much longer. People live more productive and happier lives if they are able to fulfill their own destinies, their own targets. It is time to eliminate that discrimination. We are talking a lot about the charter these days. Let us talk about the permitted discrimination against those who turn age 65. We must allow them to be contributing members of society for as long as they care to contribute.

The caregiver tax credit needs to be revisited. It is something that I am pleased to say was brought in as a consequence of Motion No. M-30 which I brought forward in this place back in 1997. It is a very modest amount. Seniors depend very heavily on their family caregivers, who more often than not are women within our society. Women are closer to their children, more so to daughters than sons. As a consequence many women have to exit the paid labour force to care for an aging parent. We want to ensure that proper care is available. We should help those family members who are prepared to make the sacrifice to withdraw from the paid labour force to care for a loved one.

Those caregivers should be eligible for EI benefits when they withdraw from the paid labour force. They are providing an important service. It is like unemployment because they will not receive a paycheque. They are giving up more than a paycheque. They are giving up a chance to earn pension credits for their own future.

The Canada Pension Plan Act contains a child rearing drop out provision, which is the ugliest term I have ever heard. When someone withdraws from the paid labour force to have a child, it is called dropping out. That is not dropping out. Really it is an adjustment that is made to the Canada pension plan computation so that the person is not penalized for having zero income in certain years while caring for children. Caregivers who withdraw from the paid labour force to care for a needy family member should not be penalized in their Canada pension plan computations if they have made that contribution to their families.

We are taking some steps on home care but we are not doing enough. Anybody who knows anything about home care knows that two hours a day for someone who is chronically ill, who has an urgent need, means that somebody still has to come in to fill in the gaps. Home care is going to be more and more in demand in Canada. The Government of Canada has to be a greater player in that regard.

Government Orders

With regard to pharmacare, we now spend as much on drugs as we do on doctors in terms of the health care spending of Canadians. I have ample examples of seniors who have life threatening illnesses that require certain medications that are not covered under public insurance plans. It differs from province to province. In the Maritimes I think people have to be on welfare before they can get any coverage whatsoever.

● (1710)

Why is it that when seniors are on a fixed income they are being asked to bear a higher cost of pharmacare spending which is natural because 75% of the health care costs are going to be incurred in the last year or two of a person's life? Pharmacare costs have become extraordinarily high. We need to help seniors with their pharmacare costs.

Affordable housing was discussed earlier. Any of the jurisdictions that are involved in the affordable housing area will say that half of those units are seniors units and the demand is twice that much again. In line with the whole theme of providing an opportunity for seniors to continue to live in dignity, the dignity which they have earned and are entitled to have, we need to do more on affordable housing.

Seniors represent the most vulnerable in our society. They probably are least able to understand and they are taken advantage of more often than not. This is not specifically a budget matter, but in terms of a strategic initiative we should consider amending the Criminal Code to provide stiffer sentences for those convicted of abusing a senior. Those are aggravating circumstances, taking advantage of the vulnerable, those who cannot take care of themselves. We could use stiffer penalties to reflect the concern we have about senior abuse.

One of the first things I had changed here was stiffer sentences in the Criminal Code for those convicted of spousal abuse. The same kind of action should be taken with regard to senior abuse.

We should also have stiffer sentences under the Criminal Code for those who take advantage financially of seniors, those who defraud seniors. This is rampant. People are stealing from seniors because seniors may not understand or may not have someone there to help them make those decisions.

It is important that we deal with these areas of abuse of seniors.

Part of the strategy should include the creation of the position of physician general of Canada. I know that we have a position already set up, but the position that was set up has to do more with emergency situations. I am talking about a physician general that would mirror the surgeon general in the U.S. There would be a website and resource materials for ordinary Canadians, including seniors, to help them understand better how to live healthier lives. Health Canada cannot do that job any more. Health Canada has become very politicized I am afraid to say. It is not helping seniors to get information and I am very concerned about that.

There should be a full time cabinet position for seniors, a minister for seniors. There should be someone at the decision making table to advocate on behalf of seniors. It is not enough to have it buried somewhere else. We need a minister responsible for seniors' issues.

We should establish a public education campaign to inform Canadians about the growing prevalence of discrimination on the basis of age. It is called ageism. Ageism is a problem which has slowly crept into the institutions in Canada. There have been cases where doctors have refused to take on new patients who are over 60 years of age because they take a little more time. This has to be a violation under the Canada Health Act.

We have to encourage the government to say that the concept of ageism is a reality now. It is very easy to say that we should cut back on that seniors stuff, but seniors paid taxes all their lives. Those taxes are what built this country. If we honestly believe that they should be living in dignity and respect, we should make absolutely sure that each and every interaction they have with the community is not against them with regard to their age.

We should establish a bill of rights for seniors. A bill of rights for seniors would not override the charter. It would be an articulation of the principles with which we cared to assess current programs as they related to seniors, and a filter through which we could assess the relevancy and effectiveness of new programs as they related to seniors.

I hope I have given members a few things to think about. Seniors, though the most vulnerable in our society, deserve to live in dignity and with respect. I suspect that most members in this place would agree.

● (1715)

[*Translation*]

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Mr. Speaker, I listened attentively to the speech by my colleague from Mississauga South which is, I believe, a very industrial riding. His concern for poverty is honourable. Unfortunately, it is clear that his party has obviously not listened to him to date.

I want to talk about poverty. On numerous occasions, the Bloc Québécois has raised the issue of pensioners. Our colleague, representing the interests of pensioners, had asked this government to simply refund the amounts they were owed. He was not asking for an increase. He was asking that they get what they were owed. We are still waiting for this to happen.

When we talk about poverty, we are also talking about the unemployed and employment insurance. To this end, merchants in various regions are experiencing losses and shortfalls. There are losses of \$66 million per year as a result of cuts to employment insurance. For example, a family does not have enough money for rent and must go into debt until the next pay period. The family income earner works just enough to repay the debt. That is poverty. That is poverty for a family. That is poverty for the children. That is poverty for those family members.

I have just returned from visiting Quebec's extreme north. Under an agreement, this government committed to building houses and sending them up there through Quebec. In the past four years, most of these villages have not received a single house. Sometimes, up to 14 people live in a single-family home. This is called promiscuity. And tuberculosis, among others, results. How much will it cost the government to treat these people later?

Government Orders

Since 1993, each throne speech has mentioned resolving the problem faced by aboriginals, the Inuit and the first nations. These are the conditions in which they live today. As a result, I am asking my colleague from Mississauga South just how much power he has to get his government to include this in its budget.

[*English*]

Mr. Paul Szabo: Mr. Speaker, I sense that the member has shared value with regard to poverty generally and certainly with regard to seniors.

With regard to the overarching question about how do I influence the government, et cetera, I am pleased to announce that as a result of the consultation of our Liberal caucus and with votes at every stage, seniors issues were voted the number one priority of our caucus just last week.

Mr. Peter Van Loan (York—Simcoe, CPC): Mr. Speaker, seniors are people who are looking for better direction from the government and, in my riding, so are young families. In particular I want to draw attention to the struggles of young families.

A typical profile in York—Simcoe is a husband and wife with kids. Both parents are working hard, trying to get ahead and make a better living for their family so their children can participate in hockey and other community activities, such as dance lessons or soccer in the summer, but they find it increasingly challenging to make that happen. One of the biggest reasons for that challenge is the punitive level of taxation that continues to apply to working families.

It is worth noting that in our province of Ontario in recent years hundreds of thousands of modest income families have been taken off the income tax rolls because the provincial Progressive Conservative government took them off the tax rolls so that working families would not have to pay taxes, but those hundreds of thousands of people are still paying federal income tax.

Therefore when I hear the Liberals talk about their concern for people who are facing economic challenges, it is quite clear that from the Liberal government's perspective they are far more willing to hit hard-working, low income families with taxes than we certainly have seen from the Conservative Party.

Seniors as well is another group that has been neglected. I think in particular of seniors who are on fixed incomes. In the past year or two, although they have had virtually no change in the benefits that they have received, notwithstanding years and generations of investment in this country, they have been hit with increases in hydro, in natural gas and in insurance, all of them fixed costs and costs they cannot escape but all of them making it tougher to survive and live with dignity and with the kind of life they deserve after years of contributing.

I want to see from the government, in the next budget, action for those working families and also for seniors. The one way I think we can see that is by seeing some action to address the incredible waste, mismanagement and growth in government. It has been growing at about 10% a year. I want to know if there is any willingness to get on top of that wasteful spending and get it under control, because I can tell members that most of those families that are struggling to get ahead are not seeing their budgets grow by 10% a year.

Will the government move ahead on tax relief for families that are working? Will it move ahead on the kind of support that seniors need? Will it get serious for once about pulling back on the increasing size of government and addressing the tremendous waste in management we see that is taking money away from those hard-working families and spending it on things that simply are not their priorities?

• (1720)

Mr. Paul Szabo: Mr. Speaker, as I said when I began my speech, budgets cannot be looked at in isolation. It is not just one budget. It is a series of budgets and where we have been. There have been tax cuts of \$100 billion which have been fully implemented now. There will be more tax cuts but not to the extent that we will risk putting ourselves back into deficit, putting ourselves in a position where we are not able to continue to pay down some amount of debt which Canadians have said, and not at the risk of taking away from other important priorities like our health care system, just to name one.

Tax cuts are dangerous. Once they are made, they are forever. We have not been in a recession since the early nineties. It will come eventually and when one considers that a deep recession could cost us \$15 billion a year as a result of unemployment, that would clearly wipe out any amount of surpluses we have had in recent years.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I have had the opportunity to listen to my colleague from Mississauga South over the last number of years and I cannot help but wonder, with all the grandiose things that he thinks the government should be doing for seniors and people living in poverty, why they have not been done.

Since 1993 the government has taken \$46 billion from the EI fund and put it into general revenue, so why has it not done all those wonderful things already, rather than using the money mostly to pay down the debt? It is not a bad thing to pay down the debt but I, like most Canadians, believe there has to be a balance. We do not take money from the most deprived people, those who have little money, and use those dollars to pay down the debt and then say that we have to make life better for them.

Of that \$46 billion that the government took from the workers and the employers of this country, why did it not come up with that wonderful plan of his for those seniors?

• (1725)

Mr. Paul Szabo: Mr. Speaker, I am going to assume that the member is supportive of a seniors strategy, but she has raised the issue of EI a couple of times.

First, she has failed to acknowledge in the House that the inclusion of EI revenues in the pool of federal funds was as required by the Auditor General.

Government Orders

The other thing is that the notional surplus of some \$46 billion is less than the debt that has been paid down. Therefore, if the member wants to colour code dollars, yes, of the \$50-some-billion that has been paid down on the national debt one could say that \$46 billion has been as a consequence of the EI surplus, but it is generating savings of some \$3 billion a year which are permanent savings and savings available to invest in permanent programs which one cannot do until one gets one's debt under control. That has happened.

We do have legislation in our country that guides the EI fund. It says that the \$46 billion sitting in there has to go back to Canadians in terms of reduced EI premiums, or increased program spending or to pay benefits under the EI plan. It is not lost. That obligation is still there.

The member should understand that it is not taking money and doing nothing with it. It is holding the money, using the money in the interim to pay down debt and save interest, and to have that security for Canadians should we hit a deep recession and high unemployment.

Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC): Mr. Speaker, I will be splitting my time with the member for Edmonton—Spruce Grove.

It was a pleasure to listen to the member for Mississauga South who listed some of the real concerns in society when he talked about the need to address seniors' concerns, and about home care in particular.

Before I get into my own speech, I want to refer to one comment he made. He talked about family members being the ones best able to provide the home care or caregiving but that anyone but a family member can be hired to look after family members. He talked about how family members know how to do it and, undoubtedly, would do it with the most love and care. Even though there are great people in that field, no one can replace a family member, particularly when dealing with older members of a family. I think this whole area needs review.

He raised many other social issues. Others have talked about a wish list of needs.

I was reminded of what happened at home just recently when our premier came back with the news that he had finally beaten an agreement out of the federal government with the help of a lot of people on this side and the obstruction of some people on that side. However we did get a very good deal and the people of Newfoundland should be very proud of those who worked on their behalf. However when he came home and said that we had a good deal and that we would have \$2 billion up front, everyone had a suggestion as to how to spend the money. Each sector of society wanted a piece of the action. However, we have to remember that if all we think about is spending money, once it is gone then we are worse off than ever.

I just heard the hon. member for Mississauga South talking about paying down the debt. Not only does the federal government have a debt, many of the provinces have huge debts. We sometimes use up to one-third of our total potential in paying down that debt. It is hard to move ahead. It is like having a credit card. Instead of being able to do what we want with our paycheques, we end up putting most of

our money toward our credit cards or on bank loans. It just disappears and we get absolutely no good out of it. Whereas if we could pay down that debt, the saving each year would give us some cash flow and after a while we would have all our own money in our own pocket.

It is along those lines that I would like to spend my few minutes. In order to be able to spend money and address the needs of seniors, a crying need in society; in order to address older people in the workforce who should be able to retire, sit back and enjoy the few years they have left; in order to look after those who cannot look after themselves; in order to build our infrastructure, pave our roads, put in water and sewers; and in order to provide for the aboriginals in this country, we must concentrate on the dollars coming in because these things require money.

This past week a lot of attention has been paid to the negotiations between Newfoundland and Labrador, Nova Scotia and the federal government. Despite the fact that the Prime Minister came to our provinces, despite the fact that he was behind the eight ball because of pressure from his people who did not think they could get re-elected and because of an example set over here when the commitment was made to these very provinces to allow them to keep, not all the revenues from offshore development, but their share of the revenues until they could get back on their feet and become contributing provinces, the Prime Minister finally relented and made the commitment. However when the election was over he tried to back out of it.

● (1730)

On TV the other night I saw the kissing match, all the handshaking and hugging and everyone giving everyone else credit. Let us call a spade a spade. The Prime Minister and his government delivered to Newfoundland and Labrador and Nova Scotia only because of the pressures from here. The way was paved by a commitment from our leader and the pressure in the House over the past few months, and the unrelenting pressure from Premiers Hamm and Williams and their teams. If not for that, we would never have had the deal that we have. To give credit to anyone on that side is ludicrous because all we saw was obstruction and toeing the party line all the way along, but I guess that is politics.

It is amazing to read in the paper that part of the agreement was that the premiers had to give credit to the local ministers so they could get re-elected. That is taking politics to a new low.

Having said all of that, Newfoundland and Labrador and Nova Scotia now receive a large percentage, their share actually, of offshore revenues and will for some time. This will enable those provinces to do some of the things that they have needed to do for quite some time.

Government Orders

Besides offshore development we also have another offshore resource. It is the fishery. Again the government has completely and utterly ignored the fishery. From the west coast of Vancouver Island to Cape Spear in Newfoundland and Labrador, everyone will agree this great resource has been completely and utterly mismanaged.

Let us hope when the budget comes down that we see some money in it for science so that we will know something about this great resource, so that we can start rebuilding it. It is a renewable resource. Some small groups on their own have concentrated on protecting their local resource. We have seen regeneration. We have seen increased employment. That is where our money comes from, the development of our resources.

This country has a major resource which is called the fishery. With some attention, with proper management and with the right enforcement both locally and in relation to foreign overfishing, we could protect our resource and see it grow again. Instead we see the government take people across the country and reduce them to fit the benefits of the resource. Fish plants have been closed, eliminating hundreds of jobs. Licences have been taken away, which takes people out of the fishery. The government has tried to buy people out, saying that there are too many people chasing too few fish. That is what the government has been doing. It has been managing people.

The Department of Fisheries and Oceans is not there to manage people. It is there to manage fish. If it had concentrated on managing the fishery, we would not be in that boat today. If we had only been able to hold on to what we had 30 years ago, the ground fishery alone in Newfoundland and Labrador which is worth a minuscule amount today would be worth \$3.6 billion. The \$2 billion we got over eight years from the offshore oil development would pale in the shadow of what the fishery is worth.

● (1735)

Let us hope we see mechanisms put in place in the budget that will enable people to develop resources, our tourism resource, our fishery resource, our oil resources, our mineral resources. Let us hope we see an encouragement for companies and people to develop these resources because therein we create the wealth that will enable us to do the things that everyone else wants us to do.

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, I listened attentively to the comments made by my colleague from Newfoundland in this prebudget debate.

It struck me that well past the eleventh hour and we might say that at midnight the clock struck and the Prime Minister decided to quit dithering for a moment, sit down with the premiers of Newfoundland and Labrador and Nova Scotia and actually work through a deal. Now he wants to be applauded and credited with driving home this bargain deal that he wants to talk about.

It strikes me, and I think my colleague was referring to this, that two things are abundantly clear. One is that a near crisis could have been averted if last fall the Prime Minister had simply honoured the commitment he made last June and said, "I made a commitment to Newfoundland and Labrador and Nova Scotia and I am going to honour that and proceed on that basis", but he did not. The second thing I want to make clear is that if it was not for a minority

government, I do not think we would have seen the Prime Minister actually held accountable for the promise that he made.

Has my colleague from Newfoundland and Labrador heard similar sentiments expressed by the people of that great province? Do they recognize that it was through his efforts as well as those of many other colleagues and our leader that really held the government's feet to the fire and made the Prime Minister own up to his commitment and finally put his money where his mouth is?

Mr. Loyola Hearn: Mr. Speaker, my colleague is dead on in what he has said. As we approached the reopening of the House we could see a scurry of activity. The last thing the Prime Minister wanted was to come into the House today without an agreement because he knew what he would be facing. He was already in trouble in Atlantic Canada. The way he was treating provinces, forget which ones, was being looked upon right across the country in complete and utter disdain.

If the Prime Minister had not delivered a deal on Friday, as my colleague mentioned, at the eleventh hour, because a byelection is coming up in Labrador, because of the relentless pressure from here and knowing that the House would open, he would not win a seat in Atlantic Canada. I would say it would have damaged him tremendously right across the country.

● (1740)

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, I want to commend my colleague from St. John's South—Mount Pearl for the incredible work that he has done on behalf of his constituents and the entire province.

I very much agree with the sentiments expressed by my friend from Prince George—Peace River about how the Prime Minister was dragged kicking and screaming to the realization he was going to be held to account not only on the offshore issue in Atlantic Canada, but on other issues. We saw similar revelations today where there was going to be some difficulty for him on the failure of his government to disclose documents to the Gomery commission. Then lo and behold, yet again on the first day of Parliament there was an agreement, an eleventh hour capitulation to provide those documents. It is a bit like an arsonist returning to the scene of the crime and asking if he can join the fire department to help put out the flames.

I want to turn to another issue with respect to the prebudget consultation, and that is the need to enhance our coastal security. My colleague has long been a defender of the need to bolster the Canadian Coast Guard, which has been cut to ribbons by the current Liberal government. It has been left totally emasculated in the government's efforts to try to enforce NAFTA rules and Canadian sovereignty in fact over the nose and tail of the Grand Banks. We have seen the decimation of the cod stocks and other species in our waters inside and outside the 200 mile limit.

Government Orders

Would my colleague care to comment and give some of his expertise, so to speak? Would he share with the House how the prebudget consultations could lead to greater resources for the Canadian Coast Guard and for greater security along our coastal shores? This is something that was alluded to by the Deputy Prime Minister, that there was an actual need, but again the question will be, is the government prepared to back up those commitments with the money?

Mr. Loyola Hearn: Mr. Speaker, like all of us, my colleague has worked tirelessly for his province especially in relation to offshore resources. It was a team effort. People from Nova Scotia worked with us but we were solidly backed up by our colleagues right across the country unanimously. The support from other parties, the NDP in particular, helped us push through that agreement. There are other things and certainly security is a big issue.

About a year ago the Standing Committee on Fisheries and Oceans tabled a solid universally accepted report. When I say universally accepted, I mean it was universally accepted by the people directly involved with the Coast Guard, the employees and management and by those in the hierarchy. The government should listen to the recommendations made in that report and start concentrating on rebuilding the Coast Guard given its name and stature in Canadian history.

We have a tremendous asset here. Instead of the duplication we see happening now, let us start concentrating on building a solid agency that will make sure that our coasts are secure, whether it be in relation to the transfer of oil along our coasts, whether it be in relation to people landing illegally, or drugs or whatever the case might be, or whether it is in relation to protecting our people who ply the seas.

If the government would listen to those who make recommendations, and in this case a unanimous report from a standing committee, then we might see some of the things that we aspire to see happening.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, as a member of the Standing Committee on Finance, I have had the opportunity and privilege over the last few months to hear from many well-informed Canadians representing various organizations, associations, groups and individuals during the prebudgetary hearings. I am pleased to reflect in my comments some of the important issues that these presenters were able to bring to our attention.

I feel fortunate to have had the opportunity to also give voice to other Canadians who may not have had the same type of access to the finance committee as our presenters, yet who have contacted my office regarding the budgetary priorities they believe should be front and centre in budget 2005.

I doubt that there has ever been a time when every party, including the government, has agreed with the finance committee's final report. The budget report process is important for this very reason. It allows each party to take the opportunity to bring their issues to the budget debate, representing different viewpoints. The hope is that each will be listened to carefully by the finance minister.

The response to this report and its supplementary and dissenting opinions will also say a lot about this government and, in particular,

the finance minister and the Prime Minister. Will they take the opportunity to gather the valuable ideas presented and table a budget that is reflective of what Canadians want and in so doing harness the potential of our country?

My hope is that the government will listen to Canadians like those who appeared in front of our finance committee, who work in the public health care system and for advocacy groups and who have completed years of research on taxation and its impacts on all areas of public policy.

Will the government ignore these great ideas brought forward by great Canadians and table a budget that is hijacked by polling results and directed by politics instead of policy? Ultimately it is the actions of the finance minister which will direct the economic and social interests of our country.

As a younger Canadian, I can think of no greater gift that this minority Parliament can give to the next generation than a budget that supports them as they prepare to compete in the global marketplace and build strong families and communities here at home.

As previous speakers from the official opposition have said, it is time to leave mediocrity behind. It is time to discard the adherence to a political mythology that results in short term electoral gain but dismisses the long term needs of Canadians. It is time to present a budget that showcases Canada to the world, a budget that shows we are finally serious about economic strength and fiscal responsibility.

Many of my colleagues have spoken about what such a Canada would look like, with a focus on innovation, productivity, quality of life, lower taxes, an improved pan-Canadian economic picture, sound environmental policies, and what improved fiscal relations would mean for rural Canadians and for people in Newfoundland and Labrador as well as Nova Scotia.

These ideas are all found within the Conservative Party supplemental report. I hope that the finance minister takes the time to reflect on our suggestions and consider them carefully.

Today I am going to limit my comments to two issues: a move toward rectifying the fiscal imbalance and finding a spending balance that recognizes the federal government's actual priorities and a sincere move toward measured debt repayment.

Recommendation 6 of the committee's report affirms a commitment to continue ongoing discussions toward rectifying the fiscal imbalance. This is a compromise position, but ongoing discussions have done nothing to solve the fiscal imbalance. In fact, these discussions have exacerbated the problem by suggesting that it does not exist.

Provinces unanimously recognize that the federal government takes up too much tax room and collects more taxes than it needs to fulfill its constitutional obligations. It uses the excess moneys it collects to intervene in provincial jurisdiction and set provincial policy priorities.

This problem is confirmed by the fact that governments in Alberta and Newfoundland, as well as the Quebec Liberal Party, have each written reports for their own provinces on a way to see greater autonomy within Confederation and a better rebalancing of the federation based on their concerns over loss of provincial fiscal and constitutional power.

The fiscal imbalance is the very reason that the premiers have set up the Council of the Federation and it is the reason they joined together and derailed the Prime Minister's agenda at the September health conference and the conference on equalization.

• (1745)

While the Liberal government fails to recognize the fiscal imbalance, ironically it is the Liberal members of the finance committee who have indirectly recognized it through their recommendations in their dissenting report.

For example, let us look at the Liberals' push for a national day care program. The members suggest that we need to start this system to stop child poverty.

Everyone in the House knows that a national day care program will not solve child poverty. As long as productivity is low, as long as unemployment is high, as long as taxes are high and as long as there is a shortage of affordable housing, there will be child poverty in this country.

Next we see that the Liberal members would like to see increased funding for emergency shelters for women and children who have experienced domestic violence.

Everyone in the House would like to see this sort of funding, but then again, everyone in the House would like to have seen this funding since 1995, when the Prime Minister gutted social transfers to the provinces, which then had to cut funding to programs such as this or download this funding to municipalities.

As someone who has spent a great deal of time supporting victims of domestic abuse either through volunteer efforts or through fundraising, I can tell members that women's shelters are in desperate need of funding.

But few people in this House trust this government or this Prime Minister to follow through on these priorities. After the Prime Minister's transfer cuts it was these very sorts of programs that suffered, so it must be somewhat difficult for the Prime Minister to have his own finance committee members repudiating his efforts of a decade ago.

So yes, there is a fiscal imbalance, and the Liberal Party recognizes it every time it attempts to correct the Prime Minister's financial record with the provinces by intervening in their jurisdiction with new programs to solve old problems.

I would also like to talk a little about debt reduction. As a younger Canadian I think I approach this issue differently than some others in the House. We know the debt is too large. We know that we have to get rid of it. Ultimately, having a large debt does not just inhibit our generation's ability to provide tax relief, social programs, a robust military and, most important, a trustworthy trade and investment climate; it also inhibits the ability of future generations.

Government Orders

I have received letters from many young Canadians, as I know the Prime Minister has, regarding the size of Canada's debt and the problems it poses for those 40 and under. We are currently paying for deficits and interest from the 1970s, 1980s and 1990s. Without a significant move to rid ourselves of debt today and over the next 10 to 20 years, we will continue to pay that interest, alongside the acknowledged increase in social spending and a reduced income tax base when baby boomers retire.

That said, we still do not have a plan for putting our fiscal house in order. We need a systematic, measured method for repaying debt. Instead, what we have seen is an on-again, off-again inclination toward reducing the debt when it suits the government's political interests.

The government reports inaccurate surplus forecasts, every year coming in with a surplus that is far beyond the predicted one, as a result of overtaxing Canadians. Last year it was a \$9.1 billion surplus and this year it will likely be upwards of \$11 billion. This is unacceptable and imposes insurmountable challenges for provinces in their attempts to set their own budgets and make long term plans.

I started this parliamentary session by noting that this was a government with no vision for tapping into the economic and social potential that the country holds. In the last four months I have had the privilege of hearing from Canadians across the country in prebudgetary hearings, and I have had the opportunity to work alongside my learned colleagues on the finance committee, who bring vast experience to this debate.

This minority Parliament has a choice. We can provide Canadians with a budget that sets into motion a focused and exciting plan for our country and focuses on policy as opposed to politics. Canada can do better. Canadians deserve better. I urge the government and the finance minister to consider carefully and implement the suggestions of Canadians from across the country as submitted by the Conservative Party.

• (1750)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, while I thank my hon. colleague for her comments, I do have some confusion with respect to coming at this from the perspective of a young Canadian and being worried about the debt and deficit. That seemed to be the focus of the member's speech.

I have with me a report by the Clean Air Renewable Energy Coalition. Its members call themselves a collection of strange bedfellows. In the coalition there are groups like Pollution Probe, the Pembina Institute, Shell Canada, Suncor, the Federation of Canadian Municipalities and Friends of the Earth, all calling on the government to put forward a viable and strong Kyoto plan which will lead to the creation of thousands of jobs, with 26,000 jobs in the wind energy sector alone.

Government Orders

If the member is interested in economic viability and, I would imagine, a strong environment for future generations, why has her party been so opposed to moving forward on the Kyoto file when there is such opportunity available on the economic front, clearly supported by people who have seen the light, as it were? Organizations like Shell, which at one point may have opposed it, are now seeing their way clear to both strong economic and strong environmental performance. Why would her party not be considering pushing the government to get on with it and actually put down a concrete program in the future budget?

I sat in on the budgetary hearings when the environmental groups presented some very concrete numbers and ideas, yet the report that came out had just two lines devoted to the environmental concepts that would also lead to strong economic performances.

Why the resistance? Why not invest in the future? Why not invest in renewables in a serious way and also meet our international obligations, which we have signed on to?

Ms. Rona Ambrose: In fact, Mr. Speaker, our party has a very thorough policy for the environment.

As the hon. member well knows, one of the problems with the Kyoto accord is that it does not address issues of pollution. One thing the Conservative Party brought out in the last election was a proposal to implement a policy called the clean air act. The clean air act proposal dealt directly with practical ideas to clean up air pollution, water pollution and smog. These particular areas are not targeted by Kyoto, so I would suggest that the hon. member is wrong.

The environment is an extremely important priority for the Conservative Party. In regard to the Kyoto accord, we believe that renewable resource energies and policies along those lines in particular need to be looked at as well, but we also believe that there needs to be a very concerted effort to make sure that we have a sustainable industry as well as a sustainable clean environment.

• (1755)

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, I wish to congratulate my colleague on her very well versed and very informative speech. I found it refreshing to hear, as she mentioned, that younger people are focusing on debt and on problems in the country when it comes to paying back debt.

I agree with her fundamentally and it was interesting to hear the question from the member of the NDP. We can focus in on investment, especially strategic investments on the environment, but one way to continue to foster that growth here, which is the argument we have been talking about all along, is in creating the environment for investment so that these companies can continue to meet better targets when it comes to environmental standards, something that the NDP members refuse to even look at. If they would take a moment to look at our plan they would learn a fair amount. I think they should do so.

My hon. colleague talked a lot about youth. She spoke about it very passionately. One of the things that we continuously forget—and I know that it has come up at different times in the past—is the loss of our youth in this country, who are looking for better opportunities and unfortunately leave many parts of the country and

even look at the United States as an alternative. It is just a sad thing in this country that we are not creating a competitive environment which would keep some of the talent that was educated here working here.

I would like her to address that. She spoke about it briefly, but could she expand on how we can foster that youth and creativity here instead of losing them to the brain drain elsewhere?

Ms. Rona Ambrose: Mr. Speaker, it is true that there is a serious problem, particularly with our age group in the twenties and thirties, who are leaving university after graduation to seek employment elsewhere, particularly in the United States. We see it.

I know the government has suggested that there is no brain drain, but just among my own colleagues, out of eight medical specialists I know seven have gone to the United States to seek employment, and because of taxation issues in particular. It is a major problem.

I think the other thing associated with this for us as we are looking down the line for future generations is debt repayment. We need to be looking at a serious attempt at paying down the debt in a way that is legislated. I think that is important for future generations. When we look at a province like Alberta, which has legislated debt repayment, we see that while there has been pain there has been a lot of gain. We can see that years later.

After years of legislated debt repayment, now we have the opportunity to look at improving the education system in Alberta. Alberta has probably the best health care system. We have an opportunity to look at lowering tuition costs in Alberta. All of these things came with some pain, yes, but with a lot of gain, and a lot of it was done under the eye of long term planning with the legislated debt repayment plan.

[Translation]

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, thank you for allowing me to speak to the hon. members of this House on Canada's national debt strategy and its advantages for Canadians.

As hon. members are aware, the Government of Canada has recorded a surplus of \$9.1 billion for the 2003-2004 fiscal year. In keeping with generally accepted accounting practices, the \$9.1 billion went to reduce the federal debt. This was the seventh surplus in a row, which has never happened before in Canadian history.

In 1998, the Government of Canada put an end to a series of 27 consecutive annual deficits. The seven consecutive annual surpluses, coupled with sustained economic growth, have made it possible to substantially reduce the ratio of the federal debt to the gross domestic product. From its highest post World War II point of 68.45% in 1995-96, it was down to 41.1% in 2003-04. This is the most pertinent indicator of the debt burden, since it measures the federal debt against the capacity of Canadian taxpayers to finance it.

Nevertheless, the federal debt-to-GDP ratio remains far higher than the average during the 1970s. Hon. members can well imagine that a heavy debt load puts any country more at the mercy of world interest rate fluctuations.

It is important to note that the cost of the federal public debt represented nearly 19¢ on every dollar of revenue in 2004-04, as opposed to 11¢ some 30 years ago. This ratio is expected to drop to around 18¢ in 2005-06.

We should point out that revenues which go to servicing the debt cannot be used to fund the priorities of Canadians, such as health care or post-secondary education.

It is becoming increasingly necessary to reduce the burden of debt, and thus the interest charges on the public debt, because of the economic and budgetary pressures that will be occasioned by the aging population.

This aging will bring a reduction in the percentage of active workers in the general population in coming decades, which will slow the growth of government revenues.

At the same time, the growing proportion of older persons will weigh heavily on government programs, such as health care and pensions.

The government is categorical: the federal debt ratio must continue to decrease. That is why the budget of 2004 set a goal of reducing the debt-to-GDP ratio to 25% within 10 years, an objective that was reiterated in the throne speech of October 5, 2004.

Thus, the debt-to-GDP ratio will return to the level of the mid-1970s. Similarly, the ratio of the debt service charge to revenue will be reduced to 12% in 10 years, which will free up resources for other priorities.

Let us now talk about the contingency reserve. In order to ensure that the government can carry out its goals, the budget includes a contingency reserve of \$3 billion per year. If these funds are not needed, they will be used to pay down the debt.

●(1800)

The contingency reserve reflects the government's commitment to prudent financial management and built the foundation for Canada's recent strategic and economic successes. It has also allowed us to deal with some surprises over the past few years.

In fact it is the surprises that make it clear why we ought to put money aside for emergencies. That is what allowed us to cope with some of the serious financial problems that came with the severe acute respiratory syndrome and mad cow disease, and to provide \$1 billion in direct support to farmers to help them overcome the disastrous consequences of mad cow disease and the sudden drop in their incomes.

In addition to the contingency reserve, the 2004 budget re-established a supplementary margin of economic prudence of \$1 billion, a sum that will increase over the coming years. If this supplementary margin is not needed during a given year, it will be used to finance the priorities of Canadians.

There has been a distinct improvement in the country's economic and financial situation over the past seven years. Canada now has low and stable interest and inflation rates, strong employment growth, lower foreign debt and a current account surplus.

Government Orders

The federal debt has been reduced by \$61.4 billion. In proportion to the size of the economy, the debt is the lowest it has been in 20 years. In that period, marketable debt decreased by \$38.5 million.

This debt reduction has given the Government of Canada greater financial stability, reduced its vulnerability to internal shocks and helped the country regain a AAA credit rating.

I want to point out that if we consider all levels of government—federal, provincial and municipal—Canada is the only G-7 country to have posted a surplus in 2003. According to the Organisation for Economic Cooperation and Development, or OECD, Canada should be able to achieve this again in 2004 and 2005.

Canada is the G-7 country that has achieved the greatest budgetary recovery since 1992, especially in paying down its debt.

The debt load of all the levels of government in Canada dropped in 2003 to an estimated 35% of GDP and according to the OECD, it should be the lowest of all G-7 countries in 2004.

The advantages of our efforts over the past seven years to reduce the debt by \$61 billion are extremely clear and extremely convincing. We now allocate \$3 billion less per year to payments of the interest on this debt.

We will be able to invest this money year after year in the priorities of Canadians, such as health and education, instead of lining the pockets of bondholders around the world.

We must continue to reduce our debt so that fiscal dollars can increasingly be used to improve the lives of Canadians, thus saving us from having to further mortgage our children's future.

●(1805)

A balanced budget is not an end in itself. It is a way to build a better Canada for each and every one of us. A sound financial situation is a prerequisite to strong and sustained economic growth. Strong economic growth means more jobs for more people. It increases federal revenues, thereby allowing us to invest more in the social priorities that have helped us to define Canada as a compassionate nation that listens.

In closing, I affirm the determination of the Government of Canada to ensure that balanced or surplus budgets continue to benefit all Canadians. As we continue to reduce our debt burden, we can invest in national priorities, such as the health accord we just concluded with the provinces and territories, and in other priorities, in Canada and abroad.

●(1810)

[*English*]

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I thank the hon. member for his comments. However, it always amazes me when Liberals get up and talk about how they have reduced the debt. They never really tell us how they did it.

Government Orders

I want to remind the member of two things that the Liberals did that offended many Canadians. One was the EI surplus. The Auditor General said herself that it was into the \$44 billion mark, but not to worry about it because the money was already gone. A good two-thirds of debt reduction came from the backs of workers and their employers.

The second was the superannuation surplus, which came from the public servants, our veterans, our armed forces personnel, anyone who worked for the public service. In 2000 there was a surplus in that fund. The Liberals took approximately \$10 billion to \$12 billion of that money and put it against the debt.

All together that is \$54 billion. The member talked about a reduction of \$61 billion. If only the Liberals would come clean and tell us exactly from where the debt reduction came. I have no question at all about the government having a plan to reduce the debt, getting the government back on its feet. There is no doubt that is a good thing.

The Liberals should be a little less disingenuous. They should tell us exactly where the \$44 billion of the EI surplus money went and where the superannuation surplus went. I would be interested to hear the member's comments on that matter.

Mr. Mario Silva: Mr. Speaker, I am grateful for the question that was asked by my hon. colleague. I want to begin by congratulating him when he concedes the fact that it was a good thing to get rid of the deficit. When the government came into power in 1993, it was facing this massive deficit and was paying interest of \$3 billion every year, which was a waste of taxpayer money. Some dramatic action was needed. It was good that our current Prime Minister, then the finance minister, took immediate actions to resolve these issues.

Obviously, we have had a remarkable economy in the last three years. A good part of that has to do with the fact of our good credit rating. The government took charge and ensured that we got rid of the deficit and those heavy payments that were a burden to taxpayers every year. We could not have had or afforded the present deal that was signed with the provinces on both equalization payments and health care. We could not have moved forward with child care if it were not for the measures that were taken some 11 years ago by the then finance minister.

To get our house in order, those measures had to take place. Today we can talk about meeting our Kyoto protocol. Today we can talk about what we want to do about child care. Today we can talk about what we want to do about employment insurance. However, we could not do that back then. We had to take all these measures.

It is to the credit of the Prime Minister, the then finance minister, for taking these very wise measures that have left Canada in a great place in the G-7.

Mr. Loyola Hearn (St. John's South—Mount Pearl, CPC): Mr. Speaker, I enjoyed listening to my colleague opposite but I want to follow up on the question asked by the member for Sackville—Musquodoboit Valley—Eastern Shore about the balancing of the budget.

The member gives credit to the Prime Minister, who was the former finance minister. However three main initiatives led to the balancing of the budget. I will throw in a couple of recent ones

mentioned by my hon. colleague, which certainly were part of it, the EI surplus and the general surplus were lumped into it. In order to create the general surplus three main initiatives took place since the Liberal government came into power. It talks about inheriting a big deficit, most of which by the way was inherited by the former Conservative government from the former Liberal government.

Hon. Shawn Murphy: No.

Mr. Loyola Hearn: A huge percentage.

It still inherited a big deficit. Three main factors took place that addressed that deficit, one being the GST. The GST was a policy brought in by the former Conservative government, campaigned against by the present government but when it won the election it kept the GST. The second factor was free trade, which is the big reason that today we have a balanced budget. The third factor has to do with the tremendous social cuts over the last 10 years.

Which one of those factors does the member think the present Prime Minister, the then minister of finance, can really take credit for?

• (1815)

Mr. Mario Silva: Mr. Speaker, as most members are aware, when the Liberals took power in 1993, there was a real economic crisis facing this country, not just to the EI fund, but also to the Canada pension plan fund.

Many young Canadians, including myself, believed that when we retired we would have no pension fund. Today we can rest assure that we do have a fund that is planned for many years to come and it is very well funded. That is because of the measures taken by the government.

We have invested in many projects, We have invested in social services programs, in housing and in the environment. We have in fact been leading the way more so than anywhere else in the world. I think we should be congratulating the government for the measures taken over the years and not criticizing it.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I completely agree with the member's comments, particularly around debt. Not only have we managed the deficit and now have surpluses in Canada, we are now paying down the debt of the provinces.

Dr. Hamm has announced in Nova Scotia that the \$830 million that he has received on the offshore deal will go to pay down the debt in Nova Scotia, a debt that was incurred between 1978 and 1993 by 15 consecutive deficit years under the Conservative government, after eight consecutive budget years of Liberal government.

I think it is a great thing that we have started to take control of the debt and are able to open up some operational funding.

Government Orders

I know the member has been a great champion of the environment from his time on city council in Toronto. I wonder if he has any thoughts as to some environmental initiatives that he would like to see the government undertake in the years to come.

Mr. Mario Silva: Mr. Speaker, where I believe we have to take leadership is in the whole renewable energy sector. The hon. member's question gives me the opportunity to talk about the windmill project, an experiment done in Toronto about a year ago. A year later, it has actually paid for itself. These are some of the measures that I think need to be going.

I know the provincial Liberal Government of Ontario is doing an amazing job in terms of renewable energy and wind power. It is something that I believe we have to move on as a country.

Part of fulfilling our Kyoto obligation has to be on renewable energy and I do think there is a great opportunity on wind power. Our government is committed to renewable energy. We made that part of the throne speech and it was part of our campaign platform. I believe that in the budget the government will deliver on the commitments that were promised in the throne speech.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I will be sharing my time with the hon. member for Burnaby—New Westminster.

We in the NDP have a lot to be concerned about as we move forward with the government and what we call its elusive numbers in terms of what really is the surplus.

For years and years various groups and associations, especially our seniors and our children, heard the government say that it did not have the money to help them out but, lo and behold, surprise, it has a burgeoning surplus. It is simply unacceptable that it keeps playing these voodoo hide-and-seek economics with the Canadian people. It simply is not honest of a government to do that with the people. It should tell us exactly, within a very short parameter, what the budget will be.

The finance department has some smart people. We think they deliberately withheld that information in order to look good at the end of the year instead of being able to assist people and give them the honest facts.

On a personal note concerning the budget that will come out on February 22, I would like to see a few things in it. Once and for all I would like to see a shipbuilding strategy out of the Liberal government. The previous finance minister, Mr. Manley, said that shipbuilding was a sunset industry. I know the hon. member for Dartmouth does not believe that because if he did he would not be here today.

The former industry minister, Mr. Tobin, set up a task force of industry, labour and community leaders to come up with a report. The report was not very big but it had solid recommendations to get our shipbuilding industry back on its feet and to hire thousands of people from across the country, not just from Atlantic Canada, but from Quebec, Ontario and British Columbia. We are into the fourth year of that report and absolutely nothing has come from the government. What that tells us in Atlantic Canada is that if we want to replace our military vessels, our coast guard vessels, our ferry fleet or whatever, the government will not do it. It will buy them offshore.

A classic example of that was in the industry minister's riding. The British Columbia Ferry Corporation and the B.C. government tendered a three ferry project of \$580 million to a German company. Not one penny of that \$580 million will help to create jobs in British Columbia. We have the industry and the workers. It is all there in B. C. ready to go, plus the fact that the government automatically gets 40¢ back on every \$1 it invests. We also have the trickle down theory which is that people who make \$18 to \$22 an hour will spend their wages in their own communities. But no, that opportunity was tendered to a German company.

Our military now needs their AOR vessels replaced. When will those be replaced? There is still no word from the government. Our coast guard vessels need to be replaced. Many people within the industry, including our own Standing Committee on Fisheries and Oceans, have asked for a \$360 million over three year investment into capital for the Coast Guard and \$160 million per year investment into the operating of that capital. We asked the government when and where that would be done. The government has been silent which gives us quite a confusing message.

We had one minister, John Manley, tells us to forget about the industry, that it was sunset and that we should move on to something else. We had another minister, Mr. Tobin, tells us that he would do a report, and he supported that report. What message are we getting from the Liberal government?

● (1820)

That is just one item. Let us get a little more personal about how the government treats the most vulnerable people in our society, our senior citizens. I am speaking on behalf of Brenda Anderson of Eastern Passage, Nova Scotia. Get this. Hold back, Mr. Speaker, I know you are going to jump out of your seat because you are so happy for her. A few months ago she got an 11¢ increase, not a percentage but an 11¢ increase on her OAS. That was absolutely outstanding. Of course, what happened? Fuel bills went up. Medical bills went up. Assessments went up. The cost of food went up.

Everything else went up around her, but she got 11¢. So we come to the House and we ask the finance minister a very serious question. We asked the minister where she should spend that 11¢ increase. Should it go on prescription drugs, heating fuels, or food? There was no answer from him. He just flipped it off and said they are going to increase it in the next budget, but still no details. I still cannot tell her what to do with that 11¢ increase because now she is further and further in debt.

One million seniors in this country run the risk of going into dire poverty. My colleague from Ottawa Centre has been on the forefront of the battle against child poverty in this country since 1989 and long before that. His motion in 1989 to eliminate child poverty by 2000 was supported by every member of the House at that time. What have we seen? We have seen a fourfold increase in child poverty.

Adjournment Proceedings

What do the Liberals do? We can give them a little bit of credit. They invented the child tax credit. It is a good thing in theory, but they allow the province of Nova Scotia to claw back every penny of that. They give \$100 to a particular family that is in hard times and the province takes it back. Why would the federal government enter into an agreement with a province that allows the clawback of a very necessary item like the child tax credit?

It is all smoke and mirrors with the Liberals. The reality is that the government, since 1993, has put more and more people than ever before in the position of running the risk of losing everything because of their financial concerns, and all they talk about is that they only have so much money to play with. However, it was an amazing thing that in 2000 they gave a \$100 billion tax deduction to the very wealthy and to the large corporations.

In fact, just recently they gave additional tax considerations to the oil and gas sector off our coasts. They can give tax considerations to the most profitable in our society, the oil and gas companies, but for once could they not just look into their cold hearts and think that maybe they should start eliminating the tax on home heating fuels in this country?

I just recently got my fuel bill with another \$62 in tax. I can afford that, but many people in my riding cannot afford that tax. What we get from the province is that it cannot do anything until the federal government says something. The federal government turns around and says it cannot do anything until the province does something. Where is the leadership in this country? How can they stand in the House and brag about how great everything is when ordinary citizens, the most vulnerable in our society, children and seniors, are having more and more difficulty?

It is bad enough that we have food banks in this country on the rise but now we have school banks. During the school year in September there were facilities set up where people could buy extra pencils and paper so that kids could have equipment to go to school. How can they stand in the House of Commons and brag about burgeoning surpluses and in the next minute live in a society where people have to buy extra pencils and paper so kids can have equipment to go to school? If I was a Liberal, I would be thoroughly ashamed of myself. If we do not look after the most vulnerable in our society, then we have failed as parliamentarians. We have failed considerably.

● (1825)

I also want to mention the concerns of our military. The men and women of our military serve our country with great service and with great admiration. I admire their efforts. We need to give them the tools and clear direction by which to do their job.

Since the days of Brian Mulroney, Mr. Chrétien and so forth, military budgets have been slashed and cut. We need to reinvest in our military. We need to give it the proper equipment it needs. We should not be shutting down bases. I am going to put a plug in for my favourite base, Shearwater. I hope the government will make a decision very soon.

I ask the hon. members for Kings—Hants and Dartmouth and the Parliamentary Secretary to the Minister of National Defence to go to the minister and ensure that the decision on the Shearwater air base

is turned around. We need to upgrade that base, not downgrade it. We need to tell the men and women of our military that we will give them the tools and equipment with which they can do their jobs effectively so they in turn can do the job that we ask them to do for Canadians. They have the ultimate liability and we as parliamentarians have the ultimate responsibility for their needs.

ADJOURNMENT PROCEEDINGS

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

● (1830)

[English]

FISHERIES AND OCEANS

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I want to return to a question I asked on October 27 last year. Since I asked my question on the sustainability and environment commissioner's report on salmon stocks, habitat and aquaculture, the government has released its long awaited wild salmon policy, and I mean long awaited.

On the Pacific coast, many of the fisheries are facing problems. The top problem is the push towards privatization of the resource by the government's system of licensing and quotas.

Many of the fishing communities along the coast have seen the wealth of their resource transferred out of the community into the hands of armchair fishermen. These are investors who can afford the high cost of buying a licence, who then lease out that licence to real fishers in communities.

It has led to a situation on our coast that the Native Brotherhood of B.C. and the United Fishers and Allied Workers' Union—CAW, detailed in their report "A Rich Fishery or A Fishery for the Rich?". I will quote from that report. It states:

It would turn a formerly rich fishery into a fishery for the rich, a forced and dictatorial transformation that is against democracy, against communities, and against the national interest in a great and historic resource, on a coast that fishermen helped to build.

Licensing and quota systems also remove the decision-making about the resource from the communities that depend on a sustainable fishery.

The wild salmon policy does talk about socio-economic benefits and that the first nations, fisheries and community interests in salmon stock need to be involved in management actions. However, there is no commitment to stop the changes in ownership of quotas and licences to enable those communities to regain control over their fishing stocks.

Without that community control and interest in salmon stock, the DFO's plan to increase research and monitoring will fail because it depends on local partnerships to collect information instead of trained research staff based in communities. That has already led to gaps in the scientific knowledge of salmon runs. That means a lack of planning and a lack of follow through. The 2004 Fraser sockeye run is a case in point.

DFO officials were very surprised by the amount of salmon returning to the mouth of the Fraser and then they were surprised by how few salmon actually reached the spawning grounds.

As the commissioner's report states, in 2002 users were critical of the data available to manage that year's Fraser River sockeye fishery. There were concerns whether in season estimates of abundance, migration timing and route, stock composition and catch reporting were timely, adequate or accurate.

The wild salmon policy depends on increased monitoring, but funding for fisheries enforcement officers has dropped significantly since the mid-1990s. There are currently only 170 enforcement officers for all of B.C. and Yukon. This is a shameful state of affairs. Meanwhile, there have been calls both in the fisheries committee here in Ottawa and in the communities in B.C. for staff to be moved to the coasts where the resources are located. I think somebody has asked how many wild salmon are in Ottawa.

The NDP will not let the Pacific fishery be taken for granted. Will the minister explain how he will improve staff levels so we can get credible information on salmon stocks, habitats and harvest? Will he commit to increasing the number of fisheries officers on the coast so communities have reliable, accurate and adequate information on all salmon runs from the river mouth right to the spawning grounds?

• (1835)

Hon. Shawn Murphy (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I appreciate the opportunity to speak about Pacific salmon and the B.C. fisheries in general this evening and to respond to the question from the hon. member.

I had the opportunity during the early part of December to travel to British Columbia, where I participated in the hearings on the problems associated with the 2004 Fraser River salmon run. Although I do not agree with the premise of the hon. member's question, I certainly share her concern about the wild Pacific salmon. After all, Pacific salmon make a valuable contribution to the economy, culture and heritage of this nation, particularly in that province. I think it actually goes beyond that. The actual value was \$630 million, and that is close to one-quarter of the national total.

I would like to begin by reiterating that in making all of its decisions, the government looks at what is in the best interests of Canadians. Decisions about salmon are no different. We had the situation in British Columbia regarding the advice of the minister not to list the Cultus and Sakinaw sockeye under the Species at Risk Act. This was made after great deliberation.

A SARA listing would have significant economic impacts of more than \$125 million in lost revenue to the sockeye fishery by 2008 and would probably lead to the virtual shutdown of the southern British Columbia commercial sockeye industry. This would hit coastal communities very hard, communities such as Nanaimo.

The Department of Fisheries is focusing instead on protecting and rebuilding these populations. The department has already spent approximately \$1 million and will continue to do so aggressively to implement the action plan. The protective measures that are in place include substantial reductions in the commercial sockeye fishery implemented under the Fisheries Act.

Adjournment Proceedings

While I have the opportunity, I would like to say a few words also about aquaculture because that was raised in the original question from the minister. This again is a major industry on the west coast. The total annual aquaculture production in the country has now reached \$322 million. That was the 2002 figure. It has become a significant economic activity, but it is one that we have to monitor very closely.

Dealing with some environmental issues, before DFO approval is made, sites must undergo an environmental review under the Canadian Environmental Assessment Act. This part of an extensive review process governed by both federal and provincial environmental legislation.

There are a couple of other initiatives I want to draw to everyone's attention. The first has already been raised by the hon. colleague, and that is the wild salmon policy which was released approximately one month ago. That provides a clear and consistent framework for the conservation of wild salmon in British Columbia. It is also consistent with SARA and will support its implementation. This was one of the key issues identified by the Commissioner of the Environment in her report.

Finally, Mr. Bryan Williams, a former British Columbia chief justice, is leading a review of all salmon fisheries in southern B.C., including the Cultus and Sakinaw sockeye. The review is open and independent and will provide timely advice on fisheries management.

I am thankful for the opportunity to participate in this important debate about the salmon industry on our west coast.

Ms. Jean Crowder: Mr. Speaker, it would have been nice to get an answer to my question, which is, where are the resources for the communities in British Columbia? We know very clearly that a wild salmon policy was released. Where are the dollars? Without the fiscal framework for this kind of wild salmon policy, it is virtually useless. It is more smoke and mirrors.

Aquaculture is a really good example, and I thank the hon. member for raising the issue. The sustainability commissioner's report actually pointed out the fact that the big problem with aquaculture is there is no environmental assessment on its impacts. It may have an economic spinoff in the community, but we want to know what it is doing to our wild salmon stocks. That information is missing.

I again want to come back to the resources that are attached to the fishery. There was a Canadian human rights report that talked about DFO's shocking attitude toward women, so we would appreciate if there was a more—

The Acting Speaker (Mr. Marcel Proulx): The hon. Parliamentary Secretary to the Minister of Fisheries and Oceans.

Adjournment Proceedings

• (1840)

Hon. Shawn Murphy: Mr. Speaker, this issue was continually raised. The headquarters of the Department of Fisheries and Oceans is in Ottawa. My colleagues from the east coast suggest that it should be moved to the east coast and my colleagues from the west coast suggest it should be moved to the west coast. I should point out to the hon. member that only about 10% or 11% of the employees of the Department of Fisheries and Oceans are located here in Ottawa. They are in every coastal community in the east coast, the west coast, and I should point out, the Arctic coast in the territories.

I know there are concerns out there about enforcement, about science and about management. It is a tremendously large industry. The member is probably correct; it could probably stand more resources. I am hopeful it will receive more resources in the upcoming budget.

The department is doing a good job in managing our fisheries.

CITIZENSHIP AND IMMIGRATION

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Speaker, of the many scandals that have plagued the Liberal government since it came to power in 1993, one of the most disgusting was the stripper scandal that took place in November and December last year. The minister of immigration has since resigned, not out of any respect for ministerial responsibility, but to try to save her own political career.

There have been many contradictions from the then minister of immigration as well as from many government officials. We have seen the disgusting habits of ministerial staff doing business in strip clubs to get those permits issued for erotic dancers.

Canadians need to have confidence in their government in every department. The government has allowed legitimate immigrants to wait for unacceptable lengths of time while erotic dancers are fast tracked into this country.

In November the former immigration minister said in the House, "I was going to bring a book with me, which is thick, full of all the requests I get from all members of the House" for intervention in immigration cases.

In December I asked the former minister to please table the book and a list of all ministerial interventions broken down by riding or postal code. This has not yet been done. Just because the former minister was forced to resign in disgrace does not mean that the House should not see this alleged book or a list of ministerial permits granted.

I would like to know if the new Minister of Citizenship and Immigration is in possession of the book, or has it mysteriously disappeared? Canadians have a right to know how many ministerial permits were issued, especially during the election campaign, and in which ridings they were granted. Is there a disproportionate number of permits granted to immigrants in ridings held by Liberal MPs? That has been raised, I think. The confidence of Canadians has been shattered because of the scandal. It would not be out of the realm of the possible for that to go on in the government.

I would like the new minister to respond to that. Let the House know, will such a report of ministerial permits granted, broken down

by riding, be tabled so that all Canadians can know what went on in the immigration department?

Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I want to focus on the substance of the hon. member's question and to thank him for allowing me to shed some light on this issue. At the same time it helps to highlight the very important role that temporary resident permits play in allowing Canada to uphold its tradition as an open and caring society.

Each of us is well aware of the many requests we receive as MPs to intervene in a particular case, all of which may appear worthy of consideration. The minister, however, will issue a permit in cases where there is a compelling reason to do so and where the risk to Canada is minimal.

The number of temporary resident permits issued varies from one year to another. Over the 12 month period from December 12, 2003 to December 11, 2004 the former Minister of Citizenship and Immigration authorized a total of 690 instructions for the issuance of temporary resident permits for 902 people. Those 690 permits out of a total of 12,037 temporary resident permits issued in 2004 is approximately 5% of all temporary resident permits issued by the department.

The department does not keep statistics on the issuance of permits by electoral district, nor does the department keep records on the number of clients who choose to be represented by immigration lawyers and consultants in their dealings with the department.

Pertinent to the member's question, hon. members should know that the Privacy Act prevents the department from tabling any information about these applications or permits without the consent of the individuals concerned. Members should also know that records are only kept on each case according to which authorizing officer issues a temporary resident permit and according to the broader geographical area.

The fact is that over 90% of permits are issued by officers both at ports of entry and overseas. This is done on a case by case basis. Therefore it is impossible to break these down by riding.

I thank the hon. member for his question and for allowing me to clarify this misperception and bring this important matter to the attention of the House.

• (1845)

Mr. Andrew Scheer: Mr. Speaker, I want to point out that this case has nothing to do with legitimate immigrants. This has nothing to do with Canada's tradition of welcoming new people to become citizens of our country. This has to do with the Minister of Citizenship and Immigration fast tracking strippers after the minister's staff had visited those strip clubs and all the many allegations that were thrown out.

The hon. member has instructed us as to what the policies of the department are in regard to keeping records. I am sure as we speak we can know that those applications either have an address in Canada or have someone who has approached the member who had an address in Canada which would of course have a postal code and which would of course be very simple to break down by riding.

Adjournment Proceedings

I doubt that this would have anything to do with personal information. It would just be a statistical number without revealing any pertinent facts about the applicants themselves but would let us know how many in each riding.

Hon. Hedy Fry: Mr. Speaker, the Government of Canada has a duty and an obligation to act in a responsible and transparent manner. That is why we have set it up so that we cannot read the persons by their riding. This is what we have done with the matter before us.

Citizenship and Immigration Canada keeps records for the number of temporary resident permits issued each year according to

authorizations. This number is available to all members of the House as well as to the public through the Government of Canada's annual immigration plan. I would ask the hon. member to seek that information there.

[*Translation*]

The Acting Speaker (Mr. Marcel Proulx): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at ten o'clock, pursuant to Standing Orders 24(1).

(The House adjourned at 6:47 p.m.)

CONTENTS

Monday, January 31, 2005

Petitions

Genetically Modified Organisms

Mr. Bigras 2859

Questions on the Order Paper

Mr. LeBlanc 2859

Questions Passed as Orders for Returns

Mr. LeBlanc 2866

GOVERNMENT ORDERS

Finance

Motion 2868

Mr. Bagnell 2868

Mr. Pallister 2869

Mr. Simard (Beauport—Limoilou) 2871

Mr. Casson 2871

Mr. Mills 2872

Mr. Martin (Esquimalt—Juan de Fuca) 2873

Mr. Côté 2876

Mrs. Desjarlais 2878

Ms. Bourgeois 2879

Ms. Boivin 2879

Mr. Szabo 2880

Mr. Lévesque 2882

Mr. Van Loan 2883

Mrs. Desjarlais 2883

Mr. Hearn 2884

Mr. Hill 2885

Mr. MacKay 2885

Ms. Ambrose 2886

Mr. Cullen (Skeena—Bulkley Valley) 2887

Mr. Jaffer 2888

Mr. Silva 2888

Mr. Stoffer 2889

Mr. Hearn 2890

Mr. Savage 2890

Mr. Stoffer 2891

ADJOURNMENT PROCEEDINGS

Fisheries and Oceans

Ms. Crowder 2892

Mr. Murphy 2893

Citizenship and Immigration

Mr. Scheer 2894

Ms. Fry 2894

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:

Publishing and Depository Services
PWGSC, Ottawa, ON K1A 0S5
Internet: <http://publications.gc.ca>
1-800-635-7943 or Local 613-941-5995

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*

Les Éditions et Services de dépôt
TPSGC, Ottawa (Ontario) K1A 0S5
Internet: <http://publications.gc.ca>
1-800-635-7943 ou appel local (613) 941-5995

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Additional copies may be obtained from Publishing and Depository Services, PWGSC, Ottawa, ON K1A 0S5

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.

On peut obtenir des copies supplémentaires en écrivant à : Les Éditions et Services de dépôt, TPSGC, Ottawa (Ontario) K1A 0S5

**On peut obtenir la version française de cette publication en écrivant à : Les Éditions et Services de dépôt
TPSGC, Ottawa (Ontario) K1A 0S5**