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(HANSARD)

Tuesday, February 1, 2005

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, February 1, 2005

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)
[English]

BOARD OF INTERNAL ECONOMY

The Speaker: I have the honour to inform the House that Mr. Rob Nicholson, member for the electoral district of Niagara Falls, has been appointed member of the Board of Internal Economy in place of Mr. John Reynolds, member for the electoral district of West Vancouver—Sunshine Coast—Sea to Sky Country.

* * *

• (1005)

CIVIL MARRIAGE ACT

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.) moved for leave to introduce Bill C-38, an act respecting certain aspects of legal capacity for marriage for civil purposes.

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I have the honour to present the 22nd report of the Standing Committee on Procedure and House Affairs regarding the membership and associate membership of certain committees, and I should like to move concurrence at this time.

(Motion agreed to)

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

[English]

POINTS OF ORDER

PETITIONS

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I have a request for you. We are literally being inundated with petitions by the thousands on the issue of marriage. I wonder whether there is anything you could do in your office to expedite the rapid approval of those from the Clerk's office so we can present them in a timely fashion in the House?

The Speaker: I thank the hon. member for his intervention. I will take the matter under advisement and see what we can do to expedite matters as suggested.

I am sure the hon. member is receiving voluminous mail, and I am delighted that is the case. I know all hon. members strive to keep in touch with their constituents and others. This is just one of many examples. We will see what we can do to expedite matters as requested by the hon. member for Edmonton—Sherwood Park.

GOVERNMENT ORDERS

[English]

FINANCE

The House resumed from January 31 consideration of the motion.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am very pleased and honoured to rise today on the prebudget debate to discuss what is going to be extremely important for Canadians across the country.

Over the last 11 years we have seen 11 years of Bay Street budgets. What we need to see this year is a budget for main street, a budget for our communities across the country, a budget that will help to address the fall in the quality of life which we have seen Canadians endure over the past decade.

In my riding of Burnaby—New Westminster we saw the closure of a major hospital just a few months ago because of federal health care cutbacks. We have seen for the average Canadian worker a fall in salary of 60¢ an hour in real terms. We see average Canadian families now indebted a third more than they were a decade ago. And we have seen broken promise after broken promise.

Government Orders

In this year it is time for this budget to address all these outstanding issues and start to address the main street deficit. The fact is that most Canadians are living with a lower quality of life than they were 10 years ago.

[*Translation*]

I would like to speak for a few minutes about what we particularly do not want to see in the budget for this year.

First of all, we do not want to see the continued mismanagement of public funds, as we saw in the sponsorship scandal last year and in numerous other cases. A few weeks ago, despite the regulations that exist at Treasury Board, we saw that the Canadian ambassador to France managed to spend \$200,000 on social evenings, while Canadians find themselves with ever dwindling financial resources. We do not want the budget to permit such bad practices any longer.

Neither do we want to see continued investment of money in certain foundations that have no oversight from the Auditor General. We all know that she has spoken about this on many occasions. I myself am impatiently awaiting Ms. Fraser's report on this subject on February 15. It is very clear that we cannot continue to keep money from the public servants who are responsible for ensuring that it is spent wisely.

We do not want to see more tax reductions for the best performing companies, as we have seen under this government. In fact the first major decision of this government, taken at the beginning of last year, was to cut the income taxes of such companies.

There is this huge gap between Bay Street, with its record profits, and ordinary Canadians. We are in fact looking at profits of 14% once again. This is unprecedented in Canadian history. At the same time, Canadians are living with increasingly fewer resources and services, and increasingly fewer promises are kept.

These are the things that we especially do not want to see again. We do not want to see this government wrong again in its budget projections. In the last 10 years, we have seen a difference of \$86 billion between the forecasts and the final results. It is absolutely appalling for projections to be so far from reality.

• (1010)

[*English*]

Those are the things that we do not want to see in this budget.

There are things that we do want to see. In this minority Parliament and because of pressure from the four corners of the House—and I can guarantee that in this corner of the House we will be fighting for main street—this budget must finally start to address that main street deficit: the cuts in community services; the cuts in the quality of life; the cut in basic revenue; the increase in debt for Canadian families; the increase in debt for Canadian students; and the increase in debt we are seeing right across this country, which is being paid for by Canadians from coast to coast. If we want to see that main street deficit addressed, then there are things that must be in this budget.

We must invest in education. Either we have seen students themselves and/or their families going into debt by tens of thousands of dollars in order to further their education to make a contribution to

this country or, as in my riding where I have knocked on thousands of doors, we have seen dozens of young people who have not gone to school. They have not gone into post-secondary education because they know there are no supports in place to help them do that.

We are looking in this budget for a significant investment in education that will start to address that main street deficit, an investment that will start to address support for ordinary Canadians across this country so that they can go to school and get the trade qualifications and the education required for them to make the full contribution they want to make to this society and to this country.

What we want to see and are fighting for is a main street budget that is going to invest in a sustainable environment. It is deplorable that after signing the Kyoto accord, after making that commitment to reduce emissions by 20% in 2005, we are actually seeing an increase of 20% in emissions, as our leader, the member for Toronto—Danforth, has pointed out on numerous occasions here in the House. That is shameful. It is shocking.

In this corner of the House we are working hard and we will be fighting to make sure that this budget in this minority Parliament actually addresses that main street deficit and that we start to invest in a sustainable environment. This includes investing in municipalities and investing in infrastructure.

We will also be fighting hard to make sure that this budget invests in children. We have been calling for this for years. Broken promise after broken promise from the government has led to not keeping that fundamental commitment made by Liberal governments and the Liberal Party during elections: to establish a pan-Canadian, publicly funded, universally accessible, not for profit child care system that helps to support families, those working families and families across this country that have had to deal with that main street deficit and the absence of publicly funded, universally accessible and not for profit child care in this country. We will be fighting for that in the budget to be tabled this month.

We will be fighting as well to increase the \$4,900 child tax benefit and to open the benefit and include those who do not pay income tax, again to address this main street deficit.

It is important to note that when we talk about growing poverty in this country, when we talk about the fact that homelessness in my area has tripled, when we are talking about the fact that food bank lineups are longer and longer, when we are talking about the fact that there are more and more poor Canadians, so much of that has impacted children in this country.

It is deplorable that 15 years after the adoption in the House of this resolution to eliminate child poverty we now see over a million poor Canadians, poor children and their families who are forced to address this issue of the main street deficit. We will be looking for a substantial investment to make sure that for this main street deficit for poor children, who are in food bank lineups and are homeless in so many tragic cases across this country, there is finally an investment to start to deal with their reality.

Government Orders

•(1015)

It is tragic as well to note that we are now looking at between 150,000 and 300,000 Canadians who are homeless in this land. At a time when we are looking at record corporate profits, at a time when we have \$9 billion of surplus, at a time when we have all of these resources available, we are looking at between 0.5% and 1% of our population who are sleeping without a home tonight. That is shocking.

We will be fighting for all of these issues because we have had 11 years of Bay Street budgets. We in the New Democratic Party caucus will be fighting very hard to make sure that this is a main street budget dealing with the real realities of Canadians from coast to coast to coast in this country. We will be fighting hard and we will not stop until Canadians are adequately represented in this year's budget.

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I would like to ask the member of the then CCF party, now the NDP, a very important question. The members of that party always talk as if they are opposed to the reduction of our national debt. I would like to pose the question to the member in the following way.

There are people in the country who are poor and who need help from the government. Then there are others who have more money than they need and they are generally the ones who have the fiscal capacity to buy Canada savings bonds and other debentures, which is the government's way of borrowing money.

Therefore, when we are in debt we land up actually transferring money, usually from poor people because they pay taxes too in this country. That money is transferred to those who already have too much because they have the Canada savings bonds and we are paying the interest. I know that the debt has come down and our interest rates are now low so that this amount of money has now decreased, but it used to be that one out of every four dollars collected in taxes went to pay interest.

Why are the NDP members continually opposed to reducing the debt and stopping that transfer of money from Canada's poor to Canada's rich because the rich are lending the money to the government? I would think that the NDP, as I would, would like to see that debt eliminated so that we can use taxpayers' revenue to provide government services and programs which are needed in this country.

•(1020)

Mr. Peter Julian: Mr. Speaker, I would like to remind the hon. member that it was the Conservative government under Brian Mulroney that led us to record deficits in the 1980s, which was appalling financial mismanagement.

As a financial administrator myself—that is my background—I have always balanced budgets and paid down debt while maintaining services. That is a very important distinction.

It is important to note the real records of the three major parties in the House over a 20 year period across the country. A study that came out in spring 2004 actually compared the three parties, the Liberal Party, the Conservative Party and the New Democratic Party, and their record of debt and deficits.

The reality is that the worst record, as we know very well, is that of the Liberal Party. In provincial governments and in the federal government, where it governed from 1981 to 2001, 85% of all Liberal government budgets across the country were in deficit.

The Conservative Party was a little better. For Conservative provincial and federal governments across the country over that 20 year period, 66% or two-thirds of the time the actual fiscal period returns were in deficit.

It is important to note that the best record was that of the New Democratic Party. Most of the time when we projected a surplus, we attained it. We have the best fiscal record, looking at the provinces where we have governed. We have not governed federally, of course.

An hon. member: Not yet.

Mr. Peter Julian: Not yet, but when we look at the provinces and compare the NDP, the Conservatives and the Liberals, the best record comes from the NDP.

Our philosophy is simple. When we are talking about paying down the debt, we do that as the GNP rises and grows. We do not invest all of our money in a Bay Street budget to pay down debt when hospitals are closing, when the number of homeless is doubling or tripling, when there are a million kids living in poverty, when food bank lineups are growing, when services are being cut back, and when key commitments like the child care commitment are broken indiscriminately.

When all those things are happening we do not sit back and say, "Let us pay down the debt". We deal with the fundamental issues first. In this corner of the House, that is what we are fighting for.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I thank my hon. colleague for his passion and commitment to this issue.

I have a quick question with respect to the question that was just brought forward. There is confusion. In banking and business terms, the concept of investment is a very sound one, where one continually makes investments in a company to ensure that the growth is maintained, as it is within families. Families consider investing in their young people to make sure educations are provided and jobs created.

I wonder if the hon. member could comment on why there is such resistance to the concept around investing in sound, sustainable practices into the future.

Mr. Peter Julian: Mr. Speaker, we need to shift from what has been the focus over the past 10 years of tax cuts for the wealthy and a Bay Street budget, to investing in our communities, in education, in the environment and in our children who are living a poorer quality of life than they were 10 years ago. This investment over the medium to long term is what Canadians need, what I strongly believe they want and the reason that they have chosen to return us to the House to fight for.

Investments, very clearly, are needed. It is taking a longer term strategy rather than just looking to Bay Street for making budgetary decisions. We will be fighting hard to make sure that those investments occur.

Government Orders

• (1025)

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. This is really unusual but I would like to ask for unanimous consent for me to have one more minute to give a rebuttal to the errors that the member from the NDP just made.

The Deputy Speaker: Is there consent to extend the period of questions and comments?

Some hon. members: Agreed.

Some hon. members: No.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I am thankful for the opportunity to participate in the debate about the budget, which I anticipate will be delivered in the next few weeks by my colleague, the Minister of Finance.

We find ourselves in something of a unique situation in Canada. Since 1997-98, Canadians have seen the government balance its budget seven times in a row. It is a record that is unparalleled in our history and the envy of the G-7, the OECD and pretty well all other nations in the world.

By exercising fiscal discipline, we have been able to reduce the national debt by the sum of \$61 billion. I do not know how familiar members are with *The Fiscal Monitor*, but we were at \$501 billion when the budget was introduced and apparently in the month of October we dipped down to \$492 billion. It has probably been a long time since we have been under \$500 billion in debt.

We are passing those benefits on. By paying down the debt we have saved enormous amounts in interest costs and on an annual basis we have saved something in the order of about \$3 billion, which is freed up to do things other than just simply pay interest on the debt. This money is now available for things such as health care, education, research and a variety of other interests of members as they have spoken in the House over the course of the last day.

Our debt reduction efforts have supported policies that have boosted Canada's productivity, supported new research and innovations, and have combined to produce a strong and resilient economy. Indeed, the events of 2003, which saw the economy battered by such things as SARS, BSE and an unprecedented rapid rise in the Canadian dollar, and yet we still made it through the entire year of 2003 with the economy showing a modest amount of growth, which is a testimony to the resiliency of the economy and of our citizens.

The figures from Statistics Canada show that the Canadian economy grew by something in the order of 2.7% in the first quarter, strengthened to 3.9% in the second quarter and by 3.2% in the third quarter. At the same time, business and consumer confidence remains high, thanks to the low interest rates and an inflation rate that remains in a 1% to 3% target range. We have kind of a happy situation with low interest rates, a fairly robust dollar, which has pluses and minuses to it, and we have an inflation rate that is well within the acceptable range of 1% to 3%.

Therefore we naturally see some stronger business and consumer confidence and that has resulted in higher employment. Currently the unemployment rate stands at 7%, which is at its lowest point since

May 2001, and during the year 2004 the economy created 228,000 jobs, the majority of them being full time positions.

Our robust economy and our fiscal discipline have allowed us to address some of the key priorities that Canadians have mentioned to us. In the year 2000, we implemented a five year tax reduction plan worth about \$100 billion. An absolute reduction in the government's revenue is about \$100 billion, which is quite significant. That tax relief largely went to low and middle income Canadians. It gave us something of a corporate tax advantage vis-à-vis our main competition in the United States.

We have reduced employment insurance premiums for 11 consecutive years. We have gone from highs of approximately \$3.20 down to a current rate of \$1.96. Our income tax thresholds have been reduced from 29% down to 26%; 26% down to 23%; 17% down to 16%. We have brought the base threshold to a flat rate of just a touch over \$8,000. Corporate tax rates have declined from 28% to 21%. All of these thresholds have been moved up over the course of time and Canadians are enjoying those benefits and those benefits, in turn, are being poured back into the economy.

• (1030)

In the period of time 1997 to 2003, our standard of living increased 2.7% on an annualized basis, the best of the G-7, better than the U.K., better than the U.S., better than France, better than Italy, et cetera.

We have done a number of things and, I would argue, we have done them right on this side of the House.

We have also committed to a new framework for equalization and territorial financing which will see transfers from the federal government to the provincial and territorial governments increased by \$33 billion for the next 10 years. This will help ensure that all Canadians, regardless of where they live, have access to comparable levels of service.

During the election campaign and in the Speech from the Throne, the number one priority of Canadians is the publicly funded health care system. In September the Prime Minister and the leaders of the provinces and territories reached a landmark agreement that will see an additional \$44 billion in funding over the next 10 years to help with the increased costs of health care, particularly as our aging population will be making more demands on it.

After sitting on the finance committee over the past few months and participating in a number of round tables with the minister, the demographic realities of our nation where we have an aging population is clearly a foremost concern of many Canadians and will, in large part, drive the fiscal capacities of our nation, of our economy and the government in terms of addressing that issue. We therefore will have some limitations going forward because of our aging population.

Government Orders

The other issue that came up in the finance committee hearings had to do with accountability and transparency. Canadians want to know where their money is going. They do not much care which level of government delivers the service. They certainly want to know how they are doing, whether the service is efficient and how they compare to other provinces and territories. I think there will be enormous pressure on the part of this level of government and other levels of government to be transparent and accountable for the enormous amounts of money that we are putting into health care.

We have, I would argue, come a long way since the days of being an economic basket case in 1995 to being one of the best performers in the G-7 in the year 2005. We have gone from chronic deficits to budget surpluses. At one point we were described by the *Wall Street Journal* as “an honorary member of the third world”. The *Economist* magazine now describes us as “Canada cool”. Strange that we should be Canada cool when we are in fact running those kinds of surpluses but the whole notion of a well run government running surpluses has become somewhat cool.

As I mentioned earlier in my remarks, Canada is now at a crossroads. Despite all that we have achieved over the past several years we still have quite a number of challenges. There are those who say that our approach is not working and that Canada must change its direction if we are to succeed. There are those who argue that our salvation lies in massive tax cuts and the privatization of social services, which is to say that tax cuts are the way to nirvana.

We had some examples of that, particularly in Ontario, where we had eight years of Conservative rule and that was, frankly, its philosophy, that somehow or another the economy and all services could be provided by the simpleminded application of tax cuts. However we are, in Ontario, having to dig ourselves out from that particular ideology.

As well, there are those in Canada who say that we can only succeed if we massively increase government spending and eliminate our commitment to debt reduction, which would increase our likelihood of returning to deficit financing.

• (1035)

So we have the right-wing solution of tax-cutting our way to nirvana and the left-wing solution, which is essentially embracing programs just for the sake of embracing programs.

As we debate what should be contained in the next federal budget, the questions that we must ask are simple. Will we abandon the approach that has brought us these many benefits over the past seven years? Will we reduce our commitment to supporting our social programs in order to implement the kind of massive tax reductions that some critics are endorsing? Or, will we follow the lead of those who call for massive social spending while eliminating our commitment to reducing our debt load for the benefit of both present and future generations? Frankly, the debate in committee was largely around those two competing ideologies.

Our response, to put a fairly simple point on it, is no. We have taken a balanced approach and we will continue to take a balanced approach to the nation's finances, emphasizing the need to exercise fiscal discipline in all of our spending decisions. We will continue to support Canadian priorities such as health care, education and the

environment. We will continue to work with the provinces and territories to look for ways in which we can work together to improve the quality of life for our citizens. We will maintain our commitment to setting aside a contingency reserve and exercising economic prudence, year after year. Each year that this money is not needed will be applied to reduce our debt levels.

At this time it would be useful to look at our country's current fiscal situation as outlined by the Minister of Finance in the November economic update. It kind of looks like a “U”. For this fiscal year ending 2004-05, we had a fairly good year. We had some moneys available which we can apply to certain priorities. Going forward in the next two fiscal years, we dip down to the bottom of the “U”. Going forward over the next three or four years, the fiscal situation improves for the government.

In the most recent fiscal year, 2003-04, the federal government had total revenues of about \$186 billion. Of this total, about \$84 billion, or less than half of that total, comes from personal tax revenue. The remainder comes from a composition of corporate revenues, excise tax, GST, employment insurance premiums and other taxes.

I would just mention in passing that if in fact we are looking at it as an economist looks at it, the argument is that we do not have the right tax mix. We are overloaded on personal income tax and we should actually move the revenue generation to the consumption side. There is a lot of difficulty in doing that and hon. members can appreciate the reasons.

If we look at the spending side in the most recent fiscal year, it totalled about \$177 billion. This is 2003-04, where the numbers are actually locked in. We ran a surplus there for \$9.1 billion. That money was used to reduce the debt and that was the choice to make then. Despite the progress we have made in reducing debt levels in recent years, public debt charges still eat an enormous amount of money. They represent the fees and the costs of running the debt, and that was about \$36 billion last year. That is almost 20% of the government's revenues.

It is the largest single expenditure made by the government in the most recent fiscal year, outstripping amounts that we pay for seniors, for the unemployed and even for national defence. Clearly, it is in the best interests of all Canadians to continue to get that debt down to a reasonable level.

As the government stated last November, the private sector economic forecasters predicted that Canada will remain in a surplus position over the next several years based on current projections. Even so, the commitments we have made to provide increased funding for equalization and territorial formula financing, coupled with additional moneys for health care, will mean that the government will be facing a tighter fiscal squeeze in the short term than it has in previous years. After taking all these measures into account, we still must set aside \$3 billion annually for contingency reserve, an additional amount for economic prudence. This is simply good sense.

Government Orders

•(1040)

As the events in 2003 showed us, unforeseen economic shock can have significant consequences for the whole country. Our contingency reserve and our economic prudence provide us with a financial cushion to help absorb those shocks and offer assistance to those affected by these problems. As always, if one is not necessarily needed, then we will apply it to reduce Canada's debt.

After taking the contingency reserve and economic prudence into account, private sector forecasters have predicted that we will have \$5.9 billion left over at the end of the 2004-05 fiscal year. However, in 2005-06, when the impact of our additional fiscal commitments are taken into consideration, the \$44 billion for health care, the \$33 billion for equalization and a variety of claims on the cities/communities agenda, the child care agenda, et cetera, the surplus is projected to drop next year and should be about \$500 million. When I say surplus, I am saying the contingency money is there, the prudence money is there, and it is \$500 million on top of those two amounts.

In 2006-07 the surplus increases to about \$900 million, in 2007-08 \$3.2 billion, in 2008-09 \$7.5 billion, and in 2009-10 \$11.5 billion. As I said, it is a bit of "U". We are not doing too badly this year. We will dip down and then we will have an increase going forward over the next five years, starting fairly modestly in the next two budget years. If indeed these numbers hold and we are successful, we will run 13 consecutive years of budgetary surplus between 1997 and the year 2010.

If we want to contrast to what is happening in the United States, the deficit there this year will be about \$427 billion. As a comparison, \$427 billion U.S. is probably slightly less than half of our entire economy. We run an economy here of \$1.1 trillion Canadian. You can do the math in your head fairly quickly, Mr. Speaker, as I know you are capable of doing, but roughly half of our economy would be represented by the U.S. deficit. Another comparison would be that the revenues for the Government of Canada are roughly \$200 million Canadian, so the budget deficit alone would be over two times the entire revenues of the Government of Canada.

There are other issues with the United States, particularly the current account deficits, which are at a worrisome level. It is projected that the United States will remain in deficit until the year 2012. We are tied necessarily to the North American economy and any projections that we make for our own economy are going to be affected by how the United States performs. We have well respected economists saying the dollar is going to be 80¢ and other well respected economists saying the dollar is going to be 90¢. It makes it very difficult to project forward.

We also have the unknown of higher oil prices and how that will affect us. Certainly, for consumers it is not going to affect them positively. It will probably be a negative impact. On the other hand, we are a net exporter of oil and we do well in terms of exporting our oil at higher prices. The result is clearly mixed for Canada.

In general, the government's economic and fiscal situation is favourable, but we still have the risks that I have outlined and probably some risks that we do not anticipate, which call for the

need for prudence. We need to make choices that will favour productivity, competitiveness and sustainability.

We will hopefully reap the benefits of our \$100 billion tax cuts. I think we are already doing that. We certainly are reaping the benefits on a direct basis of the \$61 billion pay down in national debt. We certainly have the benefits that flow from \$200 billion in social and economic priorities brought in by the government since 1997-98.

•(1045)

We have choices to make. We are in a happy situation to be able to make choices. I hope that with the assistance of colleagues we will make the wisest ones.

[*Translation*]

Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ): Mr. Speaker, this is the first budget debate since this government was re-elected last spring. I am surprised by the speech that we just heard on continuity, when it was a minority government that people elected last spring. If Canadians and Quebecers as a whole sent this message, it is because they wanted things to change and not necessarily continue.

I would like to know from the hon. member who just spoke whether continuing means continuing to deprive older people of the money to which they are entitled. Does it also mean continuing to steal from workers?

In fact, only 45% of the workers who have paid employment insurance can receive benefits if they lose their job. Is that what continuity means? Does continuing mean continuing to accumulate funds at the expense of the poorest people in society in order to pay the debts of the wealthiest? Is that the message these people got from the last election? So far as I am concerned, they are headed in the wrong direction.

[*English*]

Hon. John McKay: Mr. Speaker, the Government of Canada generates its revenues from four or five sources: personal income tax, corporate tax, GST, employment insurance premiums, excise taxes, and there are a few others. He complains that only 45% of people will draw from employment insurance. I remind the hon. member that this is an insurance fund, and similarly, if I have an automobile and I purchase insurance, my insurance company bets on the notion that I will not be drawing on that insurance even though I am paying for it.

That is the very notion of insurance and the premiums are calculated on the basis that only 45% will actually draw on insurance. If in fact he thinks that it should be a 100% draw, we would have to up the premiums. We cannot have both ways. I find the point of his question somewhat difficult to discern.

Government Orders

As to the issue of seniors, we made a platform commitment to increase the guaranteed income supplement to seniors and that will be one of the priorities to be addressed by the government. I would remind members that seniors in this country actually do very well. In fact, as ranked in the OECD, they are number one. That has been a development over the last number of years. If we run surpluses, the actual net wealth of seniors has increased. In all of the OECD countries, we have gone from a position of something like 12 to number one, and that is something to be celebrated.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, the member opposite talks about a balanced approach to budgeting. What I am looking for is a more accurate approach.

The citizens of Elgin—Middlesex—London have shared many stories with me about taxation woes. The greatest worry it seems is that either through deceit or incompetence the government continues to abscond with more money than it needs to provide the services to the country. Through the great surpluses we continue to do inaccurate accounting for this country and more money comes out of the pockets of Canadians than needs to.

We must ensure that the people of this country have the right to decide how to spend their own money. Currently, they have the right to decide to send it up here and have the government make the choice of how it is spent. The choice is better spent in pockets of Canadians.

Will the government implement a fully independent process of forecasting government finances in order to prevent this problem from happening in the future and continuing to take more money from the citizens of Canada than it needs to do the job?

• (1050)

Hon. John McKay: Mr. Speaker, the Government of Canada collects a touch under 15% of the gross domestic product of the country on an annualized basis. I think it is either 14.9% or 14.8%. Putting aside debt repayments, which are roughly 3.2% of the gross domestic product of the nation, we spend something in the order of about 11.6% or 11.7% of the nation's finances, a large part of which, probably well over 50%, are merely transfers to either other levels of government or to other persons, be they unemployed persons or seniors.

As to the member's point on right to decide, that is why we have elections. In fact, Canadians have endorsed this government four times in a row in terms of a balanced approach. It seems to me that we are doing something right.

As to the issue of economic forecasting, the government retains something in the order of between 15 and 19 of the senior economists of the country, and there are not that many. They give the government their predictions, going forward for the next two or three years, on inflation, on interest rates, on GDP, et cetera. Those numbers are then given to four econometric modellers who put it through their computer calculations. After some negotiations among the modellers, that produces the projections that the government relies on going forward in its predictions.

That process is fairly open and transparent. I know the finance committee wants it to be more open and more transparent. In fact, that will happen. However, we deal with essentially the same people.

What the Bank of Nova Scotia economists tell the finance committee will be exactly what they tell the Government of Canada. I do not know what will be the difference in the product in the end, other than there might possibly be some more openness. It is now a fairly open process.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I am pleased to ask a question of the Parliamentary Secretary to the Minister of Finance.

The issue of infrastructure funding has been a big one in my community. Our crossing at the Detroit River in Windsor, Ontario by tunnel and ferry has 42% of the nation's trade. There already have been repercussions in terms of lost plants and a number of different investments. In fact, a recent study showed that \$18 billion was lost last year from border tie-ups and backups because the proper infrastructure was not in place in this corridor. That is twice the surplus.

The city has come out with the Schwartz report, which is a comprehensive report. Will the city get the approximately \$1 billion funding that it deserves to fix this problem?

Hon. John McKay: Mr. Speaker, the hon. member raises a very good issue. We are very aware on this side of that issue. Windsor is a critical point where our infrastructure needs to be addressed.

I do not think there is much argument on any level of government that this needs to be addressed. The real question is how. I know there is a tunnel proposal which seems to get some residents politically. There are several bridge proposals which seem to get some residents politically. However, we are dealing with three levels of government. As far as I know, at this point there has not been a consensus achieved.

The government will support what the consensus is. I know the Government of Canada is extremely interested in this issue. We will be there with the money once that deal is struck.

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I am intrigued with the justification that the parliamentary secretary gave for these totally and erroneous projections of the surplus every year. In the last round we were told the surplus would be \$1.9 billion and it turned out to be \$9.1 billion. That is an awfully large difference.

The fact is—

• (1055)

Mr. Brian Masse: Mr. Speaker, I rise on a point of order to correct the Parliamentary Secretary to the Minister of Finance. A comprehensive report has been endorsed by city council and the county council on the border.

The two private proponent—

The Deputy Speaker: I believe that may be a point of debate. I do not think that is a point of order as far as the rules of the House go. I do appreciate that point of view. Returning to the member for Edmonton—Sherwood Park.

Government Orders

Mr. Ken Epp: Mr. Speaker, the fact of the matter is that during and leading up to the last election our party also used independent sources and came up with a projection on the surplus that turns out now to be very accurate. We did it. The Liberals could not.

They brag about the fact that Canadians gave them another mandate. The fact is they misrepresented the facts to the Canadian electorate while they were in the election campaign.

I really am puzzled by that this member, whom I consider an honourable and honest member, would perpetuate this myth that they are doing it correctly, when year after year we have found those projections erroneous.

Hon. John McKay: Mr. Speaker, I am touched by my hon. colleague's endorsement of my honesty.

I have been in the Department of Finance something in the order of about 14 months. The more that I am exposed to it the more I realize that the business of projections seems to be far more art than it is science. Certainly, as one gets further out it is way art, and in the near term it is way more science.

The other political parties brag about how they got the numbers right. After everybody else went over the numbers and time had elapsed, they got the numbers right.

A 1% swing in the GDP is a swing of about \$2.5 billion in the government's revenue. A 1% change in inflation is something in the order of \$800 million. It is an extremely complicated exercise of predicting what a \$1.1 trillion economy will do, going out over one year, two years, three years or five years.

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I appreciate the opportunity to participate in this prebudget debate. I would like to state at the outset that I will be splitting my time with my friend from Edmonton—Strathcona.

Members of the Conservative Party for years in opposition have tried to hold the government to account. There are two members in particular whom I want to highlight for their efforts over this past 11 years. The member for Medicine Hat, our finance critic, before the last election, and not after as the member just suggested, very closely identified what the surplus was. The second member I want to highlight is the member for Peace River, who is the vice-chair of the finance committee, who has done an excellent job in trying to hold the government to account.

I have to digress from my speech a little. As my colleague just mentioned, during the last election we in the Conservative Party presented a budget plan to Canadians that relied on a surplus figure that was larger than what the government said of the \$1.9 billion. What did the finance minister say in response? He said that the Conservatives would drive the government into deficit, that they would lead it into economic ruin, that humpty dumpty would fall off the wall, that Chicken Little would say the sky was going to fall and that the sky would fall because there was no way it could afford that.

As my colleague correctly pointed out, lo and behold after the election and when the dust had settled, it was not \$1.9 billion but \$9.1 billion.

I echo my colleague's comments as well about the parliamentary secretary. I know him to be a fine parliamentarian. Quite frankly,

with his knowledge of the Department of Finance, he should stand up in his caucus and say that it is time for the government to be completely transparent with Canadians about the surpluses, particularly before an election when it makes that decision.

To return to the substance of what I was going to say, I want to highlight two large issues in my speech. One is the issue of disposable income of Canadians and how it has not grown under the government. The second is the whole issue of productivity and the increasing productivity gap, particularly with our American counterparts.

With respect to the whole issue of disposable income, a recent Toronto-Dominion report was done by Don Drummond who as members of the House know is a very well respected economist. He found that for the past 15 years average Canadians received little or no increase in their take home pay. That is on page 2 of his report. The inflation adjusted GDP after tax incomes on a per worker basis real GDP per worker rose by 22% while real after tax incomes per worker squeaked out a cumulative 3.6% gain over the entire 15 year period. That is completely unacceptable and needs to be addressed.

With respect to the whole issue of businesses, a C.D. Howe report was released this month. It found that corporate tax rates were destructive to our long term growth and productivity and needed to be addressed. This is something our finance critic and our finance committee members have said for months and for years, that the tax rates need to be addressed and brought down.

We can read the headlines across the country which state that productivity growth slumps and StatsCan warns of the threat to our standard of living. Another states that Canada dives in economic ranking. We dropped from ninth to sixteenth on the competitiveness scale.

A lot of this can see abstract to Canadians. What does productivity mean? That means the rate at which we produce goods and services. What does that mean in the long term, productivity to disposable income? It means, will the children and grandchildren of Canadians have a better life than what they have? That is the hope of every generation, that their kids and their grandkids have a better life. That is what addressing productivity and disposable income means.

The fact is that individuals and businesses alike have suffered under the government's inability to address these major economic issues such as high personal and corporate income tax rates. Individuals and businesses have been struggling, but our major competitors across the world have begun to take over jobs and our customers because of this.

As he alluded to in his speech, our finance critic outlined the Conservative Party's perspective on the measures that should be included in the 2005 budget. He argued specifically for a reduction in taxes. He wrote a letter to the Minister of Finance. I hope the Minister of Finance takes his recommendations into account.

I also want to refer to another group, the Canadian Manufacturers and Exporters. It is a very responsible group that is concerned about manufacturers across Canada. It sent a letter to the Prime Minister shortly after the election.

Government Orders

•(1100)

I want to quote from that letter:

As you and your colleagues develop your priorities, it is important to recognize that, unless the highest possible priority is given to ensuring a strong and healthy economy, Canadian family incomes will fall further behind those of our neighbours to the south.

The fact is since the election the Liberals have spent time on everything but the economy. They have spent a lot of energy on areas of provincial jurisdiction, have invaded provincial jurisdiction, but they have spent very little time on economic and fiscal policies. They have been pushed aside by the government which is a dramatic mistake.

On behalf of my party I would like to propose some things the government should take a serious look at. We are trying to be very constructive. We have not said for certain whether we will support or oppose the budget. We will look carefully at what is in the budget and then decide.

First of all, we would like the government to look at reducing personal income tax rates. Referring to the report from Don Drummond again, I want to relate one of these facts:

The tax burden on individuals must also be reduced. The top marginal federal-provincial personal income tax rates is over 45%, 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.... And, more modest income levels get hit with a combination of taxes and clawbacks in benefit payments that can raise the effective marginal tax rate to 80%. It simply does not create sufficient incentives to work, save and invest.

That was very well said.

Personal income taxes need to be reduced. We hope the government will look at something we proposed in the last budget, a prepaid tax plan. Canadians could put away \$5,000, pay the tax up front, allow that money to grow into a nest egg so they could use it for their children's education, their retirement, or to build or renovate their home. For a big project like that, when the money was taken out, no tax would be paid at the end. It is an inverse of an RRSP. This would be in addition to their RRSP. It would not replace their RRSP but it would be another alternative for Canadians to save for their major projects.

We need to reduce corporate income tax rates. The fact is we are simply falling behind our major competitors in this area.

The government should eliminate capital taxes. The Conservative Party has been recommending this for years. The finance committee has been recommending this for years. I think it was two budgets ago when the Liberals said they would eliminate them over a five year period, which is what the government often does in the fiscal arena. The fact is those capital taxes should just be eliminated.

We need to review our investment tax credit regimes. We need to review capital gains taxes. In our view and in my view specifically, a tax on capital gains should certainly be reduced if not eliminated. The people who invest are the people who create the jobs. Obviously jobs and economic growth are what we are after. We should reward those people, the entrepreneurs who take the initiative and take the risk.

Capital cost allowances should be reviewed particularly for the manufacturing sector. The member for Edmonton—Strathcona and I met with the manufacturing council of Edmonton. This was one of the issues it raised. This issue has been raised across the country.

We need to revamp our venture capital policies. To give the government some credit, its investment in R and D certainly has improved over the last 10 years. The fact is that while investment in R and D may be at a sufficient level, the rate at which we commercialize and how we commercialize is simply not up to speed. We need to revamp our venture capital policies to allow that.

We need to have a more competitive financial services sector, especially for small and medium sized businesses. A group I was talking to in Victoria last week told me that access to capital is a major issue for small businesses. Obviously reducing taxes on small businesses is important as well.

We need to cut wasteful spending on things like the firearms registry and Technology Partnerships Canada which I raised in the House yesterday.

We need a debt repayment plan. We also need investment in infrastructure, which I believe my colleague will be talking about. Regulations in this country need to be streamlined particularly in areas which relate to our major sectors. The auto sector has raised constant concerns about disharmonious regulations between Canada and the United States.

We need to invest in labour training and education, and apprenticeship training like the programs that Sam Shaw is doing at the Northern Alberta Institute of Technology.

•(1105)

We need a different vision in Canada. We need one which says that those who invest, those who take risks, those who are entrepreneurs, who are willing to put their savings on the line to create jobs need to be respected and need to be rewarded for the risks that they take. This is the path to economic growth in this century. It is not a path of more bureaucracy, more government, more taxes and more debt. I encourage the government to listen to these suggestions, adopt them and if it does so, we will certainly constructively support the budget.

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I really enjoyed the presentation by my colleague, one of my fellow Edmonton members of Parliament now that my riding has changed.

I would like to ask him a question with respect to this \$100 billion tax cut that the Liberals like to crow about. It is my view that this is a real mess in communications because of the fact that the budgets are always annual budgets. We are talking about a 12 month period, yet the Liberals like to spread the myth that there is this huge \$100 billion tax cut. Then they say in a wee small voice or print it in wee small letters that it is over 10 years. It is really only \$10 billion per year and not \$100 billion as they are implying incorrectly. It is part of the Liberal communications spin which they are so good at. The bottom line is that they deceive Canadians on it.

Government Orders

I would like to know whether my colleague agrees with me when he objects strongly and takes great umbrage at such miscommunication on the part of the government. The government is supposed to be the manager and the steward of Canadian taxpayers' money.

Mr. James Rajotte: Mr. Speaker, I would certainly agree with my colleague. Although he is known to be one of the more polite members of the House, I am not sure I would be as polite as he was in saying it is a miscommunication. As he pointed out it is a practice the government often does; in fact the Liberals always do it.

In the budget they say there is going to be a \$100 billion tax cut but it is going to be over a five or 10 year period. Two budgets ago they were going to eliminate the capital tax over five years. They were going to eliminate personal corporate income taxes over a 10 year period. There is always an addendum that realizes it is actually not the amount they are talking about. The economist who actually reviewed the \$100 billion figure revealed it was \$47 billion. At the same time that they reduced taxes by \$47 billion, they actually increased the CPP premiums.

One of the things that small businesses across Canada raise is the payroll taxes that they pay. The member for Edmonton—Strathcona, as a small business owner, knows well the payroll taxes they pay through EI premiums and Canada pension plan. The Liberals say that it is an investment.

When a person retires, if he or she gets the full benefit of CPP, it is \$9,000 a year. This is a tax we impose on small business owners, on employees and employers and people get \$9,000 a year when they retire. That is simply unacceptable. That is not even to mention the employment insurance premiums on which all opposition parties have shown leadership in saying that we are demanding some accountability. The amount that is taken in for EI premiums should be the amount that is paid out.

• (1110)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, my colleague is very good on the industry committee and is very adept at looking at a lot of issues in different ways. He was in my community to look at the border recently.

The city of Windsor and the county have come together with a resolution to fix the border problem. Unfortunately there have been those who have been trying to push private proposals through and ram them through the community's interests as opposed to solving the problem. It is creating a lot of conflict.

I know that the member from the Conservative Party has a number of border caucus members who actually have public crossings in their communities. How does the member's party stand on public versus private crossings? Of some 24 crossings between Canada and the United States, bridges or tunnels, 22 are in public hands. The next two that are going to be built in Conservative members' ridings will also be publicly built. The community is calling for a new solution. Will his party support that?

Mr. James Rajotte: Mr. Speaker, the member has worked very hard on the board. I would in a very friendly way advise him that it may be a little more difficult than what he is presenting to the House. It may be a little more complex.

I know that the member for Essex has endorsed one particular proposal. He has shown some leadership on this issue. I should say though that his endorsement of that proposal does not negate any other proposals from being advanced as to whether something should be publicly owned or privately owned.

As he knows the main bridge going across Windsor is owned by an American. Would he mandate that the American government or Canadian government take that over, expropriate it and make it public property? I think the Conservative Party's position would be that we would not mandate that it be public or private, but we would say that there is a role for the Canadian government to invest in that infrastructure to make it happen.

He has pointed out very well in the past the problem there. He can correct me on the exact number, but the problem is that between the 401 and Mexico there are 18 stoplights, and 17 of them are on the Canadian side. That obviously needs to be addressed. How would we in the Conservative Party address it if we were the government? Frankly, we would make a minister, possibly even the Prime Minister, responsible for getting all the proposals on the table, including the one that was recently produced, the Detroit river tunnel project, and have the federal government show some leadership first, by engaging the community and second, by making a decision.

The reality is that any one of these decisions will upset someone in the community at some level. I think the member knows that because he is from Windsor. It will upset some people.

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, it is a pleasure to speak in this prebudget debate session. I was pleased to hear from my colleague from Edmonton—Leduc who highlighted many of the systematic problems that we still see with the government in the way that it forecasts numbers and in the way that it approaches budgetary processes. He highlighted some of the tax issues very well.

I would like to follow up on some of those issues, namely the issue of small business from my experiences and the experiences still of my family. I will then focus specifically on some of the infrastructure challenges, which were just talked about, because there are some huge critical challenges not only in Windsor and other parts of this province but right across the country. We need to have a systematic approach on how we can fund some of these critical challenges that we have in infrastructure across the country.

We have heard from a number of members in the House, not only from our side in the opposition but from a number of members who do agree that Canadians are taxed too heavily. This is a continuous problem. Regardless of what tax cuts have been implemented, through regulations or through other forms of increases, Canadian families still have a huge burden, especially middle and lower incomes families. They have huge challenges in making all their commitments and making ends meet and yet we still have not seen any effective tax relief come forward from the government, especially in light of the surpluses that continue to grow.

Government Orders

Many of my colleagues have talked about the fact that the finance minister had challenges in reading what surplus numbers were going to be coming down, especially when there can be such a huge mistake made: a forecast of \$1.9 billion when in fact it was a \$9.1 billion surplus, which is just outrageous. It clearly indicates that we need to do something when it comes to reducing the tax burden on Canadian families.

We in the opposition were glad we were able to include some of our thoughts in the Speech from the Throne when it came to putting a focus on what is hopefully the government's mandate to reduce overall taxes on middle and lower income Canadians.

As my hon. colleague from Edmonton—Leduc mentioned, we know that high taxes reduce growth, which happens at all levels of the economy, whether it is small, medium or large businesses. We have seen that continuously where the economy is not growing at the pace that it should, especially because of the fact that taxes continue to choke the productivity in this country.

As I mentioned, with my background in small business I remember working long hours trying to meet all my commitments when it came to payroll taxes, to paying my suppliers and when it came to ensuring I was paying my employees effectively. I remember that at the end of the day, if nothing else was adding up, I was the one taking the pay cut. I, as the business owner, made sure that I met all my commitments.

I can look at my parents today who are working as hard as ever. They have been in this country now for over 30 years, and very thankful to be in this country, but as small business owners they work from early in the morning until late at night, especially when there are changes in the economy and people are not spending as much money on some of the items that they sell through their retail businesses. They are not having coffee or other things that they work so hard to produce and provide. They are the ones who take the cut but the taxes remain the same. There is no break for them when it comes to the obligations that the government puts forward, especially when it comes to taxes and when it comes to regulations.

Those are the things that governments can do something about, especially when it comes to encouraging these people who work so hard. My family is a perfect example of that, as I was not too long ago, with some of the challenges that we had to continually face.

I will be addressing that in a little while, but the EI surplus is something that continues to irk especially small business owners who work so hard. They have to pay the EI tax and contribute on behalf of their employees and then they look at the surplus that exists. I believe it is over \$40 billion and the government still has not made any effort to give that money, which rightfully belongs to the employers and the employees, back to those people who work so hard.

We argue that this high tax position is both unfair to Canadians whose take home pay has barely grown over the last 15 years and dangerous to our long term economic growth and therefore to our ability to fund our social safety net. I continuously travel and speak especially to people who are approaching retirement. They are concerned about making contributions to their CPP and yet they

know that in the long run that program will not be there for them in the way that they had been promised and had hoped for.

•(1115)

Some of those people may have been fortunate enough to put extra savings aside but the government has done nothing to encourage that sort of retirement savings, especially in the way that we should be because we are facing a huge crisis when it comes to the working group that will be out there. The number of employees versus the people who will be retiring is a huge problem.

The budget should include a longer term standard of living strategy that starts at the process of strengthening Canada's competitive position through a program of targeted tax relief, reduction of burdensome regulations and strategic spending and measured debt repayment. Some of my colleagues talked about measured debt repayment. We have not seen any clear vision when it comes to the government and paying down debt. We continue to push the government to hopefully make some sort of legislated effort to pay down debt. We would be more than happy to provide some of the details for the government if it wishes.

I have talked about the long term strategy of raising the living standard for Canadians. During the past 40 years Canada's productivity has remained relatively unchanged compared with that of the United States. It remains stuck at about 85% of the U.S. level. This productivity gap is relevant because it accounts for an income gap of just over \$6,000 per Canadian compared with Americans.

When we look at unemployment rates we see that they are set well above those in the United States and this has persisted for a quarter century. I think it was in the 1970s, in looking at some of the figures, that Canadian and U.S. unemployment rates were the same. We have obviously continued to slip and I think that is really affecting, as we know, the productivity gap. If we had some prudent fiscal management by the government I think it would have a huge impact on the way that our productivity gap would be dealt with.

I also mentioned the EI surplus. This is still something we have not dealt with. It is about a \$46 billion of surplus. The government should stop overcharging Canadians. EI premiums should be lowered immediately and stakeholders must be given a say in the benefit and premium levels.

I now want to talk about the infrastructure and the critical problems that we have. We have been very disappointed with the way the government has come forward. As we all know, it talked about the new deal for cities over the course of the election. It has been close to six months since the government took power and yet we have seen nothing come forward when it comes to any new deal for cities, nor any idea of how the fuel tax money will be transferred to the communities. I think the minister has been dragging his feet. No new information has come out on how that will work. I take it that we will be forced to wait for the budget to see how that money will be transferred and what sort of criteria will be placed on that new deal when it comes to transferring the money.

Government Orders

This is an issue that goes way back. We know that the fuel taxes being collected on gasoline were supposed to be invested into critical infrastructure, namely highways and other forms of infrastructure in our municipalities, but we know that the government took the fuel tax, put it into general revenues and spent it on things like the sponsorship program or other things that did not give value back to Canadians when it came to problems in infrastructure.

Hence, today, whether, as I mentioned, it is in the area of Windsor or all the way out to B.C. or even in my own backyard in Edmonton, we see huge problems with the bridges, roadways and pot holes. Canadians see that on a daily basis. We have to figure out how we are going to proceed in order to actually bridge that gap in critical infrastructure.

We on our side have proposed ways to identify what critical infrastructure means and how to coordinate a strategy with the provinces and municipalities to ensure that sort of infrastructure gets funded. We have not seen any form of direction from the government. We hope to see some sort of announcement on whether or not it plans to impose some sort of conditions on the fuel tax transfer, but also to look at a long term strategy. Is there a plan in place to actually fund infrastructure in a strategic way, working with stakeholders, to be able to plan on a long term basis so that we can start attacking the infrastructure deficit that is in the billions of dollars and continues to rise?

As many of my colleagues have said, we would like to see a real effort on the part of the government to get its fiscal house in order. It seems to have fallen by the wayside, especially in light of all the surpluses that the government is continuously collecting.

• (1120)

We need to give Canadians a break but we also need to make those strategic investments. Infrastructure is something that communities have been calling for, whether it is rural or urban, and we need to see some clear criteria that government is going to bring forward hopefully in this budget.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, my colleague made the point of mentioning the \$46 billion that have been taken from the EI fund and used toward what the government refers to as the surplus. I know the position of the Conservatives, previously the Alliance and Reform, has always been that the premiums should be cut. Part of the concern we have had is certainly that the government is using the \$46 billion for other things, such as saying that it has a surplus and then cutting corporate taxes.

However one of the things the Conservatives seem to forget about is the fact that benefits to unemployed workers have been cut so much that 40% of unemployed workers no longer qualify for EI. I am wondering why the Conservatives would not see that as an answer to improving the situation with poverty and improving fairness to employers and employees. Maybe those EI dollars should be there to benefit the unemployed and make improvements to the EI program.

The Conservatives have indicated that we need to pay down the debt, and we are all in agreement with that, but I am wondering whether they have a position on whether all these dollars should be used to pay down the debt or whether there should be some balance

with more dollars going into health care to provide the universal health system for which Canadians are so proud.

• (1125)

Mr. Rahim Jaffer: Mr. Speaker, when we talk about balance on our side and speak specifically to the issue of the surplus being as large as it is, there is a lot of wiggle room for governments to provide effective tax relief while still making debt payments and strategic investments into social programs.

On the issue of the EI surplus, we have always argued that the benefits should be there. Obviously it is the workers and the employers who are paying into it and therefore the benefits should be there and there should be ample benefits when they are required. However what is happening is that the government is collecting far more than it should be collecting. From the amounts that are being paid out, we are looking at amounts that are obviously much less than what the government is actually collecting.

The argument we have been making is that if that surplus is there it should be returned to the rightful owners, the employees and employers who are working so hard to make ends meet. Outside of that, of course, there is enough to pay out the proper benefits in cases where people are falling on hard times or requiring the benefits to be paid out.

It is a myth, and I know the NDP often perpetuate the myth, that in order to balance effective tax relief or debt reduction, social programs are going to be sacrificed. There is no reason that should happen with a prudent fiscal management plan. We have been putting that plan forward, a plan that has often been endorsed by many actuaries and people in the accounting world. We have thought it through and we can make it balance but we need to be honest with the numbers, as many of my colleagues have said, and that is something that we still have not seen from the government.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I am pleased to participate in this prebudget debate. It is a fairly valuable exercise.

In previous parliaments, there was certainly a perceived need among members to participate in debate leading up to the budget to help the government focus. In this Parliament things may have changed a little. Some of the paradigms have shifted. I would not be surprised if there were informal consultations more directly between the Minister of Finance and others in the House, not with a view to knowing what is in the budget, but sensing where Canadians and the political parties may want the budget to focus.

In the debate today we are attempting to give the Department of Finance and the minister some focus, and I welcome the opportunity to speak on behalf of my constituents in Scarborough—Rouge River.

Most budget speeches and debates deal with pledges in the future. The view I want to share with the House today is based more on a focus of promises kept. When one looks at where our government has placed itself, the commitments it has made and what it has been able to deliver so far, I am confident we have a very solid foundation.

Government Orders

The budget we will have in just a short amount of time will focus on building from our Speech from the Throne commitments. They were generally grouped into four categories. One is that we wish to build a stronger economy. We want a more secure, prosperous and inclusive society. We want a healthier, safer environment. We want Canada to have the resources to meet global challenges.

It is an agenda that one could argue was both idealistic and practical, but we are confident as Canadians that we can achieve these goals, that we can get to where we want to be. We will draw on our economic strength, our fiscal strength and we are able to do that now in a way that was not possible previous to when we balanced the budget in 1997-98. That was a very important benchmark.

I want to emphasize that one of the real accomplishments of the current government, which is an evolution of the government that was there for Canadians in 1997-98, is that we have kept those financial promises. We have put an end to 27 consecutive years of deficits. I am confident, and I sit here on this side of the House, that we will honour our current commitments. Those will be reflected by positive action flowing from our budget.

It is not just rhetoric. Two envelopes of huge social investment have been embarked upon over the last many months. First is the historic \$41 billion tenure agreement that the federal government entered into with the provinces and territories to bolster health care.

I and all of us around here accept that the proof will be in the pudding. It is one thing to put money aside and another thing to spend it properly. It is another thing to get the results for which we aim. However, our objective is to get the product that Canadians want in health care. This government has done its part by setting aside the resources now and into the near future so the provinces and territories, in collaboration with the federal government, can achieve those health care objectives.

All the governments have signed on. It includes key elements of systemic reform and the best terms ever for reporting and accountability. By meeting and surpassing every financial standard identified in the landmark report of Commissioner Roy Romanow, this initiative will turn the corner on the continuing intergovernmental feud that existed for many years, which Canadians will remember. It puts it behind, and we now can embark on an agenda where everyone is in general agreement as to where we go.

● (1130)

The health accord puts the focus where Canadians want it. Lord knows there have been millions of dollars on consultations and politicians talking, consulting and working to get us to this point. However, what they want is shorter waiting times in health care, more health care professionals and better equipment. They want improved primary care, home care and access to drug coverage. We have better services for our aboriginal Canadians and people in the north. We are investing more in health innovation and research. We will have improved public wellness and health.

The second major social investment was entered into to help alleviate the fiscal disparities between the provinces and territories.

The government has launched the most far-reaching improvements ever undertaken in the equalization area since it first was initiated in 1957. Through two years of transition arrangements,

which have already been agreed upon by the first ministers, the available federal funding to assist Canada's less wealthy jurisdictions will rise initially to meet the highest level equalization has ever generated, and then will continue to grow at a rate of 3.5%.

The territorial funding formula will benefit the territories in a similar fashion. The best expert advice about future distribution issues will be sought with provincial and territorial collaboration. With a new approach and with incremental federal funding of approximately \$33 billion over 10 years, we are directly addressing prime provincial and territorial concerns about their need for clarity, predictability and adequacy of funding to maintain their role in these envelopes.

Our action on these two fronts, health care and equalization, represents a \$74 billion investment over the next 10 years. Just as important, it is an investment that is sustainable. It will not jeopardize our fiscal track. It will not put us back into deficit. That is an important element.

Beyond these upfront agenda items, our government will focus on delivery of other key commitments it has made to Canadians in the Speech from the Throne. They include productivity and economic growth and high quality, universal, affordable, developmental child care. We have a new deal for cities and communities based, in part, on a share in the federal excise tax. We will build on support for seniors. We will invest in producing more opportunities and reduction in disparities that are there currently for aboriginal Canadians. We will invest in protection of our rich natural environment. We have committed to improve our investments in national defence and national security, and generally will be pursuing an objective that secures for Canada respect and influence in global affairs.

There is no question that is a lot of agenda, but the government is committed to pursue it. Maybe the most important component of all that is our growing economy, without which we could not accomplish these national roles. Our growing economy will provide the resources for these increased investments in health care. It will encourage workers to want to work here and investors to want to invest here.

I am not in a position to predict exactly what will be in the throne speech. We all know that. We will hear from the Minister of Finance, on the appointed day, in the budget speech. However, there is one other thing that I am pretty sure will be in that speech, but it should not be a surprise to anyone.

● (1135)

The approach of the government in planning our future spending will be prudent and disciplined. This is something that the government will not forget as long as the government is the government. No matter what is said in the House, no matter what the opposition parties say, I am certain we will stick to that commitment of prudence and discipline in our spending.

Government Orders

For 27 years prior to 1997, we were caught in a vicious circle of chronic deficits. We on this side of the House know that because for many of those years we were the government. We know about chronic deficits and about the 27 years. It caused higher taxes, rising debt, higher interest rates, job loss and many negative things on the economic front. We ended up with a huge national debt, one which we did not believe was at an appropriate level. We were forced to take steps, and Canadians had to take the steps. Frankly, the government could never have accomplished this fiscal discipline without the support of Canadians.

Looking back, we spent approximately 38¢ on the dollar supporting the debt load; 38¢ of every dollar that was taken in taxes was allocated to finance the debt that Canadians had borrowed. However, that is behind us now. We have made steps. The debt has gone down and interest rates have gone down. I stand to be corrected, but we spend less than 25¢ on the dollar now sustaining our debt load. That is substantial progress, but we want to go further and we will. I hope there is support in the House and among Canadians to continue to reduce our debt to GDP level.

In addition to making major social and economic investments and in addition to the recently concluded \$100 billion tax cut, our relatively robust fiscal position has also enabled us to deal with some rather nasty external surprises like the arrival of SARS and the outbreak of BSE, which is not a huge outbreak. The existence of those things can throw a government's fiscal position out of kilter. In doing our budget, we have ensured that we have planned for contingencies that can throw our fiscal house out of order.

We have also managed to secure for Canadians a AAA credit rating. I cannot imagine anyone in the House would object to that. That is an asset for all Canadians when and where and if we have to borrow. We of course continue to borrow to cycle and reduce the current debt load, but with a AAA credit rating our standing and ability to pay is enhanced. That also produces lower interest rates. Lower interest rates for Canadians means that when they want to make purchases as consumers or when they want to borrow money, the interest costs are much less. That means when they are buying homes, cars, appliances and making major purchases, they are better off. Our farmers and small businesses are better off, and the economy then generates growth. Those are some of the benefits of having improved our fiscal position.

I also want to note we will be working to sustain an increase in our living standards. Now that Canada is in a surplus position, we rank first in the G-7 for growth in living standards. Living standards is where Canadians are. They are not that interested in looking at a financial balance sheet, but living standards is where it hits home. The average standard of living of Canadians has increased more in the past 7 years than in the previous 17 years. That is a tangible benefit to my home and to the homes of all Canadians no matter where they live.

• (1140)

We do not want to take this progress for granted. As the Minister of Finance so often hammers home, to continue these benefits we need to continue to respect the principles that we plan our spending by. We must live within our means. We must plan carefully. We must behave prudently and we must always work to stay in the black.

I should say that I am one of those who would not lose too much sleep at night if by some strange occurrence we ended up with a small unplanned deficit, but I have to say that I have worked with the Minister of Finance, the previous minister of finance and the one before that, who happens now to be our Prime Minister, who are so religiously committed in planning that I do not think I am going to have to worry about a technical deficit. Our planning, our contingency plans and our budgetary allocation for prudence mean that not only are we going to avoid the deficit but also that we are going to end up with a surplus.

I heard earlier today, as we are always hearing from the opposition, about this alleged problem of the government overshooting and obtaining more revenues than it had planned for. That is not a terribly bad thing when we end up avoiding a deficit and with more money than we planned for. If we build in prudence of \$3 billion, or if we build in a contingency of \$3 billion in the budget and then something is added for prudence, we are going to end up with extra money. We are going to end up with a surplus just because we put the contingency and prudence allocations there.

In planning our economy, in trying to calculate where we will end up 18 months down the road, our government does its own financial calculations, but we also go to the best private sector forecasters. There are several of them out there. They grapple and work with the same numbers. They do the number crunching; there are computers running all the time.

I have attended relatively faithfully the policy and economic analysis program at the University of Toronto. For years it has been doing micro and macro computer crunches on our economy and projecting what our government finances are going to be and what the whole economy is going to be.

Simply, we cannot predict with absolute accuracy in science. When we have an economy that is over a trillion dollars in GDP, it is very difficult to know with precision how much money a particular business is going to make, how much money it will pay in taxes, how much someone is not going to pay in taxes, or when there will be a bankruptcy and when there will not.

There are millions of these little economic decisions going on all the time in our country, so trying to predict 18 months in advance where we are actually going to be on the bottom line is very difficult. The one principle we follow in all of that, though, is that wherever we come out on the bottom line after the 18 months it is going to be above the bottom line. It will be in the black and not in the red.

I have never been one to criticize the government for not being able to predict because in fact rarely has any private sector economic forecaster been able to predict with any more accuracy than the government itself has.

I am very proud of what the government has been able to do on the economic and fiscal front. There is more to do. The proof will be in the pudding on health care and on equalization, but we are committed to delivering these things in a financially sustainable way.

Government Orders

The budget will build on the Speech from the Throne and address the concerns of Canadians and my constituents. I look forward to budget day.

• (1145)

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I want to key in on two specific items that my colleague happened to mention.

One item was how much better the service is for aboriginal Canadians. On two counts in that area, in the last month we have had Liberals come into the Churchill riding and announce \$27 million in expenditures to go to aboriginal communities. But the reality was that it was a re-announcement of money promised in 2003. Along with that announcement is the fact that \$42 million for a water infrastructure project had been promised to one aboriginal community in 2000 and no dollars have flowed to that community.

Therefore, we had \$42 million from 2000 that never went to the community along with a re-announcement of 2003 dollars in 2005. And somehow this is providing better service to aboriginal Canadians?

Along with that, the member talked about how we need equality, how we need to have no disparity among communities. We have a situation where asbestos-contaminated Zonolite insulation is in first nations homes and the government has said that it is not going to pay to have it tested or removed. It has said to first nations that it is too bad and they should just deal with it under the budgets they already have, this when the government does not give them enough money to fund their communities. Meanwhile, and rightfully so, \$2 million is being used to remove it from the homes of military people.

How is that fairness without disparity in regard to who we are as Canadians? I would like the member to comment.

Mr. Derek Lee: Mr. Speaker, those are two instances of, how shall I say it, projects which are planned but which, as the member indicates now, have not yet been executed.

I was looking through a document just last week. It was a list of government projects and allocations. I was surprised that the money for those allocations had not yet been taken up and we had drifted down through one or two fiscal years. What happens is that the money is allocated, the project is planned, and for reasons such as the Ottawa bureaucracy or the local bureaucracy, perhaps, things get in the way of the orderly execution of some of these programs.

I do not for a minute doubt that the insulation problem the member referred to has to be addressed. I am delighted that the money has been set aside. Whatever the impediments are I wish that they were not there, but someone has to grab the bull by the horns and make those projects fly.

That is true across the whole aboriginal community, but it is not just aboriginal Canadians who have this problem. I have just described the list I mentioned. It happens in the big cities too. We would think that if people had \$10,000 or \$20,000 for a project they would grab it and run with it, but no, there are elements missing in the orderly spending of that money, so the government does not let the money go and it carries on from year to year.

• (1150)

[*Translation*]

Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ): Mr. Speaker, what I have to say is along the same lines as my colleague's question about the will to restore some justice. In the same vein, with regard to aboriginals, I would like to know from the Liberal member who just spoke whether he is aware of the poor treatment given to aboriginals in the northern part of my riding, for example.

Their housing is not even housing. There are homes in which as many as 15 people live. The humidity level in these homes is very high this winter, while outside it is 30 or 35 degrees Celsius below zero. The conditions in which aboriginals live are deplorable.

The hon. member just mentioned that he notices sometimes that funds are not spent.

I ask him whether the government is prepared to do everything it can to really meet the crying needs of aboriginals. We do not need any commissions of inquiry in this regard. The state of aboriginals' housing in the northern part of my riding is pitiful. It must be similar in the riding of the member for Churchill, who just spoke.

That having been said, I would like to know whether, in this year's budget, the government will not only invest funds but also ensure these funds are expended to relieve the misery among aboriginals in the northern part of the Mauricie.

[*English*]

Mr. Derek Lee: Mr. Speaker, I can tell the hon. member that the government clearly recognizes the demands of investment in the aboriginal community. I know there are many aboriginal communities across Canada, principally in the northern areas, where there is substandard housing.

Last night I caught a short film on television about the Davis Inlet community as it was. That community does not exist anymore. It has been moved. The investments have been made. Perhaps that is a successful conclusion for Davis Inlet, but there are dozens of communities across the north with aboriginals living in substandard housing.

While there is a lot of federal money being spent in the envelope, sometimes the aboriginal communities just do not have the infrastructure available to take the money and fix the problem. We all have to take responsibility for this. I am pleased to see progress, but just because we have progress does not mean we have accomplished all of those goals.

Yes, there are aboriginals living in very substandard and unhealthy housing. Somewhere between what they do and what we do in government to make resources available, we have to solve that. We rely on people and systems to do that and I accept the member's representation that we have a lot of work to do in that envelope.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, the member talked a lot about budget surpluses, which has certainly been a bit of an issue here today. We have talked about the experts hired by the government and how they cannot seem to get it right. I might suggest, then, that we have hired the wrong experts and we need to do a little shopping for others.

Government Orders

If the member walked into a local business and was charged twice as much as the suggested selling price of the item, would he be willing to pay it just so that business could be in the black at the end of the year? In his commentary he stated that the Liberals will always err on the side of the black so that they do not get into a deficit situation. I will give him that, but they have erred on the side of huge surpluses to the point of deceiving Canadians. The budgets have purposely been set to take more out of Canadians' pockets than we need to run this country.

How does he feel? Is he finally admitting to the House that Canadians have been deceived and budgets are being set in order to take more money out of the pockets of Canadians?

• (1155)

Mr. Derek Lee: Mr. Speaker, the member opposite is articulating the frustration that we cannot run the government like we run a business, that we cannot run the government like one might run a household, where there is a budget and we plan. But when running a household, one can predict reasonably how much money is going to come in the front door, at least over the next few months.

The government starts budgeting for the fiscal year in the autumn of the preceding year. It takes 18 months before we get through the whole thing. We cannot predict major bankruptcies. We cannot predict the failures of businesses. If a business does not make any money, we do not get any taxes. What if someone defaults or leaves Canada or there is some catastrophic event where we have to spend money? It is very difficult to predict all of those things, and when dealing with a trillion dollar economy, a few million bucks is really just pocket change in that envelope.

We do not just hire people to predict; we actually rely on independent third party non-governmental agencies to make these predictions and they are as good as it gets. That is the financial industry we are looking at. They say we cannot get it right but do not seem to mind at all that we err on the side of not having a deficit. They like that, Canadians like that, and we are going to stay there until we find a better way to predict what our bottom line is going to be.

Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC): Mr. Speaker, I will be splitting my time with the member for Macleod.

If the tragic events in Asia prove anything about our military capacity, it is that Canada's must be boosted immediately. The Conservative Party wants to see a firm commitment on the 5,000 frontline troops financed immediately in the budget. The Conservative Party wants to see the heavy lift capability of our forces put in place. No longer should we be waiting to rent aircraft from others to meet our commitments.

There are five elements needed for an effective military force: clear policy; appropriate personnel levels; effective training; proper and well-maintained equipment; and infrastructure. These five elements must progress together, otherwise the result is a less effective or ineffective military.

Canadians are still waiting for the new policy from the government and so are the armed forces. Until the policy is

approved and the necessary funding is in place, the department will continue to spin from one crisis to another.

Canadians are being led to believe through leaks in the press that the new policy will be forthcoming soon and that the Liberals will embark on another 10 year plan like the one for health care, only this one will be for the military. This is reminiscent of other political regimes whose five year economic plans went nowhere except to keep bureaucracy busy and confuse the people.

Similarly, if the rumoured modest funding increases for defence are accurate, then the Liberals' plan will lead to a downward spiral of force capabilities. Meanwhile their public relations machine will try to make Canadians believe quite the opposite. It is almost certain that every answer to every problem will be the mantra "it is in the 10 year plan".

A 10 year plan is a cop-out to avoid government responsibilities and tough decisions. The government does not want to commit the funds needed to restore the military and it is hoping that the public will forget the promises in the mists of time.

Through leaks to the media we have been informed that the government will commit about \$3 billion extra to defence over the next four to five years. This amounts to an average baseline increase of \$600 million to \$750 million per year. This is far too little to stop the ongoing decay of the forces and the Prime Minister, the finance minister and the defence minister know it.

The previous Liberal government cut \$20 billion in purchasing power from DND while the current Prime Minister was the finance minister and vice-president of the Treasury Board. The Prime Minister has never cared about or fought for defence. His track record is of one who provides the military with lots of rhetoric but minimum funding. His neglect of the military and its needs continues.

Currently Canada spends about 1.2% of GDP on defence, which is far below the NATO European average of 2%. This is true even with the recent claims of the government that it has committed \$7 billion for future equipment.

According to the strategic capability investment plan, otherwise known as the SCIP, the current defence department needs a capital investment of \$27.5 billion in equipment over the next 15 years. This means that the government has only approved about 20% of what the department needs.

The Australians, who have a smaller population and economy than ours, have committed to financing a \$50 billion capital plan over a 10 year period. They know that diplomacy and aid must be backed up by an effective military to ensure that pious words turn into deeds.

As a G-8 country and a NATO country, we have allowed our military capabilities to wither. When the Prime Minister, the foreign affairs minister or the defence minister go to international meetings, I am surprised that they do not hang their heads in shame.

If the department stays on its current and predicted course, the present force structure of air, land and sea combat elements cannot be maintained at their current size and shape.

Government Orders

The Conservative supply day motion of October 21 last year put pressure on the government to ensure that the 5,000 troops promised during the election campaign would be combat capable. We are pleased that the minister has recently said that the new troops will be added to existing units, not a one dimensional peacekeeping brigade.

Although the government has expressed an intention to add 5,000 regulars and 3,000 reserves to the military, the recruits will have to be processed through the constipated Canadian Forces recruiting and training system. Currently about 10,000 regulars are tied up in the system where the normal numbers should be between 4,000 and 5,000. The extra 5,000 that are lost in the training system are there essentially because the current regular force effective strength of 53,000 is not large enough to provide the required personnel levels to both the operational and the training units.

●(1200)

The forces are in a classic catch-22 situation. Because there are not enough instructors, the forces cannot maintain sufficient personnel to fill under strength units. In turn, under strength units cannot afford to send their experienced personnel to be instructors in the training system. Many regular recruits are lost in the system for up to 18 months. Similar problems are faced by the reserves who are also processed through the same system.

The situation is serious enough that the Auditor General is starting an investigation of the Canadian Forces recruiting and training system. Unfortunately it will take 18 months until Canadians see her report.

We in the Conservative Party are hoping that the military will find a way to process the needed 5,000 regulars and 3,000 reserves without losing them for extended periods in the system. The Conservative Party also believes that absorbing the increase at only 1,000 per year is not an adequate goal for the department. What would the government do if there was an international crisis requiring dramatic increases? It is just not acceptable.

As mentioned earlier, revitalizing the military involves more than just increasing personnel. Every person who is a member of the Canadian Forces uses equipment in one form or another. If 8,000 people are going to be added, then substantial equipment must be added or restored to operational condition. The current effort to re-equip the forces is woefully inadequate leading to rust-out in all environments. As equipment is operated beyond its predictable life, maintenance costs start to balloon because many more spare parts are required and much more technician time is needed.

A classic example is the 40-year-old Sea King fleet which requires 30 hours of maintenance for every hour of flight. Beyond the challenging costs of maintenance, the risk of safety of the crews increases each year. It will take another four to eight years before new helicopters appear, a delay caused by the political interference by the previous prime minister and the inaction of the current one. Hopefully the forces will get through this period without any serious incidents.

Another example is the army's 2,500 logistic trucks which are literally rusting out. According to an internal analysis, starting in 2008 hundreds of trucks will have to be scrapped each year because they have reached the point where they cannot be repaired for safe

operation. As the army loses hundreds of trucks each year, the operational part of the army will quickly reach the point where it cannot carry out its tasks because it cannot move its supplies.

The failure to recapitalize is dramatically demonstrated in what has happened to the air force during the Liberals' time in office. In 1994 the air force had about 700 aircraft with an availability rate of 85%. This means that nearly 575 aircraft were available to fly on any one day. Today the air force has about 300 aircraft with an availability rate of 50% so that only 150 can fly in any one day. The air force has gone from a performance level of 575 aircraft to about 150, a huge drop in capability.

The Liberals' long term under financing in the military really hit home with the public during the horrific disaster in Asia. For years the government has touted the disaster assistance response team, or DART, as something Canada could dispatch within 48 hours. The deployment of the DART to Sri Lanka was delayed for two weeks as it had to be done commercially with available Antonov aircraft rather than our own transport fleet.

It is the state of the current air transport fleet that has caused the problem. It is very old and it is overcommitted. On any one day about one-third of the Hercules fleet of 32 aircraft is committed to search and rescue, leaving about 20 to 22 aircraft available for airlift, but because of their advanced age the availability rate is only 50%. In any one day only 10 or 11 Hercules are available for tasking. The DART we are told by the defence department requires 24 to 26 Hercules flights to lift the manpower and equipment. The available Hercules fleet would have had to travel to Asia and back three times to deliver the humanitarian assistance to Sri Lanka. Meanwhile the forces would not have any other lift available to meet other demands.

If the Liberal government is going to increase the regulars by 5,000 and the reserves by 3,000, it will also have to look at our challenge in infrastructure, which has a bow wave of demands. When DND constructs buildings or other structures, it plans that these buildings will last for 50 years. On that basis about 2% of replacement value must be spent each year for upkeep and replacement of infrastructure. This level of support has never been achieved. As a result a large number of base buildings and married quarters are in very bad shape. To properly implement the planned personnel increases, the government must provide the military with additional funding for infrastructure.

●(1205)

During the last election the Liberals painted members of our party as warmongers because we advocated increased spending on the military. Ironically, an analysis of our defence proposals by DND military planners just prior to the election showed that our proposals were feasible, affordable and achievable, quite the opposite of the false propaganda perpetrated by the government.

Government Orders

Mr. Ted Menzies (MacLeod, CPC): Mr. Speaker, it is my pleasure to rise in the House to express to the wandering aimless government the priorities that should be addressed in the coming 2005 budget.

I do not use the words “wandering” or “aimless” lightly, but the never ending parade of ministers on walkabout throughout the world over the past six months has convinced me that the old U2 lyrics live on because they still have not found what we are looking for. It is called leadership and without it the government has lurched from crisis to crisis since the beginning of this minority session.

Along with my colleagues I have watched and waited breathlessly for the transformative change all Canadians were promised, but let us be honest. It has not happened yet and if the truth be told, it probably is not going to happen under the Prime Minister. We see the lack of leadership in the flailing Gomery inquiry, the mismanagement of the BSE file and the clear bungling of the tsunami crisis. Yet we stand here today to help the Minister of Finance to do his best to plan for the next fiscal year.

If leadership cannot be expected from those on the other side of the House, the Conservative Party of Canada stands ready to shine the light of common sense on the pathway to federal governance.

I address my remarks to the Minister of Finance today from the perspective of overseas development assistance. The recent tsunami disaster in southeast Asia highlighted the importance of Canada's overseas development strategies, or lack thereof as proven in this tragic case.

When reflected against the overwhelming generosity of individual Canadians, the anemic penny ante response from the Liberal government was at best piecemeal and at worst an international embarrassment. After being shamed into a series of hastily called press conferences, the government relief package grew grudgingly from \$1 million eventually up to a twice announced \$425 million over five years.

No long term relief reconstruction strategy for these funds has been announced. Where the money came from has not been revealed. What other CIDA projects will have their budgets stripped to pay for these promises? That has not been detailed.

Finally, how this ties into Canada's existing foreign aid policy or the upcoming integrated foreign policy recommendation has not been considered. The challenge comes when answering the following question: How does the finance minister allocate the appropriate funds to overseas development?

There is no legislated mandate for the Canadian International Development Agency. There are no clear accountability measures in place. As we saw over the Christmas period, funding priorities can shift dramatically from moment to moment, stretching and pulling the bounds of fiscal credibility to the edge.

The upcoming international policy review provides the finance minister with an unparalleled opportunity to send a strong signal in the budget. For the first time the overseas development envelope of spending must come with milestones and expectations clearly outlined for the disbursement. It is time to level with Canadians about how and why their foreign aid dollars will be spent.

There is a temptation for the Liberal government to further blur the lines between the departments of foreign affairs, defence and CIDA caving into the rattle and hum of ministerial greed. While we strongly agree that Canada's international policies must be integrated and complementary in their objectives, what we cannot allow is the unregulated \$3 billion overseas development assistance funding to be used as a slush fund to restore the long overdue offensive and defensive capacity of our military.

As my colleague the member for Carleton—Mississippi Mills so eloquently pointed out, funding commitments must be made to bring the essential function of the military back to a combat ready force. Too often Liberals take the easy way out and try to sell Canadians a trumped up vision of benevolent peacekeepers.

• (1210)

The harsh reality is that in order to credibly back up Canada's diplomacy and aid efforts around the world, Canada's military must be sufficiently supported at home before acting as peacemakers, security builders and as a separate and impartial entity, to allow humanitarian efforts to succeed. It is the exception rather than the rule where military delivery of aid is preferred.

This government has a responsibility to meet its commitment to the three Ds in a separate but complimentary fashion. We will fight to ensure that in the Liberal rush to be all things to all people, Canadians are not misled with a shell game worthy of a cheap, street-side hustler.

Nations around the world are moving toward a formalization of their foreign aid strategies through legislated mandates and annual accounting to parliaments. It is time for Canada to rise to this challenge. Developed nations, such as Canada, reap the benefits of their prosperity at home. Enlightened leaders know this prosperity comes with responsibilities. Unfortunately, our Prime Minister believes that pretty words, repeated promises, and speeches filled with soggy rhetoric about bold international policy is even better than the real thing.

The overseas development budget is scheduled to increase by 8% a year. This is the least this Liberal government could do after a decade of slashing Canada's foreign aid to record lows. In fact, a more aggressive approach to restoring the needed funding would enable Canada to truly fulfill its potential on the world stage. However, I fear that this Liberal government cannot be trusted to plot the course to achieving the Pearsonian objective for foreign aid budgets of .7% of GDP.

I guess this explains why Canadians are no longer shocked when reminded of the broken promises from Liberal red books one, two and three. The Liberals are still trying to live up to commitments made in 1969.

Government Orders

In the meantime, changes must be made to the practices of our foreign aid delivery. Liberals must learn to untie aid. This government ties our donations of emergency food so tight that it squeaks. We are in danger of destroying local economies of recipient countries and in the long run in our rush to deliver Canadian food as short term food aid.

Tied aid depresses world prices for commodities and undercuts the few local producers left in recipient countries. Tied aid is an insidious tool used by developing countries to make themselves feel generous as they answer the call of hunger in time of crisis.

By making untied aid a condition of future funding for Canada's ODA envelope, the effectiveness of our aid could increase by as much as 30% to 50%, and this is according to the Canada Food Grains Bank.

The time has come to focus on real solutions for poverty reduction. Let us marshal our resources to fight the fight we can win. There are many problems in the world. The ineffectiveness of Canada's foreign aid is not an enigma for the ages, but it will not be solved with photo ops with rock stars. It requires that rarely found in a Liberal quality, leadership.

Leadership in Canadian international development can begin with financial discipline. It will unravel with bold and determined choices and Canadians should be able to watch it flourish in the bright light of public scrutiny. That indeed would be a beautiful day.

The finance minister can start his government on the right path. He can make good on the spirit expressed in speeches from the throne over decades filled with good words and pledges to secure for Canada a role of pride and influence in the world.

If this finance minister is chafing under the mantle of indecision, he can break free. He can declare to the Minister of International Cooperation that he is prepared to commit the resources needed and establish the disciplines necessary for effective foreign aid.

I invite the Minister of Finance to consider these recommendations. I would be more than open to discussing these issues further with him.

• (1215)

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I will be splitting my time with the member for Northumberland—Quinte West. I thank you for the opportunity to speak to the House about some of the priorities important to the people of my riding of Dartmouth—Cole Harbour, priorities I believe all Canadians share.

I will not take up all of my time boasting about the government's record in the last 10 years, but I do want to say how proud I am to be part of this Liberal government, a government that takes a balanced approach in dealing with the challenges of our country. It is a government that has achieved great things over the past decade. We have a strong and vibrant economy, millions of jobs have been created, we are alone in the G-8 with respect to our surpluses, and we have eliminated the deficit.

The official opposition will argue that we did not cut enough taxes. It makes some wild claims about our success as a government. It would probably say we did not cut enough programs either. On the

other side, the NDP will probably complain that we have not done enough. I probably agree with much of what it has to say, but the fact is that our government is balanced and moderate.

We believe that government can and should play a key role in the lives of Canadians. We believe that Canadians expect us to spend their money on their priorities and they expect us to live within our means.

When we took office in 1993, we inherited a massive deficit of \$42 billion. It was a Liberal government that made the tough and painful decisions to bring some order and stability back to government. Now the Liberal government is even balancing provincial budgets.

The recent agreement with the province of Nova Scotia and the federal government on offshore revenues has resulted in a significant and immediate infusion of federal money to Nova Scotia. It was not a gift; it was the right thing to do. It was a commitment that the Prime Minister made. With the great support of the member for Halifax West and his Newfoundland counterpart that commitment was fulfilled.

Our premier, Mr. Hamm, has indicated wisely that he will take this \$830 million and apply it to the provincial debt, a provincial debt that was created solely by a Tory government over the period of 15 years, from 1978 to 1993, arguably the worst provincial government in the history of the country. It is certainly one of the worst, after eight years of consecutive Liberal balanced budgets in Nova Scotia from 1970 until 1978 under the leadership of Gerald Regan, Peter Nicholson, Allan Sullivan and Scott MacNutt. Between 1978 and 1993 we had 15 consecutive deficit budgets. This decision and this money will free up close to \$50 million a year for my province of Nova Scotia. I applaud the premier for making that decision.

With the new equalization agreement, Nova Scotia gets another \$151 million this year and \$1 billion over 10 years in new health care money. It is clear the Government of Canada has stepped up and shown its commitment to Canadians, but for me particularly, to all Nova Scotians, including the people in my riding of Dartmouth—Cole Harbour.

We are now fully engaged in the budget discussion and I want to commend the finance minister for his leadership in seeking input as he constructs a living document that will reflect the values of Canadians. However, I want to share a few thoughts that I think are important to Canadians.

Government Orders

First, the recent events in Asia have given us pause. The devastating situation has moved our country in a profound way. As the death toll continues to mount, it becomes more and more important that the government and Canadians not forget the great needs. It reminds us that while we have issues here in Canada, they pale in comparison to the needs of the developing world. We would do well to have our discussions about budgets within the context of the enormous wealth of our nation and that by being born in Canada, we are privileged people. I believe we owe something to those who were not.

I would like to acknowledge the efforts of the Minister of International Cooperation who has brought strength, sensitivity, seriousness and a sense of urgency to the issues, not only in Asia, but those issues related to Africa, particularly her efforts on behalf of Africa in the HIV pandemic.

In that light, I was interested that the previous speaker from the official opposition spoke about hitting our UN target of .7% of GDP. I hope all the people in his party feel as strongly about that. It is an issue I support. We are a generous country and I believe that most Canadians understand that we have a responsibility to the rest of the planet.

• (1220)

At home, our good government and sound fiscal management has given us the capacity to further invest in key priorities. Some of those other people have spoken about child care, our health care system, for me particularly, the importance of promoting a national wellness strategy to keep people well, home care and palliative care, and the very important issue of caregiver support that we need to make our health care sustainable. I had the opportunity on Friday, with the Minister of State for Families and Caregivers, to host a conference on caregiving in my riding.

Post-secondary education, for me, is second to none. We have seen great things accomplished with the money that we have invested in research over the past five years. Canada is a leader now in the world of research. However, there is more we can do and there is more we must do.

It is fair to say that students and universities suffered while we got our fiscal house in order and while we got our health care system in order. In Nova Scotia, we have the highest tuition rates in the country. While we have taken steps to address some of those issues, it is perhaps time we focused more comprehensively on education.

I would like to see our government give serious consideration to establishing a dedicated Canada education transfer that would address some of the serious issues facing our students, universities and colleges. We can do this with appropriate and agreed upon national standards. We can reverse the trend that has seen students taking more of the burden of the post-secondary education costs.

Another issue is ACOA. I would encourage the government to reinvest in Atlantic Canada and, in particular, ensure that ACOA is able to continue its work in support of economic development in the Atlantic region. ACOA is a beacon of light and we should provide adequate funding and support of the "Rising Tide" report, a report that maps out a plan for strengthening economic prosperity in Atlantic Canada.

I had the opportunity in the last two weeks to visit a number of businesses who credit ACOA for helping them develop new technologies, for finding new markets, and for employing thousands of Atlantic Canadians.

National defence and the Coast Guard is another issue. I live in a military riding and I believe we have to reinvest in our military. I am glad we are starting to do that. Five thousand is a good start. We must do more. Our military families are the heart and soul of our armed forces. They need continued and further support, and I will certainly support that effort.

Our Coast Guard does wonderful work under difficult circumstances. It is the front line for our coastal security and for protecting our sovereignty. Two recent parliamentary reports identified the difficulties facing the Coast Guard. We need to inject significant dollars in order to ensure that our vessels are able to do the job they are asked to do. The Coast Guard is important, not just to my riding, but for the entire country.

All Canadians can be proud that we live in a great country. Despite our differences, we share some common values, we are generous, we understand the importance of supporting each other, we believe in collective responsibility, and we believe that our country is truly just when each of us has an equal opportunity to be successful and to live with dignity. I believe our government has done much for Canadians. I believe we can do a lot more, and I believe that we will.

• (1225)

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, I notice the member on the opposite side has all those nice flowery words about accountability and his government. If he looks, he will see what is happening at the Gomery commission, the biggest scandal that Canada has ever seen. There have been scandals after scandals. We still have the GST even after it promised in 1993 to eliminate it. Yet the member stands up and says that there is sound economic management by his government.

Hon. John McKay: You can't even say it, you're joking.

Mr. Deepak Obhrai: Mr. Speaker, I am not joking. I am exactly telling the truth. Does he think Canadians can be fooled by these things? These issues have brought the Liberals down from a majority to a minority. They continue to do that. Yet in their prebudget speeches they have no shame. They stand up and say everything is fine. It is not fine.

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I want to draw on something that the member said about ODA. He said that he supported .07%. Let us for a minute look at the ODA. ODA right now is almost approaching \$3.5 billion. That is a lot of money. I am not saying that we should not help poor countries with aid, but there needs to be an accountability section. It is not by standing up, as Liberals do, and saying .07% when they do not put effective controls on the money that has already been allocated toward the fund.

There is no accountability. CIDA, the agency that is supposed to look after foreign aid, is one of those secret bureaucratic agencies that has no control. The minister comes here once in a while and says that this is what she wants to do, but where is the control?

Despite the fact that there is the Gomery investigation, we need solid control on expenditures. Yet nothing is coming from the government. It is the same old rhetoric, it will do these things.

Could the member comment on that?

Mr. Michael Savage: Mr. Speaker, that is quite a mouthful. If I had known the question would be longer than my speech, I would have allowed a little more time.

However, I want to address a couple of them. In terms of accountability, there has never been a perfect government in Canada.

What differentiates this government and particularly this Prime Minister is the way in which we have dealt with this issue. One of the first actions of the Prime Minister was to cancel the sponsorship program, to have a parliamentary study into it and to have an inquiry. We established the Gomery inquiry, which has gone on for a long time, will go on for a lot longer and we will get to the bottom of it. That is something the Prime Minister has done, and he has said that it will not happen again.

In terms of international work, I had the opportunity a few weeks ago to be in the Middle East to meet with Israelis, Palestinians and a number of people. They all say the same thing. Canada is a beacon to them. Canada is the honest broker that can make a difference in the world.

The member mentioned CIDA. CIDA's budget has grown at twice the rate of the economy. That is important work.

We have a number of agencies. We have the Canada Corps which monitored the elections in the Ukraine. I am very proud that the Prime Minister has a place in the world, recognizes a place for Canada, is leading it and is seen as a leader throughout the world.

• (1230)

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I hope my colleague may have heard some of the comments of one of his colleagues earlier this morning who indicated that it was tough for a government to come up with an absolute balance as to what kind of surplus it would have because it had all these different things happening, such as a businesses going bankrupt. Therefore, the government could not give an accurate reading as to what the budget or surplus would be. I am curious whether my colleague has any comments on that.

From my perspective, it is one thing to be out a few dollars. I guess even Canadians might say the government may even be out a few million when dealing with that kind of budget. However, to be

out \$8 billion somehow seems a little crazy. We wonder who is looking after the books if the government cannot balance within more than a plus or minus \$8 billion.

As well, there are groups that prepare an alternative federal budget. It is interesting to note that they have been a lot closer to the final figure than the government has year after year. Instead of using some of those independent sources that the previous member mentioned, maybe the government should refer to the people involved in the alternative federal budget who have been on the mark each and every year. Could my colleague comment on that?

Mr. Michael Savage: Mr. Speaker, the federal government has a very sophisticated process for coming up with these numbers.

Last year the economy was rebounding from BSE, SARS and the fluctuating dollar. I compare this to my province of Nova Scotia where for 15 years the provincial Conservative government kept saying it would be balanced, yet we were \$200 million to \$500 million in deficit. If we are going to make a mistake, let us make a mistake on the side of having the money and putting it on the debt, instead of the other way around.

Hon. Paul Harold Macklin (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, it is a pleasure to have an opportunity to join in the debate today. I think every one of us is concerned about our country's economy and where the future may lie. In particular these days when we see a dollar that is fluctuating with our major trading partner to a large extent, needless to say many of us are sharing the concerns of where we are going with respect to our budget.

If we look back, I think we see that as Canadians we have been very well served in the recent past in terms of budgets. I wonder how those who complain about surpluses would feel if we had been on the other side and had come in with a deficit. If we are to find a way to finish where we are slightly off the absolute balanced budget, let us always try to err on the side of a surplus.

Canadians have said a number of things to us about the budget and they have been very clear about them. They are concerned about their quality of life. They are concerned about job security within this economy. They are looking for social program enhancement to ensure that their needs are met regardless of income. That is very important for us as we look at this budget.

We look back at the Speech from the Throne and we see what was brought forward. We have certainly set some high goals that we need to achieve through this budgetary process.

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Looking back, we can see the concerns of people over the last 10 years. We have created over three million jobs. In fact, in recent years we have led the G-7 in growth in our living standard. When we look at our debt, we see a debt reduction of over \$60 billion. The net effect of that for every one of us has been quite significant. Look at the amount of interest we would have otherwise paid. Now moneys can be either applied to debt reduction or changes in the provision of social benefits to those within our society. It is truly something that is very positive.

As we go forward, each of us has to set goals. Within our country, we have set out goals. We also set out some goals in the Speech from the Throne such as: building an even more vibrant, competitive economy; strengthening our social foundations through support for health care, families and communities; and securing for Canada a place of pride and influence in the world. For me those goals are of importance and they must be reflected in the budget as we go to the budgetary process.

In terms of a more vibrant and competitive economy, we have to do more of what we have been doing, and that is ensuring that we are engaged in making certain that research and development is supported, that we encourage an innovative economy, whether it be through our tax process or other means and that we work to enhance our health care system. We already entered into an agreement this year, but we should pursue it. We have to ensure that what we have started continues to bring to each individual a meeting of their expectations of what health care ought to be as it is delivered within our communities.

With respect to families and communities, I think every one of us wants to be assured that, for example, child care will be there for us and that it will be a model to help raise the families who need it most, from the edges of poverty to a place where they can maintain their self-esteem and find hope for themselves and their families in the future.

As we look at these goals, I think we are all concerned about also securing Canada's place in the world. As my friend just mentioned, Canada Corps is one way in which we are expressing ourselves. I know at this point it is an idea that is developing and is starting to emerge to show how effective it can be.

● (1235)

In the process of budgeting, we need to ensure that we advance the cause and support the idea of not only having our youth participate in helping other countries and in learning about other countries in developing their capacity within democracy. We also need to encourage seniors in that regard. Many who have retired have retired with excellent pensions. It is the sort of thing that will give them a vehicle again to work in capacity building within emerging democracies or in areas where they need that type of support.

These are important parts of where we are going. To see the initial monitoring of elections in Ukraine is one of the important areas where we can contribute. We are just scratching the surface. I want to make certain that the budget supports such a program and advances it in many ways.

There are many needs. I know my friend just mentioned that he had been in the Middle East. Before Christmas I had an opportunity

to go there and look at the capacity building for democracy. We can look at the Palestinian situation and at areas where we could have some support and influence in helping it build a better justice system, for example.

These are areas where we have to work cooperatively. I want to see that not only in the budgetary process, but in all ways in which we express ourselves through the House and through the government. I want to see us moving toward supporting the development of democratic processes, institutions and infrastructure to meet those needs and goals. It is important we keep this in mind at all times.

I want to go back to the issues that are important to us with respect to families. We need to ensure in our priorities that those within our communities are taken care of as best we can. I want to make certain that our seniors are protected. I want to make sure that they have opportunities to express themselves, not only through opportunities maybe in Canada Corps, but through other opportunities within their own communities, and that they are enhanced. Therefore, I want to see a program like New Horizons advanced and supported so it will provide other opportunities for our seniors within our local communities to make a better life for themselves.

I believe every one of us is concerned about the environment because it affects us every day. Within my own community, I am encouraged to see the ongoing environmental cleanups. In fact, we are pursuing issues that are important to the community. I look forward to those continuing. We need to support the ongoing improvement of the environmental cleanups like brownfield rehabilitation throughout Canada. We need support that process and ensure the funding is there to better protect our environment and accordingly ourselves.

Within my own riding I have a base known as Trenton. That air base is very important because it is transport command, which is an important part of our military structure. I certainly want to ensure that we provide a continual upgrade, as we have in recent years, by bringing forward more materiel to meet the needs of every person.

I know this is tied to the way in which we approach our foreign affairs. I look forward to the foreign affairs review coming to the House for consideration. Hopefully, through that we will better exercise the interests of Canada in the way in which our military personnel represent us. Right now we are very proud that they are representing us in the tsunami stricken region through our DART program. We need to support our military and advance that in the future.

● (1240)

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, I was interested in my colleague's comments about how well the government has done with regard to pensions. I want to raise with him what I consider to be a gross injustice perpetrated by the Prime Minister when he was finance minister and which has continued on for nine years. I am speaking about the pensions received by Canadians residing in Canada, those who are receiving social security benefits from the United States.

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In 1996 Canada entered into a treaty with the United States around its taxing of Canada pension plan benefits in the United States and social security benefits here in Canada. The United States continued taxing CPP benefits to Canadians but the Canadian government at the time changed the formula and is now over-taxing. This has been admitted on a number of occasions. There has been no movement by the government to deal with this issue.

I wonder if my friend could address that. Is he willing to press his government to finally get some justice for these people?

Hon. Paul Harold Macklin: Mr. Speaker, I am aware of this concern. It is a matter which, as I understand it, is somewhat unique to the area in which the hon. member resides.

The information I have is that we are working on this issue. We are trying to come up with an appropriate resolution. I assure the hon. member that I will make the appropriate representations in order to see if we can bring this matter to fruition.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I want to pick up on the comments made by the hon. member in his speech pertaining to the environment. I want to refer him to the recommendations made by the finance committee.

Recommendation 8 states that the federal government, in order to encourage more environmental production, practices and purchases by businesses and individuals, should develop and implement appropriate incentives and support policies in certain areas. It talks about fuel efficient vehicles; housing retrofits; public transit; renewable and alternative energy development; class 43 renewable and alternative energy expansion of the capital cost allowance deductions; commercialization of new environmental technologies; brownfield redevelopment; and green space. Several other recommendations are also made.

To be fair, the finance committee was very captivated by the issues the environmental communities brought before it.

I wonder whether the Parliamentary Secretary to the Minister of Justice in his capacity as MP for Northumberland—Quinte West has given some thought to any or all of the above. Does he think that some of those could see their way into the budget?

• (1245)

Hon. Paul Harold Macklin: Mr. Speaker, the recommendations are very important and I certainly hope they find their way into the budget process in some respects.

The way in which we influence the public is a question that is continuously before us. What types of incentives do we use? Do we use the carrot or the stick? What method should we be using in order to encourage people to be more sensitive and concerned about our environment? Obviously it is a combination of both.

The recommendations that have been brought forward give us some tools to use. If we use those tools effectively, more of the public will be engaged in the process. In the end we should be able to make our environment better. Those are the steps we should be taking.

I certainly hope the Minister of Finance will look seriously at the committee's recommendations. The committee's work is very

important. It is a representation from selected members of Parliament. It is important that those members be listened to. It is important that each and every one of those recommendations be analyzed appropriately.

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, the parliamentary secretary's commitment to changing people's behaviour with regard to CO₂ gases and being nice to our environment might not ring quite so hollow if the Liberal government were committed to not having its cabinet ministers' limousines sitting outside chugging CO₂ into the air for hours on end while the ministers were in meetings themselves. Perhaps if the Liberals walked their talk it might go a little bit further in adding some credibility to their cause.

I will be splitting my time with my colleague from Nepean—Carleton on this issue. I will be speaking principally in my role as the transport critic for the official opposition and making some comments with regard to transportation.

In mid-February the Liberal finance minister will be tabling a budget in the House, which will be the first budget of a minority government in more than a quarter of a century. It may be more closely scrutinized than any budget in my generation's history. It is a chance to meet the real needs of a growing and prosperous nation. It is a chance to fulfill the promises of elections and speeches past. It is a chance to look ahead.

Today I want to talk about the federal government's obligation to invest in transportation infrastructure and how the Liberal government has frankly failed that task over the past decade.

Improved transportation means a cleaner environment. It means efficient economic growth. It strengthens the quality of life in rural communities. National transportation initiatives have a proud history of uniting and forging unity across our vast nation. One might think that the Minister of Transport understood this. His past speeches and statements including one on December 10, 2004 reported a commitment to freeze airport rents for 2005 and to permanently reduce them thereafter. Presumably he listened to foreign airlines like El Al of Israel and Olympic Airlines of Greece, both of which cited a recent 64% increase in landing fees at Toronto's Pearson airport as reasons to drop service to Canada. A month earlier the same Minister of Transport promised to reach a gas tax agreement with the provinces by Christmas 2004.

Both were good ideas in rhetoric but follow through continues to be a real challenge for the Liberals when it comes to making commitments and promises. Sadly the finance minister has embraced neither proposal in action. It would seem that Canadians either need a more persuasive Minister of Transport or a hearing aid for the Minister of Finance.

Contrary to popular belief, the problem is not a lack of money but rather a lack of political will and leadership. In mid-January the finance department admitted that the Liberal government had received between April 1 and November 30, 2004 fully \$10.7 billion more in taxes than it needed to meet its spending obligations. In other words in the eight months following April 1, 2004 the average Canadian, every man, woman and child, overpaid his or her federal taxes by \$334.

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The Liberal government likes to make promises and then indefinitely postpone their implementation. By talking at length about the problem, the Liberals are able to create a sense of crisis and then position themselves as the saviours by promising and then postponing some concrete action. We have seen it in the past with medicare, the environment, child pornography, Canada's armed forces, and promises to help big cities pay their bills. This is cynical and opportunistic politics at its worst. The only thing it really produces in the end is a growing public mistrust of politicians during election campaigns.

A minority government should be the place for a full and honest debate on how much money the government needs from the average Canadian and what our spending priorities should be. Unfortunately the unique opportunity for a full and meaningful debate of these issues is being overshadowed by topics like same sex marriage and the decriminalization of marijuana. Clearly Canadians have strong opinions on these controversial questions, but however passionate our views may be, we cannot ignore the historic opportunity before us: a long overdue debate on what services and activities the federal government should perform and how best to pay for them.

We hear for example of the impending retirement of our aging population and rising health care costs. The need to grow our economy is obvious but the government seems stuck in the past. Its thinking is largely limited to corporate welfare and politically influenced regional investments, yet opportunities for creative thinking abound. I am going to ask the government to explore some of these new ideas. Consider the following news item.

During the Christmas break it was reported that the port of Vancouver has become so congested with freight from China that importers such as The Bay, Wal-Mart and Canadian Tire are bypassing the west coast and docking in Halifax. When everything is working normally it takes three weeks to move a container from Shanghai to Toronto or Montreal, but this can exceed six weeks when the system at the port of Vancouver is congested. For this reason an increasing number of shippers are bypassing Vancouver, paying 35% more and sending their goods on a 37 day trip through the Panama Canal to Halifax. I am glad that the port of Halifax is growing, but if shippers are bypassing Vancouver when sending their goods to Toronto, we can bet there soon will not be very many Canadians involved in shipments between Asia and New York via Vancouver.

• (1250)

Both of our major railways are competing for a share of the cargo traffic between Asia and the U.S. midwest and the eastern seaboard. Both have based their marine facilities in Vancouver. Therefore, the transportation infrastructure in Vancouver is not just important in facilitating Canadian imports and exports; it has the potential to play a crucial role in enabling U.S.-Asia trade, and dramatically stimulating both the Canadian and B.C. economies as a consequence.

We hear that the Minister of Industry is willing to provide Bombardier with up to \$300 million in "research support". This is presumably on top of the \$772 million in grants and repayable loans that the Canadian Taxpayers Federation says the government has granted the company since 1982.

Every dime that Ottawa has paid Bombardier has been justified by the promise of Canadian high tech jobs. We might want to consider similar thinking with respect to some of B.C.'s transportation infrastructure. By improving Vancouver's overall international competitiveness as a transportation hub we create tens of thousands of high paying jobs in B.C. and other points across Canada.

Vancouver is the closest major North American port to Asia. We therefore have to have what Harvard professor Michael Porter describes as a sustainable competitive advantage. The government in the interests of long term thinking might want to examine how best to support the growth and sustain efficient operation of Vancouver and also perhaps Prince Rupert as Canada's contribution to a productive trade agreement between Asia and all of North America.

Let me share with the House some of the ideas that have been proposed and which are certainly worthy of consideration by all parties in this House. With respect to the ports of Vancouver and Prince Rupert, it has been suggested that the Vancouver Port Authority have the ability to borrow money from financial institutions or capital markets, perhaps even with the ability to issue tax exempt bonds like their U.S. counterparts.

There is a real need to improve the north and south Fraser perimeter roads, the Fraser River rail bridges and other intermodal rail links. We should examine how best to ensure that U.S. west coast ports do not have financial, legal or tax advantages over Canadian ports like Vancouver, Prince Rupert, Nanaimo, Delta and Fraser ports.

There is a need for dramatically increased port security if we are to become a trusted gateway for U.S. customers. It is in our strategic interest to meet or exceed U.S. freight and passenger security standards. This type of security is a public good which should be publicly supported, not user supported. These increased security measures should not be to the detriment of continued efficiency at our ports of entry.

With respect to our rail industry, a recent study recommends that we "consider giving tax credits or accelerated write-offs of investments to double track and/or double stack rail lines so that CN and CP can add capacity and improve efficiency for United States inbound and outbound shippers".

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Again they are new ideas on which we can agree or disagree, but these are ideas that the Liberals have failed to consider, have failed to even put forward for meaningful debate in this House to dramatically increase the standard of living for Canadians.

We also need to look at ways to increase the economic potential of the Vancouver International Airport, to choose one airport. In 2004 the Vancouver International Airport Authority paid over \$72 million in rent to Ottawa. This is significantly more rent on a per passenger basis than most other airports. Rent is the single largest cost of running the airport. As of January 1, 2005 that rent increased to \$77 million.

On page 15 of a report the B.C. Progress Board argues:

Transport Canada should truly decentralize its mandate to provide for...global competitiveness. Transport Canada currently charges excessively high rents...for the [Vancouver airport] site. [This] inhibits the [airport authority's] ability to develop its full potential, and thus restricts Canada's ability to enjoy the benefits of a fully devolved, flexible and competitive West Coast Asia Pacific gateway airport. The federal government must develop a more reasonable and appropriate rent structure, one that acts as an incentive for [the Vancouver International Airport Authority] to accelerate its efforts and advance the airport's competitive position.

There are all kinds of great ideas out there, important ideas for Canada's transportation infrastructure. There are ideas to add more capacity and increased competitiveness with regard to our airlines; to ensure that grain is getting to markets efficiently so the prairie provinces can enjoy growth and prosperity; to ensure that we do not have traffic congestion at our borders with the United States; to ensure that our ports are operating efficiently and fluidly, so that we can expand our trading opportunities all across the Pacific Rim and to our potentially next largest trading partner, China.

We must do these things. Instead what we have is a Prime Minister who knows nothing but how to dither, a transport minister who cannot make a decision once he has the okay of a blind and deaf finance minister. The Liberal government is absolutely adrift when it comes to transportation policy.

We need new and big ideas. This is yet one more reason that the time has run out for the Liberal government to act. The only way to get these questions truly answered effectively is to kick out the Liberal government and get a new generation of leadership in office with the new Conservative Party.

• (1255)

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, I rise in the House to raise with the member from Port Moody the issue of the pension benefits. I know that his colleague from Calgary Southeast, in the 1997-2000 Parliament, was quite adamant as an advocate on this issue of trying to redress this injustice to retirees who are receiving these social security benefits but being overtaxed by this government. I pressed the issue on a number of occasions in the 2000-04 Parliament, and we are continuing to do so.

Could he indicate on his behalf and that of his party whether they continue to support an initiative to redress this injustice and provide some fairness to the recipients of these benefits?

Mr. James Moore: Mr. Speaker, I appreciate the comments of my colleague from Windsor. When we have New Democrats and Conservatives agreeing on tax policy we know it is something that

should be a no-brainer, frankly, but as I said in my speech, that unfortunately is the case with the Liberal government: sometimes something is so obvious and so clearly apparent that for some reason the Liberal government just cannot see it.

We see it with regard to the gun registry. Any Canadian with an ounce of common sense realizes that the gun registry is a mindless program that should be stopped and this is another example that my colleague from Windsor raises with a simple regard to tax fairness.

The Conservative Party is a pro-immigration party. We believe, and certainly as a British Columbian I strongly believe it, that Canada is helped by people with ingenuity, ideas and energy coming to Canada and making Canada a better place. We are not going to continue to have that if we have a tax regime that does not in itself encourage people to come to Canada.

What we see here specifically with regard to social security benefits in the United States is a clear example of Liberal tax policy discriminating against a group of people in a way that is totally inefficient. I applaud my colleagues from Windsor, Calgary Southeast and Essex for showing the leadership that the Liberals clearly have failed to demonstrate. This goes onto an increasingly long list of issues, and if Canadians want action on these issues they will need a new government in Ottawa. That new government will be a Conservative government.

• (1300)

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, my colleague is the transport critic and has taken on the big transport issues in this country. I want to bring one point to him on which I would like his comment.

We still today as it stands have one airline that dominates the skies of Canada and that is Air Canada. Even today as we fly on Air Canada's international and domestic routes, there is an old saying that if this airline can make your life difficult, it will continue to do so. The service level is still very poor, but that is because it has a monopoly. That is because it does not have competition in this country. In spite of the fact that there is WestJet and everything else, Air Canada still has international routes and it still has business class. It still maintains this and it is still under government control. It was quite surprising to see the CEO of this airline agreeing with the transport minister on what he suggested, thus telling me that there is collusion going on over there with the same old government interference in this thing.

Does the member not feel that we need to emphasize competition in this area so that Canadians, like everybody else, can benefit from the competition that comes about?

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Mr. James Moore: Mr. Speaker, I agree with my colleague that having increased air competition is very important in Canada and I actually would disagree with him in one respect with regard to Air Canada. In mid-2001, if my numbers are correct, Air Canada had 81% market share in Canada but it is now down to well below 70%. In fact, it is creeping down into the low sixties, if I recall.

Air Canada's domination of Canada's air industry is not quite as pronounced as a lot of people think. Yes, it does have monopoly runs on certain routes, but the dynamic is changing. It just came out of restructuring. It has just made a number of very important deals with a number of its labour unions. Air Canada is making a lot of the changes that I think the market forces are forcing it to make and I think that in the long term this will be in Canada's best interests.

I agree with him completely that this government has failed to set up a regime in Canada which would properly and effectively encourage more airline competition. When there is more competition in any element of the economy, it gives people more opportunities and more choices on how they want to do things. This is why I believe in free markets and free enterprise and why I am a Conservative.

When we have free markets and choice, competition evolves. It gives people more opportunities and more choices on how they want to do things. That is why I believe in expanded modified sixth freedom rights to include more foreign carriers in Canada's skies. We could have more choice and more competition. If we have more competition, we get a higher quality of service at a lower cost to consumers. Throughout time that has always been in consumers' best interests.

That is the direction we should be going in, but again, these Liberals cannot decide to be for free trade or against free trade. They cannot decide if they are for tax cuts or for increase in spending. Liberals cannot decide anything and they have the perfect Prime Minister to lead them: Mister Dithers.

A Conservative government will fix a lot of these problems.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, I confess I am new here and I do not know all the rules, but I always thought it was against the rules to bring pets into the House of Commons. I have just noted that in fact there is a big elephant in the room, an enormous elephant that we are not focusing in this debate. It is quintessential to the discussions surrounding the budget, this elephant is, yet no one seems to be discussing it.

Of course I refer to the Liberal plan to institute a national government-run babysitting bureaucracy, or what the Liberals call a national day care program. We might be hearing something about this elephant in the upcoming budget, but we are not yet sure. I would like to discuss this enormous elephant in my address to the House today with regard to the budget that we expect to see here at the end of February or in early March.

Let us start with the principles that the Liberal government says this elephant will be guided by. The first principle, of course, is one of the Liberals' catchphrases. They love using this word even though they are not quite sure what it means. They call it universality. They plan to put into place a government babysitting bureaucracy or an

elephant that can universally carry every child on its back; that is what they are promising, anyway.

The Liberals have been promising this for the last 10 years. In 1993 they promised this elephant. In 1997 they promised this elephant. And in 2000 they promised it. Now they are promising it one more time.

It is not that I worry they will not keep their promise. I am actually worried that they will on this particular subject, because this elephant will be anything but universal. The social development minister has told us that the national day care program he proposes will only go to government sponsored day care facilities, which means by definition that this national daycare system will not be universal.

It will exclude parents who make the decision to raise their children in the home. It will exclude neighbourhood nannies or others in the community who give community based care to children. It will exclude synagogues, mosques, temples and churches in communities that provide child care throughout the day. It will exclude qualified professionals who operate private facilities where children are cared for throughout the day.

I do not have my dictionary with me, but as far as I know, if some program excludes 80% to 90% of potential recipients then it cannot be, by definition, universal. This is a universal program that excludes 85% or 90% of children. That is the first point. That is my first problem with this elephant.

Second, the Liberals say they intend to provide this program for 2,500 children. We know there are more than 2,500 within the specified age group, so once again, it will not be universal.

We should keep in mind that even those parents who do choose alternative methods of raising their children, who choose not to use the government babysitting bureaucracy, will still have to pay for it. That would be like forcing people to pay at my restaurant even though they do not like what is on the menu and even though they have not dropped by to patronize the facility.

So it is not universal and it will still make others who do not use it pick up the tab.

Let us discuss the cost of this elephant, because I can assure the House that it is going to be very expensive to feed this beast. The Liberal government says \$5 billion over five years.

Can we have some common sense here for a moment? Do hon. members really believe that \$1 billion a year, spread across this entire country, the second biggest nation on earth, is going to adequately finance a universal day care program? The Liberals are going to spread \$1 billion across 10 provinces and 3 territories.

• (1305)

I suspect that in my province of Ontario we would get something in the neighbourhood of \$300 million a year. Is it really realistic that the Liberals are going to bring in a universal day care program in the province of Ontario for \$300 million? Of course not.

Government Orders

Then they are going to unionize all of the professionals who will work in these facilities and be faced with labour turmoil and potential strikes like the kinds we see in other sectors. And they expect us to believe they are going to be able to do all of that for \$1 billion a year nationwide?

Excuse me, but I am a little bit skeptical of this elephant we have in the room today. Ultimately it is going to cost a lot more. We know what the Liberals said about the gun registry. They said it would pay for itself. It is costing us \$2 billion.

We know about the massive overexpenditures that have happened in other departments. We are sure to see similar overexpenditures in this new bureaucracy, which will ultimately mean higher taxes for middle class families and parents with children. It will mean that parents who have the responsibility to care for kids are going to be paying more to the government in higher taxes, which means there will be greater stress on the family unit. It will continue to be more difficult for parents to raise their own children, thus defeating the purpose of having this elephant in the room in the first place.

Then the Liberals talk about quality. I wonder who believes that this government can be trusted with raising our children. Let us look at the way in which it manages other programs.

Consider the Canada pension plan. I am a young person. If I could invest the premiums I am forced to pay into CPP myself, I can assure members that I would be receiving a much higher rate of return than the 2% or 3% maximum, optimistically, the government managed program could ever pay.

Consider our military, with submarines that will not go down and helicopters that will not go up. This is a government that has horribly mismanaged our national defence. As recently as the catastrophe in south Asia, we were unable to transport our troops because we do not have heavy airlift capacity. It is another example of blatant government mismanagement.

Consider Technology Partnerships Canada, where the government recovers only 5% or 6% of all of the loans it gives out. And it considers this program a success. A recovery rate of 5% would bankrupt any of the major banks in the country, but somehow this government considers that to be a marvellous success. I guess it is the same kind of logic that would lead them to believe that a child care program which only serves 5% or 6% of the nation's kids is universal. But we will return to that in a moment.

I would be remiss if I did not propose an alternative. I believe in parents. I believe in the truism that civilization is passed on from parent to child and that our civilization exists today because parents have carried out that duty and responsibility. That is what we on this side of the House of Commons believe. We would take those same child care dollars that this government would give to a babysitting bureaucracy and we would give it to parents directly. That is because we trust families. We trust parents. We believe that no one loves a child more than its own parents.

In conclusion, I would like to announce that the colour of this elephant, of course, is white, and the only value-added it brings to this debate is that potentially it will carry on its back the Minister of Social Development and the Prime Minister to legacy land. Other than that it does not serve our nation's children and it goes clearly

against the norms that have built our civilization and against the priorities of the Canadian people.

• (1310)

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I agree with my colleague from the Conservative Party that the Liberal promise of a child care program, which he refers to as a white elephant, has not been followed through. The Liberals have promised it time and time again, like they have on numerous other issues.

Where I would disagree with him is when he referred to it as sort of the white elephant of Parliament. I suggest that his portrayal of child care in Canada, what he perceives should be the way children are looked after in Canada, would be along the lines of the dinosaur.

There has been a change in the way families live and work. To somehow suggest that parents who want a child care system are not part of the norm is not acceptable. Enough parents in this country want to see a good child care program put in place because there are some parents who choose to work for whatever reason and there are other parents who want to stay home with their children.

I will acknowledge there should be absolute recognition and support for parents who want to stay home and be with their children, but to somehow demean the needs of parents who have to work and who want their children to have a good, safe child care program is not acceptable. If he wants to use the white elephant analogy, then I suggest that he is back to the dinosaur analogy that often comes with some of the thinking from the Conservative Party.

• (1315)

Mr. Pierre Poilievre: Mr. Speaker, I would like to discuss this dinosaur analogy. This comes from a party that would force middle class families, whether they support the program or not, to pay higher taxes and face new strains on their own financial capacity to pay for a new government bureaucracy.

She would take away a woman's right to choose how to raise her own children by forcing her to pay higher taxes into a government run bureaucracy. I propose to give the family the right to choose. Perhaps there are some families that want to use day care alternatives. I do not have any problem with that. That is why the government should give the dollars directly to those parents and let them decide how to spend them properly.

Instead, the member across the way would coercively take those dollars in the form of taxation and force an option on that family. She calls us dinosaurs. That is one of the most retrograde ideas I have heard since arriving on the Hill.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Speaker, I would like the member to comment on one of the places where we have day care operating in this country and where taxpayers are being forced to pay for it and that is the system that is set up in Quebec right now. We understand that it is costing taxpayers somewhere in the neighbourhood of \$1.5 billion to \$1.6 billion for the day care system that is set up there. Only 160,000 children are able to access that program. It is being used primarily by middle class and upper middle class families, so that the children who actually should be receiving the advantages from that system are not.

Government Orders

Mr. Pierre Poilievre: Mr. Speaker, the member is absolutely correct in pointing out that the majority of parents who actually use the Quebec system are in the upper income level. Oftentimes it is upper income professionals with two incomes per family who use the day care system. We are taking money from working class families in Quebec. We are taking dollars out of the pockets of the assembly line workers to subsidize the CEO's child-raising at the government level. That is essentially what we are seeing.

I want to go back to the very simple principle here. This is about choice. When a government imposes a babysitting bureaucracy and forces everyone to pay for it, regardless of whether they use it, it is taking away a choice from the family. That is why I propose that we take the dollars the government is setting aside for this babysitting bureaucracy and give it directly to parents, allowing them to choose.

There is one more thing. If the government really believed in equal rights, as it claims to with this discussion over marriage, why does it continually discriminate against those families who make the choice to keep one parent in the home? Why are they in a higher tax bracket? A \$60,000 a year family with two incomes pays a much lower tax rate than a family with one income. That is discrimination. It violates the very pretense of equality that the government is pinning its hopes on same sex marriage upon, and that is just plain wrong.

[*Translation*]

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I am pleased to take part in this debate. Today, I have a new seat in the House of Commons, near that of the Speaker of the House, which you are currently occupying. The ridings we represent are almost neighbours. You are originally from L'Orignal, which is in my very beautiful riding, while I am from Hull. In my opinion, that city should retain its name, which, I might add, belongs to your riding. We find ourselves very close to one another today in the House, and it is an enormous pleasure for me to take part in this debate.

Before I address the expectations of the constituents of Glengarry—Prescott—Russell, I want to take two or three minutes to comment on what the hon. member for Nepean—Carleton said.

• (1320)

[*English*]

In one part of his speech he referred to the Canada pension plan and said that the federal government forces him to contribute to it, or some such thing. I regret to inform him but that is not the origin of the Canada pension plan. Most people who will remember this will remember that pension plans were a provincial responsibility. Nine provinces got together and asked the federal government to administer on their behalf the pension plans that would have been in place in their respective provinces.

I am just trying to relate what actually happened for the benefit of the hon. member. When the nine provinces got together each one of them said that the premiums would be reinvested in their own province and at one point it was largely used as part of the consolidated revenue fund.

I sat in the provincial legislature of Ontario. When those funds were going to the province, the province was borrowing on them and

giving back an interest rate of something like 2% when the interest rate was 18% in the right wing Ronald Reagan years that all of us remember. That is the kind of return on investment that a Conservative government was giving to the premiums paid by the public in the province in which the member and I both live. That is the history behind it.

Who fixed the Canada pension plan? It was this government under the present Prime Minister who was minister of finance under the previous prime minister. Both of them together raised the premiums of the Canada pension plan and made it solvent for years and years to come. It will be solvent at the time when it is the hon. member's turn to retire. That is the real history of the Canada pension plan, not what we heard a while ago.

[*Translation*]

I want to talk about daycare too, because I do not really agree when the member says that 85% of the population will be excluded. He has not even seen the proposal yet. The budget has not been tabled. He does not know what the budget will contain and even less what will be included or excluded.

He is using the Quebec model as an example, without even knowing it will be adopted for the entire country. After saying that, however, he claims that the program is not popular in Quebec. I do not know many Quebecers opposed to this program.

I live in a border region. I was born there. The people in my region, in Hawkesbury for example, often lived in Grenville, Quebec, for a few years before moving to Ontario. In my sub-region, it is one of the most popular programs. People are drawn to this region because it offers this program.

When the member claims that this program excludes everyone but the rich—or something like that—that is not my experience in the border region in which I live. I must add, for the benefit of all parliamentarians, that the hon. member also represents a region a few kilometres from Quebec. Surely he is in no position to make excuses for not being more familiar with this reality.

I want to say a few words about the very beautiful riding of Glengarry—Prescott—Russell, your native riding, Mr. Speaker, more specifically the region of Orignal, Ontario that I have the honour of representing.

During the last election campaign, I promised the voters of Glengarry—Prescott—Russell I would help implement a development program for Eastern Ontario. This program was indeed implemented thanks to the Minister of Finance and the Prime Minister. The representatives from the Mayors and Reeves Association of Eastern Ontario deserve a lot of credit. They all wanted this program and worked closely with me and my colleagues to come up with a framework that would be administered by the Community Futures Committees in our respective regions.

Government Orders

The program is still in its infancy. It is a pilot project that will end on March 31. In the meantime, it is working very well. What I am asking today is for the government to take the pilot project in its current form and make it permanent with essentially the same structure. There is no need to create more bureaucracy or anything like that. The Community Futures Committee—certainly in my riding—administers the program very well. I have also heard that the program is well received in the other regions of Eastern Ontario. I would like to see the Government of Canada make this program permanent.

The second item I want to talk about is agriculture. Farmers in my riding are still suffering. This has nothing to do with a Government of Canada decision—quite the contrary. The government has done everything it can to help, but the fact remains that farmers in my riding are still suffering because of the mad cow crisis, which has been going on for almost two years now. We know that at the beginning of the crisis, the animal infected with the disease was found in Western Canada, in Alberta.

After that animal was discovered, the borders of the United States were closed to our exports. The U.S. was our primary customer, and this created a terrible surplus of livestock in our country. Nearly 50% of our production was for export. Slowly, some borders have reopened, initially, of course, for certain cuts of meat. And even at that, certain organs have to be removed.

● (1325)

As of March 7, the American market will open to Canadian animals under 30 months of age, on condition that these animals are destined for slaughter. For example, it still will not be possible to export an animal intended for breeding to the United States. Only slaughter animals will end up in American abattoirs.

Last week I had the pleasure of visiting Mexico along with the Speaker of the House. Mexico is our second largest export market. This issue was part of our discussions. We must ensure that Mexico follows the American lead and allows our exports to enter. There are not many problems with Mexico itself. The Mexicans, at least all the legislators I spoke to, agree that their borders should be opened wider. The problem is not there; if the Mexicans were to go farther than the United States, restrictions would soon be imposed on their beef exports to the U.S. Thus, the Mexicans are between a rock and a hard place and cannot go farther than the Americans for now. I hope that they will go at least as fast, and that trade will soon increase.

In the meantime, the farmers are still suffering. Prices for the younger animals have begun to improve, of course. Things are not perfect, but they are improving. The area where there is no improvement is the cull cattle, that is dairy cows that have reached the end of their life cycle. These used to be slaughtered for low-grade meat, hamburger for instance. This is where there is still a serious problem. In the past, this was a good market with the United States, and the cattle were increasingly being exported on the hoof. As a result, our small local abattoirs gradually closed down, and almost all the market was across the border.

I therefore encourage the government to continue to promote its program and also to step up our slaughter capacity in Canada. The cull cattle problem is likely to take far longer to solve than the problems relating to other animals, for the reasons I have given. The

border is starting to open up gradually, but there is still no light at the end of the tunnel as far as cull cattle are concerned.

I am therefore calling upon the government to continue to address this issue. I do, of course, recognize the work that has been done by the present Minister of Agriculture and Agri-food. His predecessor, Hon. Bob Speller did a very good job on this as well, and so, of course, did the minister at the time the mad cow problem began, Hon. Lyle Vanclief. I thank them for all they have done, but the work must continue. I hope we will once again have the ear of the Minister of Finance in order to enhance the aid package that is already in place for them.

I would like to take a few minutes to address the issue of the environment. It seems to me that this is a place where Canada can stand out internationally. We need to put measures in place that will reduce our consumption of fossil fuels, coal in particular.

In my province we have probably the biggest source of pollution in North America: the Nanticoke thermo-electric power station, southwest of Toronto. On a summer's day, the effects of pollution are evident in my riding and in yours, Mr. Speaker. This plant is the largest source of pollution in North America. Of course, it is not the property of the federal government, but of the Ontario government, and specifically, the hydro-electric company in my province. This nonetheless illustrates that there are serious problems in the province, and of course in the region that I represent.

● (1330)

I know that there are already incentives for Canadians to purchase hybrid or fuel-efficient cars, such as electric vehicles, for example. For vehicles that either are hybrid or operate on electricity only, I would like there to be a program whereby, for example, the GST on the vehicle would be fully reimbursed, as a kind of incentive. These cars sometimes cost thousands of dollars more than a vehicle that runs on conventional fuel.

I also think that after a period of time, once we have a critical mass of these vehicles and more service stations capable of accommodating them and so forth, the unit cost will surely go down. That stands to reason. In the meantime, we need incentives to encourage consumers to buy these vehicles. This would enable us to reduce greenhouse gas emissions, clean up the environment, and of course increase the likelihood of meeting the challenge we have set ourselves with the Kyoto Protocol.

I would also like to talk about the national parks of Canada. People agree that they are among the marvels of the world. Those of my colleagues in the House or my constituents who have had the opportunity to visit them are amazed every time at the parks that we enjoy in Canada.

Government Orders

In southern Canada, we don't always have the chance to appreciate them so much. We know that a great many of the largest ones are to be found in the north of the country. In the region that I represent, we have a rather extraordinary natural phenomenon that is called the Alfred Bog. This is a wetland that is home to many species of birds and animals. I am told that it corresponds to a geological formation that is to be found in the far north of Canada, but exists locally exceptionally, in the Alfred Bog.

Unfortunately, the bog is much smaller than it used to be. It has been mined by persons who decided to extract peat or black earth and sell it, and so forth. Today its surface area is perhaps half what it was before. All the same, possibly 10,000 acres or more are left.

Now, thanks to the former Minister of the Environment, the member for Victoria, who really worked with me on this, the funds have been found to allow the purchase of a major section of the bog and also ensure public sector protection. The South Nation River Conservation Authority, a not-for-profit organization regulated by Ontario legislation, has also invested funds to purchase a section. Nature Conservancy Canada holds the title to the section funded by the Government of Canada. The United Counties of Prescott and Russell also hold title to another section. All this to say that much of the bog is now owned by the public sector.

Since this is a special property, with an extremely rare topography and incredibly rich in natural resources, I am among those who believe that the Alfred Bog should be turned into a national park. I have raised this point several times in this House. I am working with a group, in my riding, to prepare documents for a presentation to Parks Canada about turning it into a national park.

Naturally, creating a national park costs money. Consequently, I am taking this opportunity to raise this issue during this prebudget discussion, in the hope that the Ministers of the Environment and Finance will agree to turn the Alfred Bog into a national park, located in the riding I have the honour and privilege to represent.

● (1335)

Here are a few examples of things for my riding.

[*English*]

I do not want to let the opportunity go by without speaking briefly to the Canada-Ontario infrastructure program. This has been a truly amazing program. In 1993 when our government came to office we promised the Canadian public that we would have an infrastructure program. It was pooh-poohed by members of the Reform Party at the time, the same people who are today asking for infrastructure projects in their own area, but we shall not allow history to get into this because people tend to forget what they say themselves from time to time.

Needless to say, the program, for which the Federation of Canadian Municipalities had initially asked, has been a truly amazing success story. I think we are into the fourth Canadian province, in my case Ontario, infrastructure program now. Each one of them has municipalities asking more and more for a repeat of the same. I ask then that the government continue to invest in the infrastructure program because in rural Canada, particularly where I represent, this is still very much a need.

[*Translation*]

Those are some of the requests I wanted to put before the Government of Canada during its prebudget consultations.

In closing, I would not want, at any cost, to see Canada go further into debt. In my opinion, the balanced budget approach adopted by the Minister of Finance, his predecessor and, of course, the current and former prime ministers is a good one. We must gradually pay down the debt and get Canada out of debt. That is what we are doing. Our efforts in this regard have been very successful and we must not change our course.

● (1340)

Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ): Mr. Speaker, I listened attentively to the speech by an experienced member of Parliament. He summed up his achievements which must be numerous, because he has been sitting in this House for some time.

There are some things I agree with and others on which I do not completely agree. Among other things, he talked about agriculture and the mad cow problem. If we recall the events of over two years ago, one mad cow was found in Canada's west, in Alberta, 3,500 kilometres from Quebec.

Quebec is home to 55% of the dairy herds in Canada. These are valuable herds, because they produce 55% of the milk in Canada. The result of finding one mad cow in the west has been the loss of huge sums by Quebec farmers, as well as those in Ontario. Canada is not a country; it is a continent. If the same problem had occurred in Europe, we would not have seen all the countries of Europe lose their markets. In Canada, however, there has never been any understanding that the situation was different. And so the producers of Quebec must suffer the losses caused by this mad cow crisis. We are still trying to understand why the federal government does not provide more assistance to Quebec farmers.

I ask the hon. member if he thinks this flagrant injustice toward Quebec agriculture is right. In my opinion, although he boasts about his government's achievements, this is one that should not be the subject of boasts. And I do ask his help in getting his government to understand that it should restore justice as quickly as possible for Quebec farmers.

Hon. Don Boudria: Mr. Speaker, I shall begin by contradicting my hon. friend. When he says, "It is not a country; it is a continent," I reply that it is both a country and a continent, and that I believe it will be so for a long time yet.

The hon. member says that 55% of the losses with respect to mad cow are being experienced in Quebec. That is not true. He knows that very well. It is true that some 50% of the nation's dairy herd is in Quebec, but not 50% of all the cattle in Canada. Such a figure is ridiculous. Perhaps he means to say 50% of the losses related to dairy herds, but not 55% of the losses related to mad cow.

● (1345)

Mr. Marcel Gagnon: That is what I said. I said 55% of the milk.

Hon. Don Boudria: No, that is not what he said. I listened closely to his comments, and that is not what was said.

Government Orders

There is something else that the hon. member surely knows. It was not Canada that closed the Canada-U.S. border but the United States of America. If the United States of America decides that the herd can leave Glengarry—Prescott—Russell and cross to the United States, I certainly agree. Go see an American customs officer and tell him that you have Canadian cattle that you want to enter the United States but it does not count because it does not come from the same region. It is not the Government of Canada that you will have to convince but rather the American authorities. They are the people who closed the border, not us. To claim somehow that it is the Government of Canada that is preventing the export of the Quebec herd to the United States is verging on the ridiculous.

We are moving mountains in our efforts to open all the borders all across the country, including Quebec, eastern Ontario, my region, and everywhere. That is the reality. Beginning March 7, for example, live slaughter animals less than 30 months old will be able to cross the border.

How was that done? Through intense lobbying efforts by all the parties in the House. The representatives of the parliamentary associations in the American Congress, the Minister of Agriculture and Agri-Food, all the ministers, our experts and our public servants have been working all this time. It did not happen overnight. It was not the Government of Canada that closed the border but rather of the United States. One should remember that.

In the beginning, when there was one case of mad cow, the Government of the United States closed the border. But after the Government of Canada, working together with the international community, demonstrated that there had not been any contagion, the American border should have re-opened.

I heard an interesting statement from a member of the U.S. Congress last week or the previous week. This is what he told his fellow Americans and especially the agricultural producers in his own region, his own state. He said that Americans would do well to be careful about telling Canadians that their beef is no good because there was one case of mad cow. He wondered what Americans would tell their own fellow citizens the day when they find a case at home. He added that that day would surely come, because if it had happened in Canada, it could happen to them as well.

Finally, I have heard someone in the United States who is able to reason in this regard. Canadian consumers have been reasoning from the outset. After this mad cow question, Canadian consumers rallied behind the farmers. Beef consumption did not even go down, as might have been expected. It even went up at first. In other words, Canadians showed solidarity. The hon. member does not talk about that. But that is what happened all across the country. That is not where the problem is; it is the American border. Furthermore, we must now increase our cull cattle slaughtering capacity, especially in eastern Canada. That is the reality.

[English]

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, we all knew that member as binder boy in the previous Parliament when he was sitting over there. In 1988 he was part of the rat pack holding the Conservative government accountable.

When his government came into power in 1993 it made two promises: one, to abolish the GST; and two, to raise the immigration level to 1% to 300,000, neither of which his government fulfilled.

Is the member, as a member of the Liberal government, going to tell the finance minister to fulfill those promises that were made in 1993 when he was part of that government?

Hon. Don Boudria: Mr. Speaker, the rat pack did not start in 1988. It started in the 1984 election. This is very important because my memoirs outline all these things and I just thought I would correct this historical inaccuracy that the member has described.

The hon. member talks about the immigration level and I am glad to hear him say that because he was a member of the once Reform Party. In the 1997 election the Reform candidate in my riding went to Alexandria, Ontario, and said in front of my constituents that if elected he wanted to reduce the immigration levels. I suppose he is entitled to his opinion. He also said that in his opinion, refugees were all phonies.

I took him to task on that. I said that in the constituency of Glengarry—Prescott—Russell the ancestors of the people in the audience came to Canada in 1784 after a war in the United States. They were the United Empire Loyalist refugees and they were the ancestors of some of the students in the class. I also told him that some time later there were Highland clearances in Scotland where the British sheep barons kicked out the Catholics from the hills. They became known as the Highland clearance refugees and they were the ancestors of yet more students in the class.

As well, in 1848 there was a great famine in Ireland and the ancestors of my wife, of my children and of my grandchildren came to this country. They were the Irish potato famine refugees and they were not phonies either.

What is phony is to pretend today that the people across the way care for refugees and care for immigrants when they never have in the past.

• (1350)

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I will inform you straightaway that I will be sharing the time I am allotted with the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

A budget involves making choices in terms of social measures. To make a proper evaluation, each party must at the same time be able to make a political reading of the situation and determine its position.

In football terms, if the final score were 54 to 21, you could say that the losing team took a beating. But there are reasons for that defeat. In the case which concerns us, the reasons have to do in particular with the fact that this government made bad political choices. What is more, the governing was highly dubious.

Today, I would invite this House to note that the present government, which was in place previously, before the recent election, has governed mainly for its friends and for the party, instead of in the interest of the country. And the term “country” includes Quebec here. We realize in particular how great the damage resulting from those political choices has been.

S. O. 31

Those political choices have also revealed certain misappropriations of funds. Today we find ourselves with a commission of inquiry that will cost \$60 million, over and above the hundreds of millions already spent to promote friends and enrich the party.

I invite this House to ensure that the present government clearly understands its obligation to stand up for the most disadvantaged. The government is there mainly to legislate, of course, so as to balance the forces of society in terms of use of the country's wealth. In recent years, the country's wealth has often been squandered in programs not only suspect, but utterly reprehensible, such as the national unity program.

Hundreds of millions of dollars were swallowed up in this program, while on account of political choices, cuts were made elsewhere, notably in the case of the unemployed, people in substandard housing, and municipal infrastructures. I could give you a very long list of the sectors victimized by these cuts, but I shall refrain, so as not to take up too much time, since my colleagues have been talking about them for two days.

What is needed today is to call upon the government to make responsible choices, so that we can pass a budget I would call therapeutic. The government has developed a disease, the all-powerful syndrome, the symptoms of which include what I have already mentioned: misappropriation of funds, dubious choices and measures victimizing the most vulnerable members of our society.

A therapeutic budget is one that will include remedial measures, first of all where EI is concerned. Scores of families have been impoverished in this country. I am particularly well placed to know just to what extent this is the case in one part of the country, a part that constitutes a country within another, that is Quebec.

• (1355)

When families are reduced to poverty, so of course are their children. The Canadian government has just received a report on child poverty. When there is a finding that there are children living in poverty, the reason is that there are families living in poverty. We have heard this before, but it bears repeating as often as possible. We will keep repeating it until the appropriate steps are taken to remedy the situation.

I very much hope that the Minister of Human Resources and Skills Development will make a commitment to propose to the Minister of Finance, with no further delay, that he include the preliminary measures already recommended by the Standing Committee on Human Resources and Skills Development: creation of an independent employment insurance fund so that its contents cannot be touched, since the Canadian government does not contribute to it. This fund is made up of the contributions of workers and employers and belongs to them. This being their money, there is no reason for it to be used for any other purpose—in fact to do so is indecent.

The Liberal government took \$46.4 billion to use for other purposes. This is absolutely scandalous, when we know there are tens of thousands of workers forced into unemployment and excluded from employment insurance.

This fund must also have the protection of an independent administration consisting of commissioners representing workers and employers, for the most part. The commission must also be

managed in such a way that the commissioners can determine themselves the contribution rate and the level of benefits for the unemployed.

There is another perfectly scandalous aspect as well. I will give an example that shows that the government has not understood the message delivered in the last election. It continues to behave as if it were all-powerful.

Even though no one asked it to do so—quite the contrary, the contributors had said that the problem was not with the premiums, they were even prepared to increase them—before the holidays, the government reduced the premiums by three cents, which amounts to \$270 million in contributions to the fund. Once again, that put pressure on the fund and prevented the benefits from being increased. That is completely unacceptable. Here too, the government will have to answer to the people other than with the kind of nonsense that we have heard over the last few weeks.

There are also measures proposed by the standing subcommittee on human resources and skills development. There are 20 measures that would improve the employment insurance benefits. The members of the subcommittee unanimously recommended that what had been diverted from the employment insurance fund, i.e. the \$46 billion, should be gradually returned to it at a rate of \$1.5 billion a year.

Here too, the government must agree to this request. It is not very much. In fact, the amounts that the government diverted and even stole from the fund over the last eight years will be paid back over more than 32 years.

Such a rate is clearly more than reasonable. This will not be what drives the country into bankruptcy. As this is done, the fund will be able to improve benefits. At a rate of \$1.5 billion a year return to the fund, virtually all the planned improvements may be assumed.

If topping the premiums back up to \$1.98 is added to that, virtually all the recommendations for improving the fund can be met. As proof of that, the largest bill will be about \$1.2 billion to increase the benefits from 55% to 60% of wages. This amount is therefore already largely covered by the \$1.5 billion that will go into the fund on a regular basis every year.

• (1400)

In conclusion, the other parts of the recommendations involve about another \$450 million, which are already covered by premiums that will be recommended as a result without increasing the contribution rate, which was \$1.98.

STATEMENTS BY MEMBERS

[English]

MEMBER FOR YORK WEST

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, on January 14 I stepped aside as Minister of Citizenship and Immigration after outrageous allegations were made against me. At the time of my resignation, I indicated that I was stepping down to clear my name and my reputation. I am going to use Canada's courts to do just that.

I would like to take this opportunity to thank my constituents, my caucus colleagues, my family, and the many people across Canada who continue to provide me with their support and their well wishes. I would like to sincerely thank the Prime Minister for his unwavering support.

As a public figure, I understand that it is reasonable to expect some occasional personal criticism and complaints. However, I cannot allow outrageous accusations of the nature that have been levelled against me to be left unchallenged.

While the last several weeks have been personally very difficult, I would like to assure my constituents of the riding of York West that I will continue to work extremely hard on their behalf.

* * *

FINANCE

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, this week as MPs deliberate the upcoming federal budget, I am urging the government, on behalf of the 72,000 citizens of Prince George, B.C., to remember some of its election promises.

If the government were to keep its promise for a new fair infrastructure deal for Canadian municipalities, Prince George could get the funding it requires to construct the new Nechako River industrial crossing.

If the government were to keep its promise to boost the size of Canada's military reserve forces by 3,000 personnel, Prince George could get a 120 member army reserve unit.

If the federal Liberal government were to keep its promise to consider the needs of western Canada, it would properly address the mountain pine beetle epidemic and the softwood lumber dispute.

This could be the budget that stops blowing tax dollars on the useless gun registry, government advertising and corporate welfare, and instead implements tax relief for low and middle income Canadian families that they could actually take to the bank.

* * *

TSUNAMI RELIEF

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, I rise today to honour the memory of the more than 200,000 people who perished in the devastating earthquake and tsunamis of December 26.

In my constituency of Beaches—East York, over 300 members of the Sridurka Hindu Temple have lost family members. This incomprehensible tragedy was a call for action, and the people of my riding have responded by uniting and giving generously.

This past weekend I had the privilege of attending a local fundraiser which raised \$8,000 for tsunami relief. I would like to thank organizers and participants of this event and, simultaneously, events held across Canada.

I would like to commend the Government of Canada's contribution of \$425 million to provide immediate and long term support. Canadians can expect their government to be a continuing leader in efforts to restore and reconstruct Southeast Asia.

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I ask all members to join in making a commitment to helping those affected to fully recover.

* * *

[*Translation*]

NORMAND MAURICE

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, we were very sad to learn that Mr. Normand Maurice passed away on December 31. Mr. Maurice was known as the father of recycling in Quebec.

This visionary Victoriaville resident was a high school teacher for many years. Familiar with both the environment's fragility and problems related to school dropouts, he created along with his colleagues, in Victoriaville, the first centre for on-the-job training and recycling or CFER. In short, he found a way to salvage the lives of young people as well as the environment.

A true builder, he leaves behind a rich environmental legacy. Today, the CFER network operates 17 centres in Quebec and 3 in Europe. Recycling has become a trademark of the Bois-Francs region, and Mr. Maurice had a hand in that.

Mr. Maurice leaves behind his wife, Madeleine, and four children, Michel, Daniel, Hélène and Christiane. I join my Bloc Québécois colleagues in offering them our sincerest condolences.

* * *

●(1405)

[*English*]

CANADIAN FORCES

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, I would like to recognize the community of Kenora for its efforts to send Christmas presents to our troops in Afghanistan.

While back in the riding, I saw the tremendous pride this community felt in reaching out to our armed forces. Everyone wanted to be involved. Coming together under the leadership of Mr. Tom Beach and his family, the community gathered more than two tonnes of material with shipments still being sent to Camp Julien now.

I would like to recognize the many businesses that donated goods and services to this cause, as well as the many volunteers who donated their time to show the troops we care. It was an amazing example of what a community can achieve and I applaud all the participants.

While it is a little late to talk about Christmas presents, it is never too late to thank our military.

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FORESTRY

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, the government is fully aware that the forests of British Columbia are being ravaged by a devastating pine beetle epidemic, but the government has made it very clear that it simply does not care.

At this time over 300 million cubic metres of mature pine trees have been attacked. That number will grow to over one billion by 2013. Again the Liberal government has made it very clear that it simply does not care.

In the fall of 2004 the minister of forests from B.C. asked the federal government to come to the aid of B.C. in a new 10 year plan to mitigate the pine beetle disaster. The government has not responded. Again the government has made it very clear that it simply does not care.

The federal Minister of Industry from B.C. has done nothing to urge his government to help B.C. in its pine beetle crisis. He has made it very clear that he simply does not care.

All the false promises made to B.C. before the last election have made it very clear that the Liberals simply do not care.

* * *

DARTMOUTH WORK ACTIVITY SOCIETY

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, last Friday I was privileged to attend the wonderful graduation ceremony for the Dartmouth Work Activity Society. This organization is focused on providing skills upgrading for adults who have faced a variety of challenges.

Without this opportunity many would have no recourse other than to give up on meaningful employment and join others who have virtually given up on life.

Going back to school as an adult is not easy. Learning new skills takes courage, commitment and sacrifice.

The success of the program is evident as many of the grads were unable to attend the ceremony because they were at their new places of work.

I congratulate these graduates. I am confident they will succeed in life through their hard work and unwavering confidence.

I also know they would join me in congratulating and thanking the Dartmouth Work board and staff, particularly Frank Gibson, an inspiring and dedicated community leader, for recognizing that the quality of a society is perhaps best judged by how many people we empower through education and dignity.

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[*Translation*]

OXFAM-QUÉBEC IN THE EASTERN TOWNSHIPS

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, since the terrible disasters that occurred in Asia in December, we see just how much people can pull together.

So, I want to draw attention to and encourage the excellent work of Oxfam-Québec in the Eastern Townships. Thanks to the hard

work of staff and volunteers, the organization has had a strong presence in the Eastern Townships since its arrival in 2001. The recent Estrie solidaire project is proof; its aim is to stop the exodus of young people from Stanstead by getting them involved in their community.

Oxfam-Estrie is providing international aid by holding hunger banquets, promoting fair trade products and has collected \$70,000 for Haiti.

In order to help tsunami victims in Asia, it is holding fund-raisers. Thanks to donors, the association was able to send drinking water and food items to the stricken areas. The funds raised were used to pay the salaries of people cleaning up the debris and rebuilding infrastructure.

Congratulations to the people at Oxfam-Québec in the Eastern Townships and, above all, may their good work continue.

* * *

[*English*]

THE ENVIRONMENT

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, as outlined in the Speech from the Throne last fall, the government is committed to realizing the goals that have been established in regard to wind power as an alternative energy source.

As a former chair of Exhibition Place in Toronto, I strongly supported the construction of a wind power turbine on the grounds of that city owned facility. I am pleased to report today that the turbine has produced \$32,000 in dividends for its investors and has displaced approximately 300 tonnes of carbon dioxide emissions.

In supplying sufficient power to provide electricity to 280 homes for one year, the Exhibition Place wind turbine is an example of how we can move forward with this renewable and clean source of electricity.

I encourage the Minister of the Environment to move forward with respect to wind power in Canada.

* * *

● (1410)

TASK FORCE KABUL

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, I rise to congratulate the soldiers of CFB Edmonton and Task Force Kabul for raising over \$13,500 for the Edmonton Garrison United Way campaign in 2004. These efforts of our brave men and women in Afghanistan to raise money were led by Major Dave Whittier and surpassed expectations by 35%.

The members of TFK have been in Afghanistan since early August 2004. The whole contingent has been busy taking over the mission with everything from force protection to providing security during the recent elections.

Amidst the danger, our soldiers organized several fun events to support the fundraising drive. From what I have been told, the dunk tank and the jail and bail gave everyone a good laugh and everybody involved had a great time.

I congratulate the wonderful job our soldiers are doing in Afghanistan. I am proud that they are not only serving Canada abroad, but also are helping Canadians at home.

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FOREIGN AFFAIRS

Hon. Bryon Wilfert (Richmond Hill, Lib.): Mr. Speaker, it appears that a member of the Conservative Party would rather do publicity stunts than engage in frank discussions with Chinese officials.

During the Prime Minister's trip to China there were two occasions where I raised the issue of governance and human rights: at a meeting of the Chinese Communist party international and with representatives of the Canada-China Legislative Association. Had the member attended, he would have had an opportunity to address his concerns. It is clearly impossible to do that when one does not attend.

The death announcement of Zhao Ziyang was controlled by Chinese government officials, but trying to make cheap political points is not the way to advance the issues of human rights and democracy. If the member were truly interested in paying his respects, why the media entourage? Death for the Chinese is a private affair.

The actions of the member will not advance the issues he claims to be concerned about. The Prime Minister directly raised these issues as did other parliamentarians. The member clearly is not interested. It is about time he came clean on what he did in China, which was very little.

* * *

AUSCHWITZ

Hon. Bill Blaikie (Elmwood—Transcona, NDP): Mr. Speaker, on behalf of the NDP I would like to acknowledge the 60th anniversary of the liberation of Auschwitz and join all those who ever since that time have proclaimed, never again.

I have not been to Auschwitz but I have been to Yad Vashem, the memorial in Israel to the victims of the Holocaust. I affirm the continuing, even growing importance of remembering this terrible reminder of what humans can coldly and calculatingly do to each other in the name of a demonic racial ideology.

May we always be chastized and challenged by the memory of all those who perished in such death camps and commit ourselves anew to fighting anti-Semitism and all other forms of hate, and to building a United Nations which can and will act in a timely and effective manner to prevent genocide wherever and to whomever it may be happening.

* * *

AUSCHWITZ

Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC): Mr. Speaker, last week the world paused to remember the 60th anniversary of the liberation of Auschwitz.

About 1.5 million people were murdered at Auschwitz. Those deemed too weak to work were sent immediately to the gas

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chambers. Those whose energy could be profitably extracted were used as forced labour and died of disease, starvation or exhaustion, or were gassed in their turn once they had been used up.

In terms of raw numbers, Auschwitz was the largest cog in the Nazi machinery of industrialized death which consumed over six million Jews and several million others who were deemed by the Nazi pseudo-science to be inferior or by the Nazi bureaucracy to be undesirable or merely disposable.

Auschwitz serves therefore as proof that true evil is not mere wickedness and is not simply the opposite of good. True evil is found wherever human beings are regarded as mere objects to be used as needed for the attainment of some outside goal.

Let the memory of Auschwitz therefore stand forever as a permanent reminder—

The Speaker: The hon. member for Hochelaga.

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[*Translation*]

MÉDECINS DU MONDE CANADA

Mr. Réal Ménard (Hochelaga, BQ): Mr. Speaker, the international network of Médecins du Monde has officially recognized Médecins du Monde Canada as an autonomous delegation. This organization and its founder and president Dr. Réjean Thomas have celebrated five years of existence. Dr. Thomas is a well-known specialist in the battle against HIV-AIDS and is renowned for his boundless energy and his exemplary determination and commitment in promoting the respect and compassion all victims of ostracism deserve.

The organization has already had successful missions to Haiti, Iraq, Afghanistan and Iran. It has just announced that it will be going to Southeast Asia because of the devastation caused by the tsunami. It recruits volunteers and raises funds for its own projects. Financing comes from public funding, individual and corporate donors and private foundations.

I encourage everyone to support the activities of this admirable organization and its extraordinary work through the essential role it plays in relieving human suffering.

* * *

● (1415)

[*English*]

BLACK HISTORY MONTH

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, it is my pleasure on behalf of the official opposition to rise in recognition that February is Black History Month in Canada.

For more than 300 years Canadians of African descent have been making outstanding contributions to our history, our communities and to building Canada as a whole. It is fitting that as a nation we recognize those contributions in this way.

Oral Questions

Black History Month is a time for all Canadians to reflect on the rich heritage we enjoy as a result of the hard work and immense sacrifice of Canada's black communities. Canada has benefited immensely from the contributions made by black communities across our land. Our multicultural fabric is further strengthened by their efforts.

I note with great pride that Canada continues to be a welcoming home to new Canadians of African descent from all parts of the African continent.

* * *

[Translation]

SHAWN SAWYER

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, I would like my colleagues to know how pleased I am to be back in this House to resume parliamentary debate.

Today I would like to recognize the performance of an athlete from home who recently won a very special honour, a bronze medal, at the Canadian Senior Figure Skating Championships, held recently in London. Shawn Sawyer is the first New Brunswicker to win such an honour in this competition.

On behalf of all the people of Madawaska—Restigouche, I congratulate Shawn on this well-earned title and wish him every success in South Korea, where the ISU Four Continents Championship will be held shortly.

ORAL QUESTION PERIOD

[English]

SPONSORSHIP PROGRAM

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, we were pleased to see today that Judge Gomery was not pressured into resigning from the sponsorship inquiry.

At the inquiry and in his role, Judge Gomery has been defended by many: the Auditor General, other parties in the House and by this party, and yet conspicuously absent from yesterday's hearing were lawyers for the Liberal Party.

Could the Prime Minister tell us why the Liberal Party's lawyers did not show up to support Judge Gomery?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, by what strange logic does the member make his statements?

The fact is, this is the party, this is the government that set up the commission. We did it because we want to get to the bottom of all of those questions. We want an open and transparent process.

All we have seen since this all began has been the Leader of the Opposition standing up time after time, throwing obstacles in the way and trying to subvert the process of the commission. That is what he has done. Now all of a sudden he is trying to say that he supports it. It just does not wash.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the only obstacle ever thrown in front of the commission

was the government's refusal for months to provide the documents that have been requested.

We know that the former Liberal leader continues to try to put a chill on this inquiry.

I want to ask the Prime Minister, because he has not answered the question on two occasions, why the Liberal Party lawyers did not defend Judge Gomery. Was it on his instructions?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I do not know where the hon. leader gets his information but the lawyers for the government were in fact present at the inquiry and did support Justice Gomery.

Hon. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, we all heard government lawyers give a very weak defence. The Liberal Party lawyers did not even show up at all.

[Translation]

Mr. Chrétien's attacks on Justice Gomery have disturbed the work of the commission.

Will the Prime Minister demonstrate leadership by picking up the telephone and telling Mr. Chrétien to stop threatening the commission?

[English]

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the fact is that the Prime Minister is head of the government for all Canadians.

The Leader of the Opposition wants to make this a partisan exercise when Canadians want the government to act. The Prime Minister has acted. The government defended Gomery and that is what is really important to realize here.

Furthermore, the former prime minister does have a right to defend himself in front of Gomery as an individual.

We know what that party believes about individual rights. We know what that party believes about the Charter of Rights and Freedoms. All Canadians deserve the opportunity to defend themselves.

● (1420)

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, Justice Gomery is leading an inquiry into the biggest scandal in Canadian history. We are talking about \$100 million being funnelled from a program into Liberal-friendly ad firms.

The Prime minister somehow expects to be congratulated for an inquiry that is looking into how his government allegedly stole money.

The Prime Minister himself is following in the footsteps of Mr. Chrétien in a vain attempt to cover his legacy of corruption. Why does the Prime Minister not publicly denounce his predecessor?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, it is clear that the Government of Canada and the Prime Minister of Canada, as the leader of the government, has defended Justice Gomery at the commission.

What is also clear is that party, that deputy leader and that leader do not understand the independence of a judicial inquiry, do not understand the Constitution of Canada and do not understand the Charter of Rights and Freedoms.

If one does not understand the laws of the land, one is permanently disqualified from leading the country.

Mr. Peter MacKay (Central Nova, CPC): Mr. Speaker, the commission of inquiry under Justice Gomery is well under way. Mr. Chretien and his legal chain are now considering an inquiry into an inquiry.

Some hon. members: Oh, oh!

The Speaker: The member for Central Nova is very popular but we have to be able to hear what he is saying. He is asking a question. We will hear the hon. member for Central Nova.

Mr. Peter MacKay: Mr. Speaker, clearly the Prime Minister has more in common with his predecessor than he cares to admit. He refuses to be accountable. He will not even get up in the House and answer simple questions, hiding behind apologists and ducking the issue.

Why is the Prime Minister continuing in the steps of his mentor and being stoney silent on this important issue? When will he end this Chretien circus sideshow and let the commission get on with its work?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, when the hon. member talks about having things in common, let us look at what we have in common: the elimination of the deficit and the creation of the national child benefit. Who was the person who said that we would not send troops into Iraq when he was trying to be forced by the Leader of the Opposition as he is involved in that?

Yes, I am very proud of what the last government did and I am very proud that I was part of it.

We will get to the bottom of what happened, which is why we created the Gomery commission.

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[Translation]

PARENTAL LEAVE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, before the election, the Liberals promised that concluding the final agreement on parental leave would be just a formality. Eight months later, things are at a total standstill. Ottawa, with its surplus of over \$10 billion, refuses to close the \$275 million gap that separates it from the Government of Quebec.

How does the Prime Minister explain that his government, which has the resources, has nonetheless decided to prevent Quebec families from benefiting from a parental leave program that is more generous than the federal one?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, we are very concerned about the situation of Quebec families and of all families in Canada. That is why the minister is having ongoing discussions with her counterpart. In fact, that is happening today.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in May of last year, before the election, it was settled. They were

talking about a historic agreement; they said everything was going well; everything was done and only the formalities remained. The deadline was February 1: that is today. What was settled in May 2004 is still not settled today. Quebec has been waiting for eight years; in 1997, Ottawa decided to pay for the first year.

Why is it that what was acceptable in 1997 is no longer acceptable today? There is no election coming; that is why. It is another empty promise.

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, the leader of the Bloc may get all worked up, but in concrete terms, we are still in intensive negotiations with the Government of Quebec. I spoke to my counterpart last night and again before question period. Discussions are continuing. Together we are working for the well-being of Quebec's families.

• (1425)

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, the \$275 million shortfall for parental leave is what still needs to be settled before the pre-election agreement signed by the federal government and Quebec can be finalized. This is \$275 million for young parents.

How can the Liberal government justify still not coming up with the goods eight months later, on the date of the planned agreement, after reaping the advantages of announcing the agreement just days before the election was called?

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 support Quebec's plan to broaden the parental leave program currently available at the federal level. We support it to such an extent that we are prepared to transfer to Quebec the funds usually paid to Quebecers, and are currently doing so. We are still holding discussions with representatives of Quebec, and both governments wish to reach an agreement.

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, yet minister Béchard says the federal negotiating committee seems to lack political will and he is appealing to the federal ministers from Quebec to ensure that this gets settled.

This agreement, which needed almost nothing more added to it, according to the other side, afforded the Liberals a lot of mileage for campaign purposes. Now Quebec parents want the government to deliver the goods.

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, Quebec parents are well aware that we are determined to sign an agreement with the Government of Quebec that is totally fair and in keeping with the legislation.

This is why I am personally continuing discussions with my Quebec counterpart, Claude Béchard. Both of us still hope an agreement is possible.

Oral Questions

[English]

THE ENVIRONMENT

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, my question is for the Prime Minister. This month his natural resources minister said that he did not believe that we could meet the Kyoto targets.

If that is the case and the Prime Minister did not even rebuke him and in fact congratulated and supported him, what is going on here? If he cannot put in place a minister who believes in Kyoto why does he not fire the minister and put in place someone who does believe we can meet those international commitments?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I, the government, all members of the government, as well as our caucus, have made it very clear that we will respect our long term commitment to Kyoto and we will do so in a way that allows us to have a strong economy.

We believe that a sound economist and a sound environmentalist will come to the same conclusion, which is that we should not utilize our natural capital. That is the government's view and so we will adhere to our long term commitment.

Mr. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, those are the classic weasel words in the debates. What we are talking about here is respect and long term commitments. It is very simple: we have targets and we need to meet them.

What we are hearing now are the Liberals suggesting that we buy air from Russia to meet our commitments under the Kyoto plan.

We have 5,000 people a year in Ontario dying due to smog. Why do we not spend money cleaning the air for people right here in Canada instead of buying Russian hot air with Canadian tax dollars?

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, I invite the leader of the NDP to calm down a bit and to slow down.

First, we will never buy hot air from Russia. He does not have to worry about that. Second, the Minister of Natural Resources believes in Kyoto and has said very clearly that he wants to develop the economy but not at the expense of the environment. We must respect what the Minister of Natural Resources said. He is a green minister himself too.

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[Translation]

PARENTAL LEAVE

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, in January 2004, the Quebec Court of Appeal ruled that the Government of Canada did not have the constitutional right to prevent Quebec from implementing a maternity leave program. At the time of the election, the Prime Minister even promised to reach an agreement. Yet, after the election, he appealed to the Supreme Court and is now blocking any agreement. The government has been dragging this out for eight years now.

When will the Prime Minister realize that he cannot obstruct Quebec's rights and finally make a reasonable proposal for women and families?

● (1430)

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, to make a distinction between the two issues, the Prime Minister said very clearly that the appeal to the Supreme Court was done in an entirely different context, since the impact is much broader on government programs as a whole.

He also said that with respect to parental leave, regardless of the outcome at the Supreme Court, we were determined to negotiate the transfer of authority over parental leave with Quebec. That is what we are in the process of doing right now.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, the federal government should drop its appeal before the Supreme Court immediately and offer all the provinces the opportunity to implement a parental leave program funded by a transfer to the provinces from the employment insurance fund. While the Prime Minister is trying to have it both ways, the Government of Quebec and working women are being penalized.

If the Prime Minister is so interested in reaching an agreement, then why is he dragging Quebec into the Supreme Court? Why is he being dishonest with Quebecers?

The Speaker: The language used in this question is unacceptable. It is inappropriate to describe a member as dishonest. All members in this House are honest.

The hon. Minister of Human Resources and Skills Development.

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I think the statement by my hon. colleague from the Conservative Party is totally unfounded.

Once again she is confusing the two issues. Just because we are before the Supreme Court does not prevent us from reaching an agreement with Quebec on parental leave. We are negotiating with Quebec as we speak. We have agreed on most issues. We still have to settle the first year of the system and that is what we are working on today.

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[English]

SPONSORSHIP PROGRAM

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, in 1997 the Liberal government granted Canada Post \$275,000 to sponsor a stamp launch. Canada Post has no record of ever receiving the money. Liberal friendly Lafleur Communications was hired to transfer the money but it appears that never happened. Liberal incompetence may have paid Lafleur a 100% commission for doing little or no work.

How many other Liberal friends forgot to forward their funds?

Oral Questions

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, as the hon. member should be aware, there has been a very extensive audit of Canada Post under those conditions. All these matters are now before the Gomery commission. He should leave it to the Gomery commission to investigate those matters.

Mr. Brian Pallister (Portage—Lisgar, CPC): Mr. Speaker, former Liberal cabinet minister André Ouellet hired himself to the best paying patronage position in the country and then he took \$2 million in non-receipted expenses. All the while it turns out he was receiving gifts, luxury box tickets and invites to the home of his good friend, Jean Lafleur. Like his Liberal colleagues, he was so busy spending taxpayer money, he forgot to protect taxpayer money.

How many other contracts did Lafleur receive from the government following the \$275,000 which went missing?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am certain the hon. member realizes that some of what he is describing does result from testimony before the Gomery inquiry. We are not going to comment on day to day testimony before the Gomery inquiry because we respect the independence of a judicial inquiry. The government supports Justice Gomery in his work. In fact, all members of Parliament within the Liberal Party support Justice Gomery's work. We look forward to receiving his report.

I would urge some patience over there. I would also urge the hon. member not to interfere in Justice Gomery's work by commenting on it.

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[Translation]

NATIONAL DEFENCE

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, as regards the missile defence shield, the Prime Minister has said on a number of occasions that he would have to receive guarantees that this initiative would not lead to the militarization of space, otherwise Canada would not participate in it. Today, the Prime Minister received his answer from the U.S. government: there will be no guarantee.

Now that he has his answer, what is the Prime Minister waiting for to make a decision and state clearly that Canada will not participate in this missile defence project?

• (1435)

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, I too read the *Journal de Montréal* this morning and I do not believe that the U.S. government commented on the issue raised by the hon. member, except through an interview that the *Journal de Montréal* apparently obtained with an individual in the U.S. government.

That said, I can assure the House that, as far as our government is concerned, there is no question of participating in an effort that would contribute or lead to the militarization or the weaponization of space.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, it is not just the *Journal de Montréal* that talks about it, the Prime Minister said it to a number of media. They reported "The Prime Minister

made it a pre-condition for Canada's participation in the missile defence shield that this project must not lead to the weaponization of space".

Why does he continue to remain so vague on this issue today? After all, this is not just anybody, it is Stephen Rademaker, the assistant to the U.S. Secretary of State for arms control, who just confirmed that he would not get the guarantees that were demanded. Therefore, what is the Prime Minister waiting for to finally make up his mind?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, the same spokesperson for the U.S. government also said that the militarization or weaponization of space was not part of the anti-missile shield program in its current form. Therefore, he was very clear. There is no contradiction between the U.S. government saying that the program will not lead to the militarization of space, that it will not include the weaponization of space, and the commitment made by the Prime Minister, a commitment that he will honour, namely that his government has no intention of getting the country involved in an initiative that would lead to the weaponization of space.

* * *

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, in Canada, greenhouse gas emissions have increased by 20% since 1990. Yesterday, we learned that subsidies to the oil and gas industry increased by 33% between 1996 and 2002.

Can the Minister of Finance commit today to presenting a budget that promotes the reduction of greenhouse gas emissions by applying the polluter pay principle instead of the polluter paid principle, as the government has done in recent years?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, a successful battle against greenhouse gases will involve a variety of measures. It will obviously involve economic instruments. It will obviously involve strategic investments in science and technology. It will involve the encouragement of common sense behaviour on the part of individual citizens and businesses across the country. The Government of Canada will approach this matter in a comprehensive way because we intend to honour our international obligations.

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the message of the federal government with regard to enforcing the Kyoto protocol in Canada is muddled to say the least. On one hand, the Minister of Natural Resources states that the reduction targets of the major polluters is not realistic, while on the other, the Minister of the Environment reiterates Canada's intention to meet the Kyoto objectives.

Can the Prime Minister assure us that he will uphold the obligation of major polluters to reduce greenhouse emissions, as set out in the initial plan to reduce greenhouse emissions?

Oral Questions

Hon. Stéphane Dion (Minister of the Environment, Lib.): Mr. Speaker, I am pleased to reiterate that, in fact, we will reach our objectives based on a plan that will reinforce the Canadian economy, because Kyoto is also an opportunity to reinforce our economy with a plan that will be an improvement over the 2002 plan. Everyone will do their share, including our major emitters.

* * *

[English]

TECHNOLOGY PARTNERSHIPS CANADA

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, there are massive problems with the Technology Partnerships Canada program. It has spent over \$2 billion since 1996 and recovered less than 5%. The last three industry ministers have all promised a full review of this program. Allan Rock promised a review in 2003. The current human resources minister promised a review in 2004. The current industry minister, as soon as he was appointed, promised a review from top to bottom of this program.

What happened to the review? What is the government hiding?

Hon. Jerry Pickard (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, Technology Partnerships Canada invests in research in technology that leads off into the future and helps institutions in Canada be successful. Paybacks only come when they can develop those products, market them and have the profits come back in. It takes a long time for that to happen, and our opposition should be well aware that this program is only eight years old. In fact, we are looking forward at this point to large paybacks coming forward.

• (1440)

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, two years ago they promised full repayment within three to five years. Now it is eight years. Now it will be 20 years. This is the mother of all corporate welfare programs.

Not only are the Liberals delaying the TPC review, they are now fudging the release of any possible results. Yesterday the Minister of Industry stated in the House, “we will make it available as soon as we are satisfied that we have it right”. In other words, in Liberal-speak, “We will release it when we have cooked the books enough to deny to Canadian taxpayers the full results of this review”.

When will the government finally come clean with Canadian taxpayers on this program?

Hon. Jerry Pickard (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, that is utter nonsense. When we look at the kinds of programs that we have funded, every person in the House has a BlackBerry in their pockets. We were in the early stages in that program. We put money in there, and as a result we will get payback on that. I look at a business in my riding, International Harvester. We put money there to upgrade technology, and a thousand more jobs in southwestern Ontario. The program is working.

* * *

NATIONAL DEFENCE

Mr. Dave MacKenzie (Oxford, CPC): Mr. Speaker, Agusta-Westland recently announced it has been awarded a contract by the

United States government to replace their fleet of Sea King helicopters, best known as Marine One which transports the President of the United States. This helicopter was chosen over the Sikorsky H-92 which the government chose to replace our Sea Kings.

If the Sikorsky helicopter is second rate for the President of the United States, then will the Minister of National Defence explain why it is first rate for the men and women of our Canadian Forces?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, the hon. member and I think all members of the House know very well when the military chooses equipment, it chooses equipment that is appropriate for the task designed.

For the equipment that is needed for our maritime helicopters, we have chosen the best helicopter for the job that is necessary to do. It does not consist of ferrying a president around. It consists of working at sea in a maritime capacity. We have the right helicopter. I am sure the President got the best helicopter for his job. It is not the job we intend to do with ours.

Mr. Dave MacKenzie (Oxford, CPC): Mr. Speaker, the fate of the Sikorsky H-92 program depended on the U.S. contract. A disturbing comment was made by the chairman of Sikorsky, “This is win or drop dead, as far as we are concerned”.

Could the minister assure the House that Sikorsky will not shut down the H-92 project since Canada is now the only country to purchase that helicopter for military purposes?

Hon. Bill Graham (Minister of National Defence, Lib.): Mr. Speaker, we are entering into a contract with Sikorsky, which is a reputable firm with enormous resources. We have every understanding that it will live up to its contract. There is no reason whatsoever to expect that it would not.

We believe we will be acquiring the best helicopter at the best price for the job that it is needed to be done in this circumstance. We will be lucky to have it, and the forces are looking forward to acquiring a superb machine.

* * *

[Translation]

INTERNET PHARMACIES

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, last week, the Minister of Health stated that he remained committed to controlling, personally, I would rather say abolishing, Internet pharmacies in Canada.

When does the Minister of Health intend to present options to guarantee Canadians access to safe drugs in Canada by abolishing or, at the very least, controlling these infamous Internet pharmacies?

*Oral Questions**[English]*

Hon. Ujjal Dosanjh (Minister of Health, Lib.): Mr. Speaker, we have been looking at all the options that are available to us. A legal analysis is being done. Once the options have been completely assessed and analyzed, they will be presented to cabinet. I will be happy to share those with the House.

* * *

SOCIAL DEVELOPMENT

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, the Minister of Social Development holds up the Alberta public-private child care model. Last week in Edmonton a six month old baby with severe asthma was left for three hours, locked alone after closing, in a for profit day care. The baby was forgotten.

Why will the government not endorse what the research tells us and give public money only to the not for profit sector?

• (1445)

Hon. Ken Dryden (Minister of Social Development, Lib.): Mr. Speaker, as the hon. member knows, right now Canada has a wide mix of services and supports for early learning in child care. As unfortunate and inappropriate as what happened last week, the hon. member knows that sort of thing could happen anywhere.

Across the country right now there are a number of provinces that depend pretty significantly also on the for profit sector. What we need to do with all the provinces and territories is find a way of delivering—

The Speaker: The hon. member for Sault Ste. Marie.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, profit should never trump a child's safety.

Quality and for profit too often contradict one another. Quality means retention of workers, decent wages, enriched learning activities, higher licensing standards, consistency of care, parent involvement through a volunteer board and lower staff-child ratios.

Is not the real reason the federal government needs for profit centres is to deliver on its arbitrary promise of 250,000 child care spaces, even if it means it will jeopardize the quality of care for our children?

Hon. Ken Dryden (Minister of Social Development, Lib.): Mr. Speaker, once again, the challenge for the government and the country is to create an early learning and child care system across the country. It is to respect what we have, to work with what we have and to make better what we have. That is in the big cities, the small towns and in the various provinces in this country.

* * *

FOREIGN AFFAIRS

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, for the last 50 years communist China has demonstrated a horrible record of human rights violations to the people and the territory of Tibet. As a matter of fact, it is so bad that 159 MPs from the House recently signed a letter asking the Prime Minister to meet with the Dalai Lama to see how they could put pressure on communist China to meet directly with Tibetan officials and resolve this horrific record.

The Prime Minister is the only one who can answer the question related to his recent meetings in China. Will he tell us how aggressively he raised this specific issue of Tibet with the Chinese leaders?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, in addition to having been the only one who met at that time with the Chinese leadership, I am also the first Canadian Prime Minister who had ever met with the Dalai Lama. I met with the Dalai Lama and we discussed this. He raised spiritual issues with me, the issues that he wanted transmitted. Those are of course the messages that I would transmit.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, he did not answer the question in full. I asked about his meeting with the Chinese officials. What he is trying to say here flies in the face of a recent declaration he signed in China, basically signalling that he would never publicly raise issues of human rights violations, including in Tibet.

Even the recent Liberal minister of Asia-Pacific has criticized the Prime Minister for abandoning Tibet and human rights issues. I would ask the Prime Minister specifically, how does he square his position? On the one hand he tells us that he is going to speak up on human rights violations and on the other he signs a declaration with the communists saying he will not.

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, respect for human rights, including cultural and religious freedoms, minority rights and freedom of expression or association, are important objectives of Canada's views on the situation in Tibet. The Prime Minister has expressed that time and again. It is absolutely part of our foreign policy and of our preoccupations. We will continue to do this.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, the Prime Minister simply ducked the question. One hundred and fifty-nine MPs have asked him to put pressure on the Chinese government to ask the Chinese to meet with the Dalai Lama and negotiate the status of Tibet.

It is a very simple question. Did the Prime Minister ask the Chinese government to negotiate the status of Tibet with the Dalai Lama, yes or no? Did he ask them to negotiate with the Tibetans, yes or no?

• (1450)

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, Canada has consistently—

Some hon. members: Yes or no.

The Speaker: Order, please. The Minister of Foreign Affairs has the floor. The member for Calgary Southeast has a supplementary coming up. How can he ask his supplementary if he cannot hear the answer?

Oral Questions

Hon. Pierre Pettigrew: Mr. Speaker, Canada has consistently spoken out about the human rights situation in China. We have specifically mentioned Tibet in our public statements at the United Nations Commission on Human Rights and at the United Nations General Assembly. Canada's record is absolutely clear on that.

We continue to express Canadian concerns about the human rights situation in China and to Chinese authorities. The Prime Minister, when he met with Prime Minister Wen of China, even gave him a list of cases that preoccupy Canadians. This is exactly what we have been doing.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, he is right on one point. This government has been consistent. Every time the United States sponsors a resolution at the United Nations Human Rights Commission in Geneva condemning Chinese human rights violations, this government votes against that resolution and sides with the communists in China.

The question is very simple. Only the Prime Minister can answer this question. Did he place direct pressure on the Chinese to meet with the Dalai Lama and Tibetan officials to negotiate the status of Tibet to stop the 50 year campaign of cultural genocide that has eradicated thousands of monasteries and destroyed the way of life of Tibetan Buddhists?

Hon. Pierre Pettigrew (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is very daring of the member for Calgary Southeast to get up in this House and say that to this Prime Minister, who has raised the human rights situation with the Chinese authorities.

Where was he? He preferred to cop out. He preferred never to sit down with parliamentarians.

This Prime Minister signed with Prime Minister Wen a declaration on both sides broadening dialogue between Canadians and Chinese institutions but the member refused to participate in the dialogue. He prefers to do his thing with—

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[Translation]

AEROSPACE INDUSTRY

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, yesterday, the industry minister's press secretary admitted that she did not know when the federal government would be making a formal offer to Bombardier, contradicting what the Minister of Transport said on January 13.

What is the Minister of Industry waiting for to put an end to the ambiguity maintained by his colleague at Transport and to give us the assurance that the offer put on the table will ensure that Bombardier remains in Quebec?

[English]

Hon. Jerry Pickard (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, we are well aware of the importance of the aerospace industry in Canada. It is critical for all of us. The aerospace industry in 2002 exported \$21 billion worth of product. We believe we are working with that national industry and doing what we can to make sure there is a solid foundation to keep aerospace strong and viable in Canada.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, when we think that the federal government refused to help the GM plant in Boisbriand, which eventually closed, and later provided \$500 million in funding to the automotive industry in Ontario, there is no doubt that government decisions have an impact on private businesses.

Does the Minister of Industry intend to put forward a comprehensive offer including R and D, which will have an impact on the aeronautical industry in Quebec similar to the impact the \$500 million announcement had on the automotive industry in Ontario?

[English]

Hon. Jerry Pickard (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, we as a government treat all industry in this Canada equally. We are very concerned that we can make sure industries are successful. There is no question that at this point this federal government is ready to work with and deal with Bombardier to help them with whatever issues we can, but we have to be responsible. We have to discuss the issues with it and negotiate what we are doing.

* * *

TRANSPORT

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, because of this government's tax policies Toronto's Pearson airport is now second only to Tokyo as the world's most expensive airport. El Al of Israel and Olympic Airlines of Greece have both raised the possibility of dropping service to Toronto because of the tax costs, and high airport fees are the central reason Southwest Airlines does not serve Canada.

The Greater Toronto Board of Trade, the Greater Toronto Hotel Association and Toronto City Council have all demanded lower taxes for Pearson Airport. Will the Liberals listen to them or ignore them yet again?

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I am spending a lot of time trying to correct the mistakes that were made by the government when it was a PC government. All those leases were signed by the PC Party. Those leases are not equitable. That is what I will be talking about with the Minister of Finance. We are going to correct your mistakes.

● (1455)

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, it was the Liberal government's Pearson airport privatization that cost tens of millions of dollars. It is this government that has dropped the ball, not any other government.

Toronto business groups, stakeholders and local politicians have all unanimously demanded that this government lower taxes and help our air industry and help Pearson airport. This Prime Minister has ignored them. The finance minister has turned a deaf ear and the transport minister has turned a blind eye.

When will the Liberals do what is right, help the air industry and stop ignoring Pearson airport and the GTA?

Oral Questions

Hon. Jean Lapierre (Minister of Transport, Lib.): Mr. Speaker, I want to say that every day we have to correct the mistakes that were made when that government was in power. We are going to do that. We are going to do that for Toronto and for all airports in the country. We are going to find a more equitable system. We are going to deliver contrary to what they did. They killed the airports.

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ABORIGINAL AFFAIRS

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, during the recent Speech from the Throne the government pledged to create the conditions for long term development, learning, economic opportunity and modern institutions for aboriginal governance for Canada.

Would the Minister of National Revenue tell us of any actions taken by his department to meet the government's commitments?

Hon. John McCallum (Minister of National Revenue, Lib.): Mr. Speaker, I am pleased to report to the House that earlier today National Chief Fontaine and I announced a new advisory committee to the Canada Revenue Agency. This committee will advise the agency on matters intended to improve the situation of first nation peoples. It is entirely in the spirit of the activities of this government since the aboriginal round table, which are designed to work in partnership with aboriginal peoples in a number of areas to improve their living conditions and—

The Speaker: The hon. member for Macleod.

* * *

INTERNATIONAL COOPERATION

Mr. Ted Menzies (Macleod, CPC): Mr. Speaker, when most of us saw reports of the tsunami crisis we asked, "What can I do to help?"

Sitting at home in Barrie, the Minister of International Cooperation asked, "Can I make it to the airport before the Prime Minister cancels my holiday?"

Despite the absence of leadership from this minister, individual Canadians gave generously to the relief effort. My question is, does the minister not realize that Canadians expect ministers to stay home and do their jobs rather than phoning in from the beach?

Hon. Aileen Carroll (Minister of International Cooperation, Lib.): Mr. Speaker, it delights me to respond to this gentleman face to face instead of through the papers. I did indeed leave the country on Sunday night. I managed the situation in conjunction with my department by phone for two days. The morning of the third day, I booked to return.

Every decision taken was the right decision. I did that in concert with my colleagues. I am very proud of what Canada did on day one, day two and day three and right where we stand as a government with Canadians today.

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TRANSPORTATION SAFETY BOARD

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, Jim Walsh lost his cabinet post in Newfoundland after taking a paper

bag of \$4,500 from a company seeking a \$2 million government contract. Now he has shattered ethics codes on partisanship when he attended a Liberal fundraising bash.

What is Walsh's punishment? He gets to keep his six-figure salary on the Transportation Safety Board. Why is the Prime Minister continuing to protect him? Is it because of who he knows in the PMO?

[*Translation*]

Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, this individual was appointed because he had the skills required for the job. We have since learned that he attended partisan meetings. One can question such conduct. Our understanding is that the matter was referred to the Ethics Commissioner to clarify the code regarding any person appointed by the governor in council.

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ROYAL CANADIAN MOUNTED POLICE

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, the mayors of nine Quebec cities affected by the closure of the RCMP detachments have written the members of this House pointing out that the report by the members of the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness recommends that they be retained and given additional staff. Not only has the RCMP not respected the committee report, it has already put its detachments up for sale.

Why is this government, with all its boasting about eliminating the democratic deficit, refusing to heed the mayors of these nine cities, as well as the members of the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness, who say the RCMP's decision is a mistake?

● (1500)

[*English*]

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I am sure that the RCMP has taken into consideration the views of the mayors of the affected areas.

As I have said before in this House, I do not involve myself, nor does this government, in the operational details of the running of the RCMP. Redeployment of officers is an ongoing and regular exercise in the force. In fact, redeployment takes place to ensure that the force is more efficient and more effective. I underscore the fact the redeployment was undertaken in consultation with the Sûreté du Québec, which is in fact the provincial police force in the province of Quebec.

*Points of Order***HEALTH**

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, my question is for the Minister of State for Public Health. Could the minister advise us of what the Government of Canada is doing to assure the safety of Canada's blood supply?

Hon. Carolyn Bennett (Minister of State (Public Health), Lib.): Mr. Speaker, it was yesterday that the Canadian Hemophilia Society released its third report since the Krever commission in which it has congratulated Canada on the huge strides that have been made in making our blood system one of the safest in the world. This is done by a strict regulatory environment, with inspection guidelines, good manufacturing practices and the issuing of establishment licences.

Canadian Blood Services and Héma-Québec have instituted the new tests for West Nile virus and hepatitis B, as well as enhanced pre-screening information on CJD, to really make sure that it is the safest system in the world.

* * *

SPONSORSHIP PROGRAM

Mrs. Carolyn Parrish (Mississauga—Erindale, Ind.): Mr. Speaker, the Gomery commission's budget has been doubled to \$60 million after three short months. Legal fees are a substantive part of this apparently limitless spending. The website of Ogilvy Renault, firm of chief counsel to the commission Bernard Roy, lists one Sally Gomery as a partner, a partner who benefits from every dollar paid to the firm.

Is Sally Gomery related to Judge John Gomery, and if so, was this relationship declared and does it create a conflict of interest under the current government guidelines?

Hon. Scott Brison (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I would like to say that the Gomery commission costs are in fact reasonable when we consider the importance of his mandate in getting to the bottom of this issue.

Furthermore, Justice Gomery is working to provide prescriptives that can help prevent this kind of activity in the future. As such, it will pay, for decades, benefits to the Canadian taxpayer. Even the Conservative Party leader has said that in fact the costs of the Gomery commission are reasonable when we consider the benefits. The Canadian Taxpayers Federation has in fact today said that the Gomery costs are reasonable.

We are committed to—

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PRESENCE IN GALLERY

The Speaker: Order, please. I would like to draw the attention of hon. members to the presence in the gallery of Her Excellency Ene Ergma, President of the Riigikogu of the Republic of Estonia.

Some hon. members: Hear, hear!

[*Translation*]

The Speaker: I would also like draw to the attention of hon. members to the presence in the gallery of Hon. Chris d'Entremont, Minister of Agriculture and Fisheries and Minister of Acadian Affairs for Nova Scotia.

Some hon. members: Hear, hear!

* * *

[*English*]

POINTS OF ORDER

ORAL QUESTION PERIOD

The Speaker: The Chair has notice of a couple of points of order arising from question period. The Right Hon. Prime Minister.

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the opposition critic for foreign affairs made a reference to a supposed document in which the government said that it would not raise human rights issues. That is simply not true.

The fact is that the government has raised human rights issues and raised them extensively in China. I would ask perhaps if the hon. member would be so kind as to table the document that he was referring to.

• (1505)

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Absolutely, I will table it, Mr. Speaker. It indicates very clearly and it talks about a different level of relationship with China. It says that Canada will not interfere and I used words very carefully in my question to the Prime Minister.

The Prime Minister was signalling to China that he would not publicly raise these issues. By his behaviour, he is showing that he has not publicly raised them and I will table this document.

The Speaker: Does the hon. member for Okanagan—Coquihalla have the unanimous consent of the House to table the document?

Some hon. members: Agreed.

[*Translation*]

The Speaker: The hon. member for Repentigny also on a point of order.

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, during oral question period again today, and unfortunately more than once, we heard the member for Random—Burin—St. George's shouting "Go back to France, you bunch of separatists!"

What I would like to know is how the government would react to such a distasteful remark if it were addressed to Italians or Africans in this House.

I would therefore ask the member to withdraw his words and would also ask the Prime Minister to set him straight so that he will stop making such racist comments about us for once and for all.

Government Orders

[*English*]

Mr. Bill Matthews (Random—Burin—St. George's, Lib.): Mr. Speaker, in question period, with reference to the parental leave costs to Quebec, which was somewhere around \$265 million I believe, the question I asked was: how many francs did that equate to? I was reminded by one of my colleagues that I should have asked how many Euros would that be? It had nothing to do with anything else and the member is absolutely exaggerating what I said. I asked how many francs would there be in \$265 million?

The Speaker: We will leave the matter there for the time being. The Chair has notice of another point of order. The hon. member for Ahuntsic.

Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.): Mr. Speaker, during question period the hon. member for Edmonton—Spruce Grove made a comment, malhonnête, which I believe you pointed out to the new member in this House. She should get the rules of the House early in her political career. She did not withdraw the comment. I would ask you, Mr. Speaker, to ask her to withdraw the comment that is unparliamentary language under the rules of the House.

The Speaker: I certainly indicated to the hon. member that it was wrong for her to use that word. Perhaps she would oblige and withdraw it. I believe she used it in reference to a member, but I do not have the text before me. I believe she did. Perhaps she would withdraw the use of that word.

Ms. Rona Ambrose (Edmonton—Spruce Grove, CPC): Mr. Speaker, if that language is unparliamentary, I have no problem withdrawing it.

The Speaker: The Chair has notice of a question of privilege from the hon. member for Sarnia—Lambton.

* * *

PRIVILEGE

PRINTING AND FRANKING PRIVILEGES

Hon. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, on or about January 11 of this year staff in my constituency offices became aware of a 10 percenter publication printed and mailed in my name, and in every respect purporting to have been sent by me to more than 4,000 named residents of my riding.

On that same day my Parliament Hill office received from House Printing Services a signed copy of a requisition for service for printing purporting to be for and from me, signed by an individual unknown to me. This requisition was signed apparently on December 16, 2004.

On that same day, January 11, I telephoned printing services to enquire further and was provided with a copy of a letter dated December 21, 2004, from the chief government whip which purported to authorize the chief of communications service signing authority for printing services requisition for services in my name and others. Interestingly, the chief government whip's letter was dated five days after this requisition for printing services, namely December 16, 2004.

On or about January 14 my Ottawa office received from the House Material Management Branch a signed copy of a requisition for

services for franked envelopes, again in my name and signed by an individual unknown and unauthorized by me, but apparently not the same signature as appeared on the printing services request.

I would point out the following: first, section 12 of by-law 301, members offices by-law, requires individual members of this House to delegate authority in writing to an individual named by the member for many tasks, among and including printing. In brief, no other member of this House can authorize another person to approve printing services in my name and on my account. Second, section 35 of the Canada Post Corporation Act authorizes franking privileges which are for the exclusive use of the member and for no other person.

In summary, I was unaware of the printing of this 10 percenter. It was printed without my written consent or authorization contrary to section 12 of by-law 301.

Moreover, it was mailed unknown to me using my franking privileges without my knowledge or authority contrary to the regulations made pursuant to the Canada Post Corporation Act.

Finally, Mr. Speaker, when you table the annual expenditures of individual members of this House, an amount will be attributed for printing services in my name which were patently not authorized or requested by me.

This chamber operates pursuant to rules enacted under the authority of the Parliament of Canada Act. They are specific and clear, intended for members of this chamber to conduct their own parliamentary function in an orderly and transparent fashion. When unauthorized use of printing and franking privileges are usurped by others unknown and unauthorized by a member of this chamber, it is a clear breach of privilege.

I submit to you, Mr. Speaker, that this wholly unauthorized use of printing services and franking privileges in my name contrary to section 12 of by-law 301 and the Canada Post Corporation Act are prima facie matters of privilege, and with your approval I would move the motion.

• (1510)

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I have had the opportunity to look into the methodology used in obtaining the delegated authority referred to by the member for Sarnia—Lambton. I agree this method was wrong. I can assure the hon. member that this will not happen again. I apologize to any member who may have felt their privileges were breached with this exercise.

The Speaker: The Chair will take this matter under advisement. I will look into the situation and get back to the House in due course. I thank the hon. member for Sarnia—Lambton for his usual diligence in these matters.

GOVERNMENT ORDERS

[*Translation*]

FINANCE

The House resumed consideration of the motion.

Government Orders

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am very pleased to speak today in the prebudget debate. I have been a member of Parliament for 10 years, and the coming budget is the one we will have the most effect on. The people have decided to give themselves a minority government, a government with a much greater obligation to listen to the opinions of the elected members of this House and of the general public.

We have seen this in recent days; the Minister of Finance has met or will meet with each opposition party's finance critic. This attitude is the result of the voters' choice. They have given themselves a government they wanted to be able to monitor more closely. One of the first opportunities to see the effects of this will be when the next budget comes down. If not, the government will have to bear the responsibility for causing an election, because this government will be defeated if it brings in a budget that does not meet the demands of this House.

We went through an election campaign less than a year ago. We in the Bloc Québécois have laid on the table the very important elements we consider the key points the government cannot neglect.

I ask Quebeckers, once the budget has been presented, to decide whether it contains clear indications of a desire to resolve the fiscal imbalance and give Quebec back its room to manoeuvre so that it can do its work properly. On this, it is up to the federal government to make some efforts.

Last year, the surplus reached \$9 billion, which went entirely to pay down the debt. No additional money was put into social programs or increased business productivity. Instead of dropping all \$9 billion at once on the debt, half of it could easily have been used for that purpose and the other half for improving programs.

This year, in the new budget, because of its new minority situation, the government must listen to this request; otherwise it will pay the political price.

Fiscal imbalance is not the only issue in which we see such problems. Employment insurance is just as important.

I went into politics to help achieve sovereignty for Quebec. However, since I have been a member here, I have realized that the greatest inequity in the federal system is what the Liberals have done with the employment insurance system. They have turned it into a system that allows them to pocket as much money as possible and give as little as possible to the unemployed. The time has come to settle this matter and to give young people again the same access to employment insurance as all other employees. It is time to stop the discrimination against women and young people.

Furthermore, an assistance program for older workers must be established. There used to be one until 1995, which is roughly when the Liberals took office. They simply abolished it. Today, as a result of globalization, we are faced with situations like the one at Montmagny, where 500 people were laid off, including a hundred or so who are over 55 years old. These people have great difficulty finding new work. In many cases they have paid employment insurance contributions for 30 years and never benefited. Today they are told that after 45 weeks there is a gap and they will no longer receive benefits. This is unacceptable. We are one of the richest

societies in the world, but we still have not learned how to distribute our wealth properly. This is an important issue and it has to be addressed in the next budget.

It is the same for seniors. The situation is very strange, I learned recently. Since early January, seniors have been receiving notices that there will be no indexation this month or the coming ones. The middle of winter, January, February and March, is when seniors have special needs. It is very odd that a mathematical rule is being applied, denying them the right to full indexation, which is, however, essential. Additional amounts, as announced in the throne speech, must be allocated to the guaranteed income supplement. Retroactive payments of this supplement must be granted. This money was stolen from seniors for years. It is essential that they get it back.

As a result, there are many matters for which this year's budget must correct inequities. New situations have arisen in the past several years.

In agriculture, in my riding, cattle farmers are living in very difficult circumstances, as are dairy farmers who have to sell their cull cows. All these situations, affecting people from day one, have not helped resolve the issue.

● (1515)

The federal government must allocate additional funds. It must invest money in the program to enable people to sell their cull cows to the slaughterhouses and get an acceptable floor price. That way, producers will be able to survive this difficult time. We must continue to develop new products. A clear message must also be sent to farmers, telling them there is a future.

A workshop on farm transfers was held in our region last week, and 220 people, including 60 young people, attended. Their proposals should be retained. For example, someone suggested implementing a program equivalent to an education savings plan, which would allow producers to set aside funds in anticipation of transferring their farms. This would ensure that they could save sufficient tax-sheltered funds so their children could take over from them, thereby putting a human face on agriculture.

So there are plenty of important issues. There is one I would add that I feel, as critic for industry, is vital. For some years now, one thing is on the increase, our new competition with China, India and Pakistan. A program such as Technology Partnerships Canada is necessary. It provides research and development support in the new economy. Now it is shifting from its original goal and is focussing on more traditional programs, such as furniture, textile and garment manufacturing. The federal government's current efforts in the textile industry are falling short. The industry has denounced this situation in no uncertain terms, and so of course have the workers, who are having a very hard time of it.

There are therefore a great many items that have to be included in the next budget.

Government Orders

The industrial development of the future will make it possible to meet the challenge of allowing our young people to continue to work in the industry, but an approach must be found that will allow them to be competitive with the rest of the world.

We will have to be able to compete with the Chinese, the Indians and the Pakistanis, but not by having unacceptable working conditions ourselves. There must be decent working conditions and support provided for development in an appropriate way. Why not help these countries to adopt decent working conditions and acceptable environmental rules, so that there is fair competition?

There are a number of elements for which the federal government already has the tools available. It has money available to it. It must take steps to meet the needs of today properly. It must make a fundamental choice.

It must stop squirreling away all the money in order to pay down the debt. That is a bit like a home owner putting all his money into paying off the mortgage in five years, and spending on nothing else. His children are growing up, and he has no money to pay for their education. He is not keeping the house up and is not spending.

The federal government must agree to correct the 100% reimbursement of the debt each year. It must agree to part of the surplus, this year's and next year's going to a better distribution of wealth and an increase in productivity.

This is what our fellow citizens expect, along with an increase in international aid. Often the judgment on how well the wealth is distributed at home is based on how we behave on the international level. In this connection, during the present PM's watch as finance minister, we dropped a long way behind. A supreme effort will have to be made to restore Canada's image in this area.

The people have reacted well in the face of the international events and natural disasters that have occurred. The government reacted slowly, but it has caught up. Now, cooperation must be made more solid, and we must truly help these countries, without trying to defend our own interests.

We note that this budget will be a fantastic opportunity to judge whether the present government has decided to listen to the people and include some items in the budget coming out of the last federal election.

When the people look at the budget, they must remember that on June 28, 2004, they voted for a government they hoped would provide certain things. In Quebec, 54 Bloc Québécois members were elected. You can be certain that we will not renege on our promises. We have the support of the public and we shall keep it. If necessary, we will go out and campaign in an election, because that will be necessary in order to win completely. In that way there will finally be a more equitable distribution of wealth and the government will no longer be able to hide behind a majority that has not enabled it to achieve the desired results.

• (1520)

We need a budget for the 21st century, a budget that will distribute wealth fairly and that will satisfy our people. I invite everyone to look at this critically and send us their comments.

Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ): Mr. Speaker, I listened carefully to my colleague defend Quebeckers and the people from his riding passionately and energetically. He is absolutely right. I want to ask him about something.

Earlier he talked about a notice that was sent to seniors indicating that there would be no index adjustment made to the old age pension for the next three months, including January. I think that is absurd. On the pretext that inflation is not very high, there will be no index adjustment, but for someone who does not have a lot of money, \$2 or \$3 a month is a lot.

I want his opinion on something. We know that for at least 10 years the purchasing power of seniors has decreased by roughly 10% because the index adjustment is made according to the general cost of living. However, the cost of living for seniors is much higher than the general cost of living. I would like the hon. member, who defends issues so well, to tell me whether my theory is logical and what his thoughts are on this.

• (1525)

The Speaker: The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

Mr. Paul Crête: Mr. Speaker, you have just listed the four regional municipalities I represent. This week I received calls from people in each of those four municipalities who receive the old age pension. Usually, every three months, they receive an adjustment that enables them to keep up with the cost of living, and not too badly.

In January, the pensioners received a letter indicating there would be no adjustment. But every day these people see their expenses increasing and their reality changing. Often these people, who are 70, 75 or 80 years old, have medicines to pay for, or must purchase special equipment, or must buy an accessory for their bath tub in order to be able to take a bath. There are many elements and many faces of reality for these people.

Here we have a situation where the federal government made a \$9 billion surplus last year and is likely to have a \$10 billion surplus this year. The government tells these older persons that it cannot give them their adjustment this quarter, that they do not deserve the extra \$1.75 or \$2 they would like to have. This is unacceptable behaviour.

That is why the Bloc Québécois, in its dissenting report on the budget, has asked for complete indexation. The federal government announced an improvement in the Guaranteed Income Supplement in its Speech from the Throne. The budget will be the opportunity to deliver the goods. There must be complete indexation of pensions and an increase in the Guaranteed Income Supplement. We must ensure that our older persons who were entitled to the GIS and who were deprived of it for several years can get retroactive payment.

Government Orders

I would like to see the reaction of any member of this House who, being entitled to a certain amount, notices four or five years later that he has not received it, and when asking for a retroactive payment, is told that no payment can cover more than a maximum of 11 months. This kind of behaviour is odious. It is a concrete example of how the next budget must improve the situation. Whoever does not do this does not deserve to sit in this House. We will go back into an election campaign and an even clearer message will be sent to the present government.

Mr. Christian Simard (Beauport—Limoilou, BQ): Mr. Speaker, I thank my august colleague. I think that this speech is fully in keeping with the Bloc Québécois' expectations and principles. Our party was re-elected on the basis of principles. It is extremely important to us. We are here to defend the interests of Quebeckers.

Even in the context of a minority government, if the government behaves arrogantly, it is important for us to present the facts and tell it that if it hopes to remain in power, it must make changes, otherwise we will do what we have to do. I think this is extremely clear.

I want to ask my colleague to specify, with regard to retroactivity, how the government could give seniors back what was stolen from them.

Mr. Paul Crête: Mr. Speaker, I thank my colleague from Beauport—Limoilou for his intervention, which reminded me that we had made demands with regard to social housing too. He is one of my colleagues who considers the promotion of social housing to be extremely important.

We are asking the federal government to devote 1% of its expenditures to the construction of social housing; this represents approximately \$2 billion per year. I hope that significant gains in this area will be possible thanks to the coming budget.

As for indexation and retroactivity, it is obvious that legislative change is essential in terms of the retroactive payments owed people who should have received the guaranteed income supplement and did not.

As for the old age pension, the budget clearly indicates that this falls under the government's current account. At present, the ceilings of the basic pension and the guaranteed income supplement need to be increased. This way, we could fight poverty and allow seniors to live decently. They already have enough problems in their lives without the federal government adding another injustice such as the one they are experiencing currently.

• (1530)

[English]

Hon. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Mr. Speaker, I am very pleased to participate in the debate on the prebudget consultations. I want to share with the House and Canadians the results of a number of prebudget consultations which I held in my riding and also throughout the city of Toronto.

Since being elected in 1997 I have annually held prebudget consultations with individuals, members of not for profit organizations, and representatives from business organizations. This year in my role as Parliamentary Secretary to the Minister of Canadian

Heritage, I also held consultations with representatives of the greater Toronto area's artistic and cultural organizations to determine what these organizations need and what our government could do to help artists and arts organizations achieve and maintain greatness in their respective fields in Toronto.

If we can help Toronto's artists and arts communities achieve greatness, because these organizations and artists are integral to the economic and social life of the city of Toronto, then we can create a blueprint to allow all artists and arts organizations to excel in Canada.

In December I held a prebudget consultation meeting at Swansea Town Hall. The notice calling the meeting asked a very basic question especially in light of the announcement on November 16 by the Minister of Finance of a \$9 billion surplus for the fiscal year ending March 31, 2004. The question was simple. What should the federal government do with any future surpluses?

Along with this general question the following four supplementary questions were asked: First, how should the federal government allocate any future discretionary finances between tax relief, new spending and debt repayment? Second, if taxes are to be cut, which ones should be reduced and to whom should the cuts be directed? Third, if the government is to spend more, which new or existing programs should receive this spending? Fourth, if the federal debt is to be further paid down, how much should it be reduced versus spending more and/or taxing less?

Prior to entertaining budget suggestions from the floor, we also presented and reviewed a federal budget history chart. It summarized revenues, expenses, international debt payment and any surplus or deficit from the fiscal year 1993-94 to and including the fiscal year 2003-04. We also reviewed a chart summarizing federal debt history from 1993-94 to 2003-04 and reviewed recent major initiatives regarding taxes and debt, as well as the government's recent major initiatives regarding spending.

My constituency office prepared these summaries. I would be more than pleased to share them with members on all sides of the House.

At our meeting there were a number of budget items that received overwhelming consensus. I am sure this will be hard for members of the official opposition to believe but no one at that meeting called for immediate tax cuts. On the other hand there was widespread agreement that the government should continue to pay down the debt but to do so gradually, however, not at the expense of the social programs that are integral to our values as Canadians.

Government Orders

A number of constituents also suggested that perhaps it was time for the federal government to put in place some type of mechanism which could more accurately anticipate surpluses prior to the year end. Initially Canadians could understand that budgeting very conservatively led to huge surpluses and currently these huge surpluses were immediately applied to the debt when in fact if the proper budgeting had been done, these moneys could have been spent on programs or tax cuts during the fiscal year.

There is also a very important thing which I learned a number of years ago which I would like to share with the House. It is something which was told to me by a constituent during prebudget consultations a number of years ago and which it is important for all of us in the House to keep in mind during the budget process. A constituent wrote and reminded me that in deciding on budget priorities, one must never forget that the fiscal choices we make reflect the kind of society we want.

● (1535)

In terms of spending initiatives, certainly in my riding in the city of Toronto there was unequivocal support for additional funding for cities and also for communities. The need for an immediate investment in public transport was paramount not only in terms of the TTC in Toronto, but also in terms of the GO train, the train that connects the greater Toronto area to the city of Toronto. My constituents were unequivocally clear that they did not want money spent or wasted on the Front Street extension, which abuts my riding and which would cause major chaos in my community.

The second most important priority in my riding was the need for housing. Notwithstanding the successful federal-municipal partnership of the supporting communities partnership initiative, or SCPI program, an excellent program in the city of Toronto to address homelessness, I regret to say that homelessness continues to be a problem. There is also a need for more low income housing in Toronto. It was highly recommended that any such initiative emphasized green affordable housing, which is a project being considered in the part of my riding known as Parkdale.

The next priority in my riding and in the city of Toronto is immigration which, as hon. members all know, is an integral part of Toronto's landscape. It desperately requires additional funding. It was recommended that additional funds be allocated for resettlement purposes. Language training programs should be enhanced. The government should and must set aside funding to assist newcomers in obtaining professional accreditation.

Money for youth programs was also considered a priority. Programs for retraining should be enhanced. The cost of post-secondary education continues to need to be addressed, along with the continuing problem of escalating student debt. We cannot forget our young people when we look at our priorities and when we look at our needs as a nation.

Last but not least, and I am sure hon. members will not be surprised to hear this, enhancement of funding for the arts was also noted. One cannot overlook the importance of the arts, especially in terms of the cities' and the communities' agenda. Our artists and cultural organizations play a key role in the economic and social well-being of our cities and communities. The arts are the essence and the vibrancy of our communities and cities.

At this point and before going on to share with the House a number of the priorities of the arts and culture sector, I would like to take this opportunity to commend and to thank the chair of the Standing Committee on Finance, the member for Saint-Léonard—Saint-Michel, and the other members of the standing committee, including my colleague from the greater Toronto area, the member for Beaches—East York, for their report and recommendations on culture. I believe that this is the first time since I was first elected in 1997 that culture received more than just a passing mention.

There are seven pages on the cultural sector in the finance committee report. I did look at the dissenting opinions and I cannot say that anyone dissented or disagreed with investment in the arts. I believe it was the Bloc which encouraged that while some of the recommendations with respect to culture were very good, a key item had been left off, and that I believe was the GST on books. In a minority government, I take that actually as a round of applause and unanimous support for Canada's cultural sector. I have to tell the finance committee how proud I was when I read that report.

● (1540)

I would like to read out loud to Canadians and members of the House who may not be familiar with the specific recommendation. Recommendation 11 reads as follows:

That the federal government provide stable, long term funding to the following elements of federal support for arts and culture: the Tomorrow Starts Today program; the Canada Council for the Arts; Telefilm Canada; the Museums Assistance Program; the Community Access Program; the Canadian Television Fund and initiatives designed to promote Canadian culture internationally.

Moreover, the government should increase funding for the Canadian Broadcasting Corporation and Radio-Canada.

As well, the government should allocate funds to build capacity and assist archives with respect to archival content.

Finally, the government should increase the Canadian Film or Video Production Tax Credit to 30%.

I cannot help but note that I am actually watching the vice-chair of the heritage committee who is listening quite attentively. The vice-chair sat on the previous Standing Committee on Canadian Heritage when we drew up what has come to be known as the Lincoln report, entitled "Our Cultural Sovereignty". Some of the recommendations that are found in the finance committee's report were actually in our standing committee's report, so it looks like we are actually listening.

I would like to take this opportunity to urge my colleagues in the House to also urge the finance minister to implement in its entirety recommendation 11 of the Standing Committee on Finance.

As I stated at the beginning, I held a number of consultations with various arts groups in the city of Toronto and the greater Toronto area last year. They reconfirmed that a revitalized arts and culture sector is integral to the success of ensuring that Canada's cities and communities are safe, prosperous and stimulating places to work.

We all now know the work of Richard Florida, the urbanist. We seem to quote him again and again. Ever since Richard Florida wrote about it, we know how important the arts are to our communities, to attracting people and citizens to our communities. It has been a long time coming that we finally sat and listened to this.

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It is important to note that not just Richard Florida, who is a U.S. author and urbanist, wrote about this but even our Federation of Canadian Municipalities has recognized how important the arts and culture sector is to our Canadian cities and communities. There is not a magazine that we can pick up that the FCM has distributed where arts and culture is not front and centre. The FCM has a subcommittee which deals in particular with how we enhance the arts and culture sector not just within our large cities but also in our communities.

I would like to share with members some of the comments and recommendations that I received from some of the larger arts organizations that participated, including the Stratford and Shaw festivals. One meeting I held was with the larger cultural institutions. When I say larger cultural institutions I do not mean just the Toronto based ones but the large Canadian based cultural institutions. There is no doubt that in Canada they are seen as jewels in the crown but unfortunately they lack stable adequate funding. This is a constant threat to their continuing excellence.

What is interesting to note is that they pointed out to me that they are not asking for new funding models or new funding programs, because those are not necessarily the best solutions. We need to look at the enhancement of existing programs that work, more specifically, Tomorrow Starts Today.

I just spoke about the Federation of Canadian Municipalities. At its last annual meeting a resolution was brought forward by cities either in Alberta or British Columbia to urge the federal government to renew the Tomorrow Starts Today program. For those who may not be familiar with it, the Tomorrow Starts Today program was announced by the government in May 2001. The government provided a brand new total of \$560 million, which is the largest reinvestment in the arts in Canada in the last 40 years.

• (1545)

There were various envelopes to that program, including the culture capitals program, the arts presentation program, an endowment program, Canada culture online, additional moneys to the book publishing industry and, very importantly, additional moneys for the Canada Council.

The Canada Council came up during our discussions as well. It was felt that one way to support all of our arts and cultural sectors across Canada was to perhaps refocus the priorities of the Canada Council. We also duly noted, as we all should in this House, that the 50th anniversary of the Canada Council is coming up in 2007. In fact, this could be used as a springboard for new funding and new programs.

There is no reason to recreate the wheel. What we should do is build on our successes and build on the excellence and build on what we know in Canada. This works not just in the large urban areas but also in all of our communities.

Another important issue that was brought up was the importance of touring. Again, financial constraints preclude the major organizations from active touring, both nationally and abroad. Touring was seen by most participants as essential to showcasing the best of Canadian culture, attracting new audiences and providing new fora for our performers and creators. I personally would like to add that it

is a wonderful way of ensuring Canada's place in the world as one of pride and one of influence.

It has recently come to my attention that the arts promotion program under the Department of Foreign Affairs is being scheduled for a 35% cut in funding in March 2005.

According to Martin Bragg, the artistic producer of CanStage, one of the country's largest performing arts companies and a company that is a beneficiary of this program to tour its production of *The Overcoat*, notes that there will be severe consequences and the impact of this cut will have a terrible effect on the arts and cultural sector.

In his letter, Mr. Bragg states the following:

The Arts Promotion Program has been the primary source of finance assistance from the Canadian government for the promotion of Canadian culture, both nationally and internationally.

This proposed cutback would drastically reduce the trade and commerce of Canadian culture around the world by over 50%. Currently, almost half of all applicants to the program are declined funding. The cutback would increase that percentage to 85% for all applicants in the performing arts.

He then goes on to note:

As it stands, the funding available through the Arts Promotion Program is not enough. When set against our G-8 counterparts who annually commit over one billion dollars per year, Canada's contribution to the international arts promotion is extremely humble. This funding must be increased, not cut, if Canada is to strengthen our presence in the international markets through the development of cultural partnerships, the fostering of cross-cultural exchanges with emerging markets (i.e. China, Brazil, India) and the initiation of Canada-U.S. culture diplomacy programs, among other efforts.

Another recommendation the finance committee made with respect to culture and an important fund for our television and film sectors, and one which I strongly support and I know members of the Standing Committee on Canadian Heritage have supported, is to provide stable, long term funding to the Canadian television fund, the CTF, one of our great success stories.

Just last week I received a letter from Michael MacMillan who is the chairman and CEO of Alliance Atlantis which makes the social economic case for establishing the CTF as a permanent fixture and to maintain funding at the current level of \$100 million per year.

As I am running out of time I would like to make my last submission from a cultural, economic and social argument as to why this fund is as important as the other programs that support our arts are important.

Mr. MacMillan writes:

While Canadians are wholeheartedly aware of the many choices faced by your government in delivering a fiscally prudent budget, we believe it is important to consider the CTF funding in the context of its benefits to an economically and culturally vibrant Canadian industry. Of the \$3 billion that the government spends annually on culture each year, this sector directly contributes \$27 billion to our gross domestic product. Since 1996, the CTF has provided \$1.7 billion in funding towards the creation of 18,000 hours of programming in English, French and Aboriginal languages. The total value of these productions is currently estimated at \$6 billion. As these numbers illustrate, the CTF is a major contributor to the ongoing vitality of the Canadian broadcasting sector.

• (1550)

I know I have run out of time but perhaps we can continue this discussion another time. I hope members on the opposite side will support me in these recommendations.

Government Orders

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Speaker, the member across the way talked about the fact that none of her constituents raised the issue of tax cuts. I have to wonder which constituents she sampled.

I wonder if the member would agree that everyone benefits from tax cuts, particularly those who are considered to be in the low or middle income tax categories. Not only do they benefit from the higher disposable income, which they can spend on their families, but it also attracts professionals from regions all over the world and also reduces the brain drain from Canada to other areas.

If this current government were more responsible with programs like the gun registry, for example, by eliminating the gun registry, or by dealing with scandals and corruption in government, would the member agree that efficiencies could be found that would reduce spending so we could then focus on issues such as tax cuts, health care and other areas that are indeed priority areas?

I also wonder if the member would agree that when it comes to a choice between health care and, as some, although not all, of the groups that the member mentioned in the cultural community, arts and culture, that health care education would take precedence over some of the programs the member outlined.

I hope everyone in the House agrees that tax cuts are good for the economy, that they create a larger tax base and that everyone benefits. Does the member agree?

Hon. Sarmite Bulte: Mr. Speaker, I hope I have the opportunity to answer all hon. member's questions.

When I was going through the priorities, tax cuts were not one of the top priorities. That is not to say that some people do not want tax cuts. The people in my riding, and I am not speaking for everybody, but from a sample of the people who were there, they understood that the Government of Canada over the last five years has reduced taxes by \$100 billion. Yes, the government does understand how important tax cuts are.

We also brought in full indexation, which especially helps seniors. We raised the tax free amount. We reduced the middle income tax bracket from 26% to 23%. Income ranges for low and middle income brackets have been raised. All surtaxes have been eliminated, which helps the poor and middle class. High tech and small business corporate taxes have been reduced from 28% to 21%, and the small business level has been raised to \$300,000. Employment insurance premiums have actually been cut eight times. I think the government has been proactive and does understand the concerns that the member is bringing forward.

With respect to health care and child care, those are certainly two of the three priorities that the Prime Minister has mentioned. The third priority has been cities. I think it is time we stopped saying that it is either health care or the arts, or that it is either health care or child care. That is not what government policy is about. It is about having a holistic approach. As controversial as it may sound, our arts and culture are integral to the health of our communities, as is education and health care. It is not one or the other. It is about working together to find a holistic approach for all cities.

• (1555)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I have one comment and one question. I hesitate to bring up employment insurance considering the amount of money that has been slogged over from that fund over the years, paying down all sorts of different things except going to workers.

I actually do not come from a city. I come from a rural place. I hope this new deal will be called properly cities and communities, as I think it has been renamed, and I applaud the member's efforts in the arts community in Toronto.

In rural communities, the CBC is an extraordinarily important part of how people receive information, news, culture and come to understand what we call Canada.

Could the member confirm for us today that there will not be any funding cuts to the CBC's budget? We have been on a real tricky path trying to find out the succinct answer that would say that the CBC will not be facing any cuts in the upcoming budget.

Hon. Sarmite Bulte: Mr. Speaker, as the Minister of Human Resources Development said in the House in the last day or so, we made the commitment in the Speech from the Throne to ensure that EI reflects labour market realities. I was glad to hear that and I support that position. I hope we will be working toward that.

In answer to the member's first question, I personally would like to see EI brought within the new labour force market realities for the self-employed, especially for self-employed women and how we can deal with that.

In answer to his second question concerning the CBC, I am probably as big an advocate of the CBC as the member is in rural Canada. I have chaired the Liberal CBC caucus committee for a number of years. I have been a supporter of the Friends of Canadian Broadcasting. Unfortunately, I am not the finance minister but I would join the member in urging the finance committee not only to not cut the CBC but to ensure long term stable funding for the CBC.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, I would like to find out something from any member of the government, be it the finance minister or members who recently presented. I would like to ask a question and make a quick observation.

It has been a proposal of the Conservative Party to have the federal tax dollars, which our constituents pump into their gas tanks, returned to communities. Right now the money is sent to Ottawa and are rarely seen again in British Columbia. What we do see is only a tiny percentage of what we send to Ottawa.

Could someone tell me, without revealing confidences of course, whether our proposal to have a significant portion of those tax dollars returned to the constituencies from which they came, is in the upcoming budget and if it is, how aggressively that will be pursued?

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I can tell the House that the mayors and councils from Logan Lake, Merritt, Westside, Peachland, Summerland, Penticton, Eramatta, Colleagan, Okanagan Falls, Twin Lakes and all the other people involved would be very pleased to see that happen. I say that at some risk that they might even begin to feel better about Liberals.

The observation I have is this. Would the member indicate that she will strongly object to what we understand is coming? We understand that there are a lot of big issues. The House knows our position on taxes, on the deficit, on debt reduction and all of that. However there is something that could be revealing in the government's overall philosophy in the proposal to tax junior hockey players on the tiny little amount that they have for accommodation and meals.

I talked to people like Scott Carter, the owner of the Penticton Vees, the one time world champions. Junior hockey players right across the country are saying that they receive something like \$325 to house themselves and to eat and that if the government goes ahead with this tax, junior hockey players will not be eligible to go, for instance, to the United States on scholarships. It will also have a severe impact on Olympic athletes.

As I said, sometimes these little things reveal something much larger about the government philosophy. Could the member also comment on that?

• (1600)

Hon. Sarmite Bulte: Mr. Speaker, I would like to respond to the question with respect to providing aid to cities first.

Providing aid to cities has been a key platform within the government and under our new Prime Minister. When he took office, the Prime Minister's three priorities were cities, health care and child care. He moved immediately to reduce the GST for municipalities. In our election platform we committed to move ahead on the gas tax. I believe that is about what the hon. member is speaking. I have also been lobbied to expand the gas tax to the diesel tax. I can say with some confidence that the Prime Minister has said that we will ensure those platform promises are acted upon.

Knowing how important the gas tax is, the Prime Minister is working with the minister responsible for infrastructure and communities, and I hope the finance minister is listening. I and the city of Toronto also support moving quickly on the gas tax.

With respect to junior hockey, I am not a specialist in the sports area. I have heard that submissions are being made to finance with respect to this. We need to move forward with artists in the same way because all of a sudden they are no longer being looked at as being self-employed, but rather as employees and that has huge ramifications for all artists across Canada. This is similar to the hockey player situation.

I undertake to take the member's message forward to the Minister of Finance.

Mr. Steven Fletcher (Charleswood—St. James—Assiniboia, CPC): Mr. Speaker, I am sorry I have to cut off the hockey debate. It was interesting.

I too have been talking to my constituents about the budget and what we expect to see in it. As I am the health critic for the official

opposition, I would like to begin with the number one issue that faces the citizens of Charleswood—St. James—Assiniboia, including Headingley, and that is health.

For over a decade the Liberal government has gouged the health care system by cutting funds to the provinces by \$25 billion over a four year period. As a result, the system has been beset with numerous problems detailed in study after study. Even last week a report from the Health Council of Canada again highlighted the results of the lost decade of Liberal neglect in health care.

The list is familiar. We have a growing shortage of health care practitioners and too many qualified foreign trained professionals who are unable to work in Canada due to our antiquated foreign credential recognition program.

Another issue is the quality of care disparities between regions and the socio-economic groups throughout Canada. This is especially true for first nations, Inuit and Métis peoples whose health ranks well below the national average. Great disparity in the quality of care also exists between urban and rural areas of our great country.

Inattention toward the root causes of poor health such as poverty, the lack of access, poor stakeholder coordination, lack of prevention and unhealthy lifestyles have also not been dealt with by the government.

We have seen increased waiting times for treatment, et cetera.

The need for primary care is also very important. New models of delivery are asked for and we need to encourage more medical students to enter the practice so that we can have more attention to front line services.

I would like to advise the Speaker that I will be splitting my time with the member for Vancouver Island North.

The HCC report also emphasized that too little progress had been made since the 2003 health accord. More effort must be made to accelerate the pace of change. This budget will determine whether the government has committed itself to changing our health care system for the better or if it is going to contribute to its ongoing decline. I suspect the latter is unfortunately the case as the government has a terrible record when it comes to health care.

The Conservative Party supports commitments made in the 2003 first ministers accord and at the first ministers conference last fall to try to restore some of the funding to core health services. Again, I would like to highlight the fact that it was the Liberal government that caused the health care crisis in the first place. Even though the government agreed to the 2003 health accord, it reneged on its obligations in that regard. In regard to health, I hope the Liberals will change the dangerous course that they have set for the country.

In the 2005 budget the Liberal Party must restore funding to the health care system by also allowing not only the \$41 billion over 10 years earmarked by the PM for health care, but he also has to ensure that the commitments made by all parties are fulfilled. It was the Prime Minister who said in the last election that he would fix health care for a generation. However, it is the government that has wrecked the health care system for at least a generation.

• (1605)

We also see another broken promise by the Liberal government when it comes to a national pharmacare program. The Conservative Party promised a national pharmacare program for catastrophic drug costs. The Liberals made a similar promise, however, rather than action we see inaction. In the health accord struck this past fall, the Liberal Party did nothing in the area of a national drug program, other than strike a task force that will not report for another couple of years. Committees will not solve this problem. Only action will, and only a Conservative government would do that.

In respect to the doctor shortages, we have many foreign trained doctors in Canada who are unable to practise. Strippers on the other hand do not seem to have any trouble getting into Canada while the Liberals are in charge. The immigration policy must be given a priority in the budget to ensure that qualified foreign doctors, nurses, technicians and other health care professionals are quickly approved and able to practise in Canada. This means a clear workable process for immigrants to obtain equivalency for their international skills, training and experience. It also demands ensuring that Canada successfully encourages skilled immigrants to make this country their destination of choice.

The Conservative Party believes that all Canadians should have reasonable access to timely, quality health care services, regardless of their ability to pay. Health is ultimately a provincial jurisdiction, but this budget must allow the provinces the flexibility to determine how they will deliver health care services to best meet their needs.

In my riding, defence is also a very important issue. In Charleswood—St. James—Assiniboia we have the Canadian headquarters for Norad. We have 17 Wing and many other military professionals and public servants who work for the military. The tragic events in Asia at the end of last year again showed that our military is incapable of responding to international humanitarian efforts. It is disgraceful and a shame that Canada, which once acted decisively throughout the world as a peacekeeper and protector of human rights and of course as a leader in the two world wars, can no longer muster the resources to help those who are most in need or defend justice throughout the world.

The Conservatives advocated for heavy lift capacity in our forces in the last election. It is really sad that the Liberals turned that election promise into very negative election propaganda. Our world is a dangerous world and we need to be able to defend our country without having to rely on our friends to the south or anyone else. It is part of being a country. It is part of the cost of being a sovereign nation.

The budget of 2005 must ensure that our armed forces receive the necessary resources to defend our national interests, our economic prosperity and the values of the Canadian people. This means a Canada first defence policy and the money to back it up. The

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priorities of our military must be sovereignty protection, especially in our Arctic. It is well known that there have been breaches in our sovereignty waters in the north as well as disputes on territory in the Arctic Archipelago in regard to Pond Inlet and other places. We need a military that can go to where a lot of our country is by land mass.

I hope this budget will help reverse the continuing decline that the Liberals have caused in our military. I would also go on to say that we need a combat capable maritime land and air force.

Education is also very important. I have the Canadian Mennonite University in my riding and many of my constituents go to the University of Manitoba. Education is the best investment individuals can make in themselves and it is the best investment that a society can make in individuals. We need to address the issues relating to education to ensure that all our students have high quality and affordable access to education.

• (1610)

Finally, government accountability is very important. We have a Liberal government that wastes tremendous amounts of our resources, which could be better spent on tax relief or health care. Again, I hope that the Liberal government will stop the corruption for which the Liberals are becoming so well known, but based on past results, unfortunately, I do not think there is any way we can change that until we have a Conservative government in power.

Mr. Gary Carr (Halton, Lib.): Mr. Speaker, I thank the member for his participation in the debate. I must say, though, it is wonderful to be in opposition and to be able to promise more money for all things.

As the health care critic, the hon. member talked about the health care field. It was this Liberal government that made the most significant investment in health care since its inception with the last agreement of \$41 billion. At the same time as he is saying there should be more money for health care, more money for the military and more money for all these programs, a lot of his party's members are out there calling for tax cuts.

The member may know that I was an MPP in the Ontario legislature for 13 years. The Conservative government of the day, of which I was a part, ended up with a deficit of \$5.7 billion. At that time, the same argument that we needed to cut taxes was being made. When we do that, we end up with a deficit. It is the same, I would say, with George Bush in the United States, who has ended up with a large deficit.

How can you square that with the fact that you are calling for more spending in areas and tax cuts? Will we not just end up like Ontario and the U.S. with big deficits again?

The Deputy Speaker: I will remind the hon. member to address his comments to the Chair.

Mr. Steven Fletcher: Mr. Speaker, I will remind the member of this government's disgraceful record when it comes to taxation. We hear of these "surpluses", which are really an overtaxation of the Canadian people and lead to bad public policy. The Liberal government is notorious for this and it should be ashamed of itself.

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In regard to priorities, yes, a Conservative government would make health care a priority and tax relief a priority, particularly for low income and middle income earners, because they would benefit the most. It has also been demonstrated that with tax cuts the economy grows, the GDP grows and there is a wider tax base from which to get revenue from the people. But it has to be a well thought out strategy, I agree, and a Conservative government is able to do that.

When it comes to priorities, yes, some cuts will have to be made. A Conservative government would cut the \$1 billion boondoggles that the Liberals have so notoriously implemented over the years. The government corruption and scandal of giving Liberal cronies moneys for work that is not completed is absolutely disgraceful. The way the Liberal government treats the hard-earned dollars of Canadians is disgraceful. I am looking forward to the day when a Conservative government will spend the moneys appropriately: on the priorities of Canadians and not on its friends.

• (1615)

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, I have a question for my colleague. When the Liberal government chooses to pursue tax measures against tier 2 junior hockey players or, for residents in my riding, a 70% tax increase on seniors on fixed incomes collecting U.S. social security, is this not the true face of Liberals with respect to taxation? Are these not the types of measures which a Conservative government would certainly oppose if it were in power and putting through a budget?

Mr. Steven Fletcher: Mr. Speaker, the member raises a very important issue, which is that of Liberal hypocrisy. The Liberals say one thing, but in reality they have caused a great disservice to the Canadian people, particularly when it comes to issues around revenue and taxation.

The member is quite right: under a Liberal government the most vulnerable and the most in need in our society have been hurt the most by this government. In fact, it has been demonstrated throughout Canadian history that a Conservative or right of centre government has been the most generous to those who are most in need.

We believe in individual responsibility. We believe that individuals, middle income, poor or whatever, are the best ones to utilize the resources that exist. We believe the government should be there to help people who need help and then get out of the way.

Mr. John Duncan (Vancouver Island North, CPC): Mr. Speaker, to carry on with the theme of this discussion and debate, just before I stood I was reminded of the government going after school lunch programs and seniors' lunch programs in British Columbia for non-payment of GST. Those programs were run by volunteers over the years. They were done at low cost for people with low incomes. Then they had a big penalty and a big bill to pay. This is absolutely contrary to the direction our government should be taking. From the government there was not a word, not an utterance, of defence, and not a word about stopping or preventing that kind of harassment. It was this side of the House that complained. Our complaints certainly resonated with the public, but they did not resonate with the government.

This is a prebudget debate. We are talking about an important budget. This is the first time in a minority Parliament for this Prime Minister, the same individual who unnecessarily played brinkmanship on the throne speech, who reversed himself within hours and who now is busy at the optics of governing without any commitment to principle. This is someone who continues to confuse foreign travel with foreign policy, who decidedly dithers due to a decision deficit, and who presides over an increasingly dispirited caucus.

As the critic for natural resources, I would like to talk in a broad way for a minute or two about the mining sector. I am very hopeful that in this budget the government will do the right thing on the flowthrough share provisions, which I believe should continue for this sector.

It is the flowthrough share provisions that have successfully led to the diamond industry development in this country, which has taken us from basically nowhere to number three producer in the world. It is anticipated that by as early as 2012 we will be the number one producer in the world. Canadian diamonds are already contributing \$500 million to the federal treasury on an annual basis, based on last year, so this is payback time. However, it is also not a time to cut off this very important measure.

The geoscience area is another area that the mining industry needs to continue to develop to make it prosper. The provinces have been doing their job and the federal government needs to do its job. We need to continue to fund the geoscience sector at an appropriate level and not cut it back as this government has been doing.

Third is a favourite of mine and that is the jewellery tax. The excise tax on jewellery, the hidden tax, the one that is hampering Canada's ability to add value to our precious stones and metals, needs to be removed. Yesterday this House sent that bill off to committee after second reading. I am hopeful that we can axe that tax despite what the government might do. Perhaps the budget will pre-empt all of that. I would make that plea.

• (1620)

In the forestry sector, the industry is basically united in its concern over the fact that in the softwood dispute it has been abandoned by the government. By doing so, the government has left industry to deal with entrenched U.S. interests. The U.S. administration and the U.S. special interests lumber lobby certainly are supporting each other very strongly. It is a position contrary to what is happening in Canada.

Let us look at what has really happened. The Canadian forest industry has now put down cash deposits equivalent to the worldwide effort to aid the tsunami victims. It is phenomenal. Incredible penalties have been put on the Canadian forest sector, yet it has been abandoned by the government.

The energy sector is obviously crucial when we talk about natural resource industries. The government continues to have no plan on climate change. Now we hear that the government is talking about purchasing emissions trading credits worth \$1 billion plus. That will not achieve one iota of real change. It will simply take Canadian taxpayers' money and transfer it. The most likely end for it will be in Russia or some other such country that has credits to offer, but it would not change anything done at the other end either, other than the fact that those countries would be the recipients of largesse from Canada.

Canada still has no energy framework. I do not think we have revised our energy policy on a national level since the 1950s.

We have red tape that is killing not just the energy sector but all of the resource industries whenever there is any major or significant project that they want to go ahead with. The most important thing that could be done on that front would be to get the federal house in order on smart regulations.

The industry is united in that plea. It wants the government to endorse, apply and adopt part 1 of the smart regulations report, which was tabled in this place on September 23. No single minister has taken on the responsibility or the accountability for that document. That is a problem. The government needs to adopt it. It needs a champion. It needs a salesman.

The opposition is doing what it can. We put it on the radar screen to get it into committee. The committee has adopted it as a focus for its study. If it continues to reside on the government side with the bureaucracy or the Privy Council, as opposed to the cabinet and the PMO, then it will go nowhere.

One thing that Canada is now known for is its penchant for red tape and bureaucracy. This has become Canada's impediment. This is our international non-competition factor. It seems a little strange to be talking about smart regulations in a prebudget speech, but it is the lack of smart regulation in Canada that is the major cost to industry and a major impediment.

A good example would be the northern pipeline, where we have built in delay. This is a project that is in the national interest. The official opposition has offered to participate with the government. It is absolutely crucial that the government make a decision.

• (1625)

We are prepared to work with the government to move that along. We have heard nothing despite that offer. Does the Northern Pipeline Act from the 1970s apply or does it not? We actually need a decision from the government.

On the renewable sector in energy, there are many decisions that are required to be made. The decisions that have been made to date, including the wind power initiative, are timid at best.

To conclude, it is my general observation, as the natural resources critic, that the entire sector is not impressed by government actions in this Parliament to date.

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, I am pleased to speak to the prebudget debate today given that I am a member of the Standing Committee on Finance. I was very involved

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in getting some of the recommendations in that report, specifically ones that are very dear to my heart.

I will start with the recommendation on children in the Liberal minority report which is a bit different than the main report. The recommendation calls for a national, accessible, affordable, high quality, publicly regulated, not for profit child care system. I would call that an early learning and care program.

We asked for an increase in the Canada child tax benefit provided that no province is permitted to claw back the relief, which is happening now. It is high time for that to stop. In addition to the recommendation, I would like to encourage the government to put all of that in a legislative framework to ensure that we have the same standards across this country.

I would encourage the government to negotiate a requirement that provinces and territories maintain or increase their own child care funding because, as we have seen in the past, the money comes in and some provinces have taken their own commitments off the table.

I would encourage the Government of Canada to maintain current federal funding commitments under the early childhood development and multilateral framework agreements.

I would encourage the Government of Canada to tie provincial and territorial accountability to plans that would include timelines and targets for using federal funds to build universal, publicly funded systems recognizing that provinces and territories would develop their own priorities and related plans. That is very important if we are to build a truly sustainable early learning and child care program across this country.

In the main report of the finance committee, as well as in the Liberal minority report, the environment issue was highlighted quite aggressively. Environment is important in our society. Climate change is a serious issue. We must meet the Kyoto standards that we have set for ourselves. The report referred to quite a number of other things, such as the production, purchase and use of fuel efficient vehicles. It promoted finding appropriate incentives to encourage that. Public transit, including measures relating to the tax treatment of employer financed transit passes, is an issue that has been before our committee for some time.

Renewable and alternative energy development and commercialization, including measures relating to wind energy and fuel cells as well as ethanol and methanol, including brown field development are some other things contained in the Liberal report. The report adds a few other items and I will give the House a bit of the breadth of the discussion that we had in committee on this issue.

The report recommended that the government create some form of incentive in the form of a credit, a deduction or GST relief rebate for the purchase of hybrid motor vehicles. We need to encourage the use of hybrid vehicles.

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Instituting and enhancing wind power production by providing incentives was also included in the report. It is important that we increase our efforts in green power production by creating incentives and by extending support to all green power technologies. Renewing and enhancing the Federation of Canadian Municipalities green municipal fund and green municipal investment fund is important because these are partnerships we have with municipalities in the area of environment.

We could do a great deal more in retrofitting buildings and housing and the use of solar panels. In my own riding a laundry is powered by solar panels. The individual who established it, Mr. Winch, won a major international award for the work he has done. He is now embarking on much larger projects. There is a tremendous amount that can be done to meet the Kyoto targets and we must do it.

● (1630)

In speaking about cities and retrofitting, it is important that we keep the commitment we have made to cities. As members know, the government has already introduced and passed in the last budget the rebate of the GST for all municipalities, which is saving a great deal of money. We must also work with cities and develop a tripartite agreement among the provincial, municipal and federal governments to meet all of the needs of our municipalities.

The large cities in our country are not only huge economic engines but also are very complex communities with social, economic and cultural factors. For instance, in the area of immigration and immigrant settlement, it is important that we work with the cities very closely since they are the ones that have to deal with some of the more serious issues with respect to settlement.

On the issue of transportation, it is important that we maintain the commitments we have already made in the areas of transportation and infrastructure in the cities, in addition to the 5¢ of the federal tax which we have committed to introduce in the next budget. I would encourage the government that we in fact do that. The recommendation in our report is very clear with respect to that.

I cannot emphasize enough how important it is to work with municipalities and with cities across this country to ensure that we in fact have a very vibrant country. The partnership is very important.

A nation however is more than infrastructure, buildings and mortar. It is also what I call the soul of a country, that is the culture. It is the culture that we share and the culture that we share with the world around us. To that end, I am very proud that I was quite instrumental in pushing for a strong recommendation in this finance report on culture. I would like to read the recommendation because it is very important to note. It states:

The federal government provide stable, long-term funding to the following elements of federal support for arts and culture: the Tomorrow Starts Today program; the Canada Council for the Arts; Telefilm Canada; the Museums Assistance Program; the Community Access Program; the Canadian Television Fund and initiatives designed to promote Canadian culture internationally.

Moreover, the government should increase funding for the Canadian Broadcasting Corporation and Radio-Canada.

As well, the government should allocate funds to build capacity and assist archives with respect to archival content.

Finally, the government should increase the Canadian Film or Video Production Tax Credit to 30%

This is a very important part of our program because our soul and image, and who we are is defined by the culture that we share and the culture that we export abroad as well.

Mr. Speaker, I neglected to say that I am splitting my time with the member for Etobicoke Centre.

I would like to talk a little bit about another commitment that we made in the last election, but certainly a recommendation that is also in this report, and that is seniors. It is critical. We have poverty among seniors in our society, especially unattached seniors, and especially among single women. It is very serious. It is critical that the government move on its recommendation to increase the guaranteed income supplement.

I would recommend that we increase that to the amount committed all at once and not phase it in because the poverty is very serious, and to meet the commitments we have made on home care and family caregivers. These are very important issues for our seniors. We must meet their needs. At the same time, I would recommend that the government establish a long term study on aging because we have some other issues that we must address in the long term.

I want to make one very quick comment with respect to women. It is a fairly long recommendation so I will not be able to do it justice. Women in our society do need to have acknowledgement. Some of the things that I was very strong in recommending and pushing in the Liberal minority report was re-establishing the advisory council on the status of women in Canada and appointing a deputy minister for the department.

It is high time that we at the minimum have a deputy minister who is responsible for women issues in this country, not to mention of course increasing funding for emergency shelters and for employment assistance, as well as self-employment for women and EI. There are a great many other recommendations that I will not go into right now, but I would hope that the government address at the minimum some of those recommendations with respect to women, especially a deputy minister and the advisory council on the status of women.

● (1635)

The Deputy Speaker: 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 Vegreville—Wainwright, Agriculture; the hon. member for Selkirk—Interlake, Public Safety.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, I rise today to address a specific issue in the prebudget debate, namely building a role of pride and influence for Canada in the world.

Approximately half a century ago, Lester B. Pearson had a vision that young Canadian men and women would not travel to trouble spots around the world as soldiers but as peacekeepers. He envisioned that our young men and women would not bring war but peace to other parts of the world. For this, our former prime minister won the Nobel Peace Prize and Canada earned a place of great respect internationally among first and third world countries.

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In the 21st century we are seeing the evolution of this vision. Our government has talked of a new peace and nation building initiative which has four component parts.

The first will continue building on our great peacekeeping tradition. We have made a commitment to add 5,000 soldiers to our forces and 3,000 reservists. To show our appreciation of the work that they do, we have committed and we have said that they will not pay income taxes when they do their work in trouble spots. We have also made a commitment to purchase state of the art equipment, armoured vehicles, search and rescue aircraft and helicopters and supply ships.

However, our vision has evolved beyond just peacekeeping. Canada will also help in building democracy and civil society in countries undergoing difficult political and economic transitions. To this end, we announced the formation of a Canada Corps. In December we saw the very successful completion of the first Canada Corps project.

As the House will recall, in the fall in Ukraine an orange revolution was taking place. Canada demonstrated its special relationship with Ukraine in the House. Our Deputy Prime Minister spoke clearly that Canada would not accept the massive fraud of an election that took place on November 21. That was followed by non-partisan votes in the House where a very clearly worded motion was passed unanimously saying that Canada did not accept these results and that there would be consequences if the will of the people was not respected.

Often motions are passed in the House and then they gather dust. In this case we have demonstrated that we will play and have a role of pride and influence. Soon after the supreme court of Ukraine annulled the second round vote, we announced the first Canada Corps project, an unprecedented 500 election observers to travel to Ukraine to ensure that the will of the people would be respected.

Today there are 500 goodwill ambassadors throughout the country that will talk in their constituencies and in their various communities about this new role that Canada has taken on in the world.

We have seen in the last week the election in Iraq which has taken place. Once again we played a very important role. We did not send soldiers, we sent electoral experts to ensure that in these very difficult and trying times in Iraq democracy might have a chance. They were quite successful in their results.

● (1640)

I have talked about our role as a peacekeeping nation and how it has evolved into civil society building and democratic initiatives. However, there is a war that we have declared. It is a war against disease in the third world.

Many third world countries face numerous challenges, and one of the worst is curable diseases which prevent them from moving forward.

We have taken direct aim and declared war on disease in the third world. We have dedicated \$100 million so that three million people suffering from HIV-AIDS will receive drug treatment. We have dedicated \$70 million to the global fund to fight HIV-AIDS, tuberculosis and malaria.

Finally, our peace and nation building initiative has a fourth component. It involves reducing and forgiving debts to the third world.

The present governments and future generations of many third world nations have been anchored to the past by huge debt loads. We will make efforts among our allies, among the circle of democratic nations, the G-20, so that other developed countries share in our vision. However, if necessary, we will not be timid and we will take the lead. We have demonstrated this with our Canada corps project. We have demonstrated this with the \$100 million that we have dedicated to provide three million people with drugs to relieve their suffering from HIV-AIDS.

The 21st century beckons, and Canada will respond by building a role of pride and influence in the world. We have taken initial steps, and the upcoming budget will confirm this vision.

● (1645)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I very much appreciate the comments of my colleague. I share his opinion and the opinion of our Prime Minister that Canada has a duty to assume a leadership role on the world stage.

We certainly have evidence of this on a number of different initiatives. We can look at the role undertaken by our finance minister on Tony Blair's African initiative and at the G-7 commission that has been assembled to try to address the many problems in the African nations such as the debt, AIDS and hunger. We can look at the intervention made by Canada in the recent elections in the Ukraine.

I know that my hon. colleague has been very much involved in advancing the situation for Canada's role in the Ukraine in those elections.

I guess the elephant in the bed is really our country's ability to respond to disasters as they occur around the world, the most recent being the tsunami. There has been much talk and many views expressed about Canada's ability to respond to tragedies around the world, especially those of such catastrophic proportions as the tsunami.

I would like to get my colleague's insight and opinion on maybe our country's sense of duty to help those countries in need and our ability to respond as a nation to those countries that might experience a similar catastrophe.

● (1650)

Mr. Borys Wrzesnewskyj: Mr. Speaker, there was an unprecedented response by the people of Canada and by the government to the effects of the tsunami. I happened to have been monitoring the election in Ukraine on the very day that the tsunami hit. The following Monday and Tuesday I was being interviewed by a number of our Canadian news organizations. Most international news organizations were in Kiev at that time.

On the Monday there was not a great deal of information. In fact, prior to being interviewed, we would chat a little. Information was just starting to come in. No one had a clear idea of the devastation that had taken place. On the Tuesday we were getting reports of unheard of tragedies. By Wednesday it had become clear. Our government reacted as the information rolled in.

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Unfortunately, when tragedies strike they do not necessarily strike in places where we can rapidly assess the situation because we do not have the information required. Some of the worst hit regions were pretty inaccessible regions of the world.

However, what we can take pride in is, as we became aware of what had taken place, we responded. The Canadian people responded. Once again, just as we did during the orange revolution in Ukraine, our response to the tsunami tragedy has been unprecedented and has demonstrated that Canada will play a leading role in the world in the 21st century.

Mr. Jay Hill (Prince George—Peace River, CPC): Mr. Speaker, it was with great anticipation that I prepared for this opportunity to speak today on the upcoming federal budget.

As the federal representative for Prince George—Peace River it is incumbent upon me to advocate that tax dollars are utilized by the government wisely, fairly and in accordance with the wishes of my constituents. While this duty is carried out each and every day in some form or another, today is the opportunity for me to state on the record in the House how the residents of Prince George—Peace River want their government to prioritize and manage their money. And it is their money, despite the government's tendency to boast of its annual surpluses. A surplus is built upon the backs of the Canadian taxpayers. A surplus simply means that the government has overtaxed Canadians.

I often remark that there is a fundamental difference between a Liberal and a Conservative. A Liberal looks at a surplus and asks, "How can we devise new programs to spend the money?" A Conservative looks at a surplus and says, "We have overtaxed Canadians and we should return it to them because it is their money".

This year it means that the federal government will have taken close to \$11 billion more from taxpayers than it was committed to spend. Are taxpayers going to get some of their money back? If the Prime Minister and his government were to stick to the commitment they made last October, just over three months ago, Canadians would get some of that \$11 billion back in the form of tax relief, or as I prefer to call it, a pay increase.

Specifically the throne speech amendments, which government MPs voted to support, called for tax cuts for hard-working Canadians. If the government intends to honour this three month old pledge, we should expect to see substantive tax cuts in the upcoming budget.

In Mackenzie, B.C. for example, a small community in my riding, a remote northern town where the cost of living is considerably higher than most other communities, residents might expect to see at long last the reinstatement of their northern residents tax deduction. No one in the federal government has been able to justify why the deduction was taken from Mackenzie in the first place, but in the upcoming budget there is an opportunity to correct the oversight while simultaneously complying with the throne speech amendment to cut taxes.

During the election campaign the federal Liberals ridiculed calls from the Conservative Party of Canada for substantive tax cuts. They ridiculed our calls to increase funding for health care, for education

and for our armed forces. The Liberals said that these proposals to cut taxes and at the same time invest in Canadians' security and well-being were preposterous because the money simply was not there. The government projected a surplus at that time of just \$1.9 billion. We know that was underestimated by roughly \$9 billion. We are also well aware that the money certainly is there.

What about the \$1 billion plus that has been spent on the dysfunctional gun registry? What about the millions wasted on the federal sponsorship program? In fact, with an ounce of fiscal responsibility and fiscal management, there is ample room for tax cuts as well as funding for critical areas of our country's social and economic health.

In Prince George—Peace River, like most of Canada, there is grave concern about the state of our health care system. Some have told me bluntly that although they are not pleased that the government is set to amass an \$11 billion surplus this fiscal year, they do not want it back. Some of my constituents do not want those surplus dollars if, and it is an important if, the government can assure them that they will actually be able to find a family doctor, not just more talk about health accords and complex and cantankerous federal-provincial negotiations, not more idle rhetoric about shortening the waiting lines, but a living, breathing medical professional whom they can access when they or their loved ones are in need of care.

The doctor shortage in my riding is critical. Whenever a doctor retires in one of our communities, the pressure intensifies on the already overburdened local medical services. Recent examples include Tumbler Ridge and Fort Nelson where residents have relatively few options for medical care. There is also an urgent need for additional palliative care, and homes and resources for the elderly.

●(1655)

It is not just health care that has been neglected. A recent report shows that Canadian workers have seen barely any growth in their real take home pay, and I repeat that this is their take home pay, throughout the past 15 years while government spending has grown at record rates. I can assure everyone that there has not been a corresponding improvement in infrastructure and government services in Prince George—Peace River.

As one notable demonstration of this decay in infrastructure in the city of Prince George, known as B.C.'s northern capital, two major transportation corridors, Highway 97 and Highway 16, and two major rivers, the Fraser and the Nechako, converge to form an economic hub that is critical to the economy of the entire region. Yet a significant number of the logging trucks, heavy equipment for the oil and gas industry, and other industrial traffic that passes through the city must cross an old single lane wooden bridge dating back to the 1930s.

Mr. Speaker, I will be splitting my time. I was mistaken in not stating that at the outset of my speech.

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It is not unrealistic for the residents of Prince George and area, who have heard the Prime Minister's promises for a new infrastructure deal for Canadian cities and who have seen their paycheques shrink due to taxes, to expect that the upcoming budget will address their need for a replacement for the Nechako River bridge.

Similarly, airports in Prince George, Fort St. John, Fort Nelson and Dawson Creek are vital to the transportation infrastructure of northern B.C. where ground transportation is not always a feasible or cost effective option. Yet since the federal government has off-loaded these airports to local airport authorities, it has taken a hands-off approach to ensure their ongoing safety and viability.

The airport capital assistance program, or ACAP as it is known, which is supposed to assist these airports, had \$6.9 million left over in the last fiscal year. This is money the program was allocated but did not spend. It is money that those airports and many other small rural airports across the country need for new terminals and runways and to ensure safe operation. In Prince George the airport cannot even get an answer from the minister responsible for the Canada Border Services Agency as to whether it can get more customs officers to meet the growing demand for international cargo services.

This federal neglect is felt all the way to the farm gate as well. Farmers in the Peace region have been hit hard by the BSE crisis, low commodity prices and drought in recent years, followed by snow and wet fields at harvest time this past fall. It is incumbent upon the federal government to take measures in the upcoming budget to help our family farms pull themselves back from the brink of bankruptcy.

After all, it is the same government that just a couple of months ago found another \$96 million to spare for the federal firearms registry. In fact, it is when my constituents imagine what the \$1 billion plus the Liberals have spent on the gun registry could have meant in terms of tax relief and real priorities that they get angry.

To my constituents real priorities are the ongoing softwood lumber dispute with the United States and the mountain pine beetle epidemic that has devastated the forest industry throughout the past decade. Yet the federal government has allocated a grand total of just \$8 million to fight the pine beetle infestation, this for an industry that drives 25% of B.C.'s economy and from a government that had no problem wasting millions in the sponsorship program.

Ultimately, I am very proud of Prince George—Peace River. I am proud of the innovation, the perseverance and hard work of its residents. Through economic crises and what often seems like outright neglect from Ottawa, the citizens, businesses and municipal representatives have demonstrated the initiative and ability to grow and to improve our quality of life in Prince George—Peace River.

As the Prime Minister and finance minister put the finishing touches on their upcoming budget, I would like to remind them that the constituents in Prince George—Peace River are not looking for handouts or more mammoth government programs. They want fiscal responsibility and accountability. They want to know that the tax dollars they worked hard to earn are working hard for them. They want to know that their government in Ottawa respects them and respects their tax dollars.

• (1700)

Hon. Shawn Murphy (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I have a question for the member regarding the first sentence he made in his speech, that a surplus was the amount that Canadians were overtaxed.

I want to go back in history and remind the member that his party was in power from 1984 to 1993. At the end of that period the deficit was approximately \$43 billion and the net accumulated debt of the country went from approximately \$300 billion to \$560 billion. My suggestion is that the surplus that is occurring now is not an overtaxation. It is a payment by Canadians paying for the disaster that occurred between 1984 and 1993. I am sure the hon. member will agree with me.

Over the last number of years we have only been able to pay for a small part of that disaster. It should be realized that the debt accumulated was approximately \$240 billion. At \$11 billion a year Canadians can see that it will take generations to pay for the disaster that occurred during that period of time.

Mr. Gary Schellenberger: The interest rate was not 3% either.

Hon. Shawn Murphy: The interest rate was 11%. Unemployment was 12%. The debt to GDP ratio was 71%. I know all the figures. I know the disaster we were into.

My question for the hon. member is how can we assure Canadians on February 1, 2005 that these policies and these programs will not ever be visited on Canadians again as long as we live?

Mr. Jay Hill: Mr. Speaker, if the hon. member's question were not so comical it would warrant probably a more serious response.

He has a very selective memory. I am not that old. I have only been a member for 11 years, but I know why I became involved in politics. It was not just because of my concern about the debt that was growing, as he states, under the Progressive Conservative government that preceded the three terms of fiscal terror by Jean Chrétien. I was concerned well beyond that. I think most Canadians were concerned about who actually started deficit spending in this country and who saw it balloon to unbelievable proportions. That was the successive administrations of Pierre Trudeau.

The member selectively pulls out one part of history and says that we cannot see that happen again. I would like to say that we cannot see a lot of things happen that happened in the past.

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I would also like to remind the member of something else. I remember this because I ran in the 1988 election. I was not successful; I lost. That election was known as the free trade election. I will remember the hon. member's leader at the time, John Turner, railing against free trade and how it would be the end of Canada.

Now the Liberal government over the past 11 years has been the net beneficiary of the policies of the Progressive Conservative government, of the free trade vision of that Progressive Conservative government, the very policies that the Liberals ranted and railed and fought against so vehemently. The Liberals said that free trade would be the destruction of Canada. Now the government is benefiting. Now we do not hear the Liberals saying that. Now, all of a sudden, they are proponents of free trade. The Liberals have seen the light; they have had this epiphany.

As well, the Liberals fought against the GST. I am not a great proponent of the GST. I think it has its problems. Where does the government get its money? Where does the government get the overtaxation from?

Canadians out in the real world are not fooled. They understand quite well that it is overtaxation. Maybe the member does not want to admit that the government has taken billions of dollars more in the last few years than it could possibly squander. Canadians know about that.

Canadians know to whom the surplus belongs. That was the point of my speech, to point out that we in the Conservative Party of Canada understand that that money rightfully belongs to Canadian taxpayers and it should be returned to them. I look forward to the budget in two or three weeks' time. I hope that the Liberal government will honour the commitment in the throne speech of last October and we will see the substantive tax cuts that will result in a net pay increase. We often hear the Liberals talk about all these billions of dollars in tax cuts that the Liberals have initiated, but no one out in the real world has seen them on his or her paycheque.

• (1705)

Mr. Dave MacKenzie (Oxford, CPC): Mr. Speaker, I am pleased to rise in the House today to take part in this prebudget debate and share with my fellow colleagues the view from my riding of Oxford.

Canada still holds a standing in the world as of one of its richest nations. Yet as Canadians continue to work harder and produce more, it is the government that continues to get the benefit. In many families both parents must work just to make ends meet. In fact, when it is broken down, one of them works just to pay taxes.

According to the Toronto-Dominion Bank, real take home pay has risen by only 3.6% since 1989 while the real gross domestic product per worker rose by 21.8%. Since the Liberal government came to power in 1993, it has had well over a decade to address the tax issues of the country. While the early years of the government were shrouded with policies of debt reduction and massive cuts to our health care system and Canadian Forces, it has shown little interest in capitalizing on a flourishing economy to bring tax relief to Canadians or for that matter to replace what it took from our health care system and Canadian Forces.

As a Conservative, I am insulted by surplus budgets. I believe that surplus budgets are nothing more than the result of overtaxation.

Canadian taxpayers deserve a bigger piece of their paycheques. I want to see governments produce a balanced budget.

I would like to bring before the House an example of the cold-heartedness of the Liberal government that swims in surplus after surplus of cash.

Last fall it was brought to my attention that our veterans who were promised compensation for their participation in chemical warfare testing were suddenly being denied benefits. The first thing that came to mind was the Liberals were going to turn this program into another hepatitis C debacle. Sure enough, with a little investigation, it came to my attention that a cabinet memo instructed defence personnel to hold back payment on estates of veterans who died without a legal will.

At first count, with only 50% of the applications looked at, the government froze payment on 20 families of veterans that it acknowledged took part in chemical warfare testing. What did they offer the families instead? Instead of receiving the \$24,000 compensation funding the government had promised, they were offered a certificate to hang on the wall. Another class act by the government, the same government that bragged about a projected \$1.9 billion budget surplus that has now turned into a \$10 billion budget surplus.

One can only imagine the damage to the federal government's credibility with the provinces, given that time and time again on the health accord and equalization agreement the government always tries to argue that the cupboards are bare. Instead of this Parliament with its minority government being different, we see the same thing continuing to happen.

Last year budget 2004 projected a surplus of \$4 billion. In November we were told the surplus was nearly \$9 billion. Now it seems it could be even more.

Why does the government like holding back money when so many Canadians are in need? It appears that the current economic situation is strong enough to allow the government to make both greater spending on areas of priority and major tax relief part of its budget for 2005.

Members of the official opposition have been listening to Canadians, responding with calls for tax relief for low and middle income Canadians, an independent process for forecasting the government's financial situation, and that all uses of the employment insurance program's funds be directed to the benefit of workers for whom the program was created to support in the first place.

In response the Prime Minister has made clear his reluctance to reduce the tax burden on Canadians. The government inherited a GST program and a free trade agreement that have turned into a cash cow for it. When I look at the size of our budget surplus, I have to ask myself, were all the cuts we suffered in health care and defence in the early nineties even necessary?

While I am no economist, I think Canadians want to see fiscal management by the government that is a little more sensitive to the basic needs of our country. These basic needs include investment in education, development of businesses, especially small business and the ability of Canadians to save for the future. The government's policy of taxation reduces incentive to invest in all these areas, meaning lost opportunities and lower potential.

For Canadians, this means that individuals and corporations are operating at less than their potential in an economy that is not as robust as it should be. For the government, it means less revenue which because of poor government choices has threatened our ability to provide the quality of social services that Canadians on which pride themselves and depend.

• (1710)

Since the opening of this Parliament last September, the Prime Minister has repeatedly made clear that reducing taxes is not one of his priorities. This is hardly fair to the average Canadian whose take home pay has barely increased in the past 15 years. This situation is also unfair to younger Canadians as it threatens our long term economic growth and our social safety net.

If the Liberal government wishes to represent Canadians by being responsive to their needs, its 2005 budget must include an immediate pay hike for all Canadians through a program of lower taxes. It should also concentrate on the standard of living, not just now but in years to come, by strengthening Canada's competitive position through measured debt repayment, strategic spending and reductions in burdensome regulations.

In its throne speech the government committed to reducing taxes for low and middle income Canadians. If the governing party wishes to depart from its record of broken and empty promises, it should deliver on those verbal contracts with Canadians. It is great to make promises to those who are in need but the government has a moral obligation to follow through on these promises.

The government should also deliver on its promise to increase the guaranteed income supplement; empty words that do nothing to change the situation of those Canadians who are in greatest need.

The needs and concerns of Canadians are not beyond the power of the government to help. Workers have seen little increase in their take home pay. Middle income Canadians face a staggering tax burden. Seniors need help with their drug plans and GIC supplements. EI benefits need to be adjusted to reflect the different regions of Canada and EI stakeholders should be given a say in benefit and premium levels.

On this last point, the Auditor General has concluded for several years running now that the government has failed to respect the intent of the Employment Insurance Act. While the government throws up its hands and says that there is no money, the EI account now has a \$46 billion surplus. Why is the government overcharging Canadians? This program is about workers. Given them a say in benefit and premium levels.

Our farmers are desperate in many sectors for assistance. The BSE crisis has had a tremendous effect on our agriculture in Canada to the point where we now see an increase in milk prices because there is no market for the older milking cows. The ripple effect of this crisis

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has hurt many small businesses that support the farm industry in my riding of Oxford. It is bad enough the government forgets our farmers, but it in turn also turns it back on small business owners as well.

In my riding tobacco growers are struggling as well. Many of them want to get out of the business all together. However, they are having difficulty getting compensation the government promised them before the last election.

It remains to be seen if the gas tax promised to urban communities in Canada will be effective. Mayors across Canada are already skeptical.

Over the past decade government spending has grown at record rates, yet it is my opinion that Canadians have not received the same increase in value from government services.

Budget 2005 should also fulfill a promise made by the Liberals to increase spending for Canada's military to help bring it to a more effective level. More and more increasing demands are being put on our troops as Canada struggles to hang on to its place in the world.

The deployment of the DART during the Tsunami disaster was a great example of how poorly our forces are funded. Italy had a field hospital set up and running within 48 hours while we were still debating where to send the reconnaissance team and locate a charter airlift to get the equipment there. Two weeks later we were finally operational.

We have debated for years in the House the side effects the Liberal government's fiscal policy has had on our Canadian Forces. In 1993 the government cut 26% from the defence budget. That was a crippling move. As a result, today our forces are in dire need of too much equipment at one time. We need to make a priority list and shop from there.

Our forces need ships, airplanes, helicopters, submarines, ground transport and more. Proper equipment for our Canadian Forces should be a priority. Without it, we cannot expect the brave men and women of our forces to carry out the missions on which we send them. This lack of equipment threatens both the lives of individual troops and our place in the global security community.

The Minister of National Defence has delayed several times now the internal review that has been taking place within the department. The last white paper was in 1994. Perhaps we should be considering another since we are 10 years down the road and the world is a very different place.

In closing, let me reiterate, as my colleagues have stated throughout this debate, that in this minority Parliament it is up to the Liberals to decide when and if they want an election.

• (1715)

The Conservative Party remains open to supporting budget 2005 if it contains an immediate pay hike for hard-working Canadians through a program of lower taxes, a longer term standard of living strategy to ensure that social programs are adequately funded during the upcoming demographic crunch and the funding necessary to bring Canada's military to a more effective level. Their fate is in the government's hands.

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Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, on a couple of occasions tonight the House has been presented with the issue that if a surplus exists, it means that Canadians are overtaxed and therefore we should have a tax cut. I am not sure if there are many Canadians around who would not want to have a tax cut, but fiscal responsibility says to look at the whole question.

In the year 2003, 22 million people filed tax returns. If we were to give \$100 to every taxpayer as a tax cut it would cost \$2.2 billion. It is clear to most members, I would think, that \$100 in a year will not make a difference in the lives of anyone.

We have to look in terms of the magnitude that a tax cut is an expensive proposition. The last time that we went through one it was a \$100 billion program, but it meant that we had to sacrifice additional spending on other programs necessary for Canadians, like health care.

What would happen if Canada were to enter into a recession? We have not had a recession for a long time, thank goodness. However, the last time we had one the impact of the unemployment caused by the recession was \$15 billion charged to the EI fund, which would go right against the consolidated revenue fund and put us in a deficit scenario.

I raise those points just from the standpoint that tax cuts are not a bad thing, but fiscal responsibility is part of this. Even if we pay down debt, it is a permanent savings on interest expense. If we give a tax break just for that surplus amount, that is a permanent change and it will happen every year. Maybe the member would like to comment on whether tax cuts should be reflective of what a surplus was in a particular year or would it be fiscally responsible to see what we could do over the longer period because they would be permanent cuts.

• (1720)

Mr. Dave MacKenzie: Mr. Speaker, the hon. member opposite has brought up a couple of very important issues. One is that I am glad he recognizes one of our big issues with the deficit, which the Liberals continually point to a previous government and which occurred during a major recession. It did cause a great deal of harm to the economy at that time.

The problem is every year we go through this with the government. There is a certain planned surplus, but it always ends up to be way more than we expected. As a result, Canadians have been taxed and money was been taken out of their pockets for services that they did not receive. If we are going to pay down the debt, and it is appropriate that we should and this party has had a plan for doing that, we should plan that as part of the budget and not hope that at the end of the year there is money left over and we will pay it down.

The other part of this equation is that as the federal government is racking up surpluses, a number of the provinces have been racking up deficits. Part of that is because we put responsibility on the provincial governments to do those things that the federal government should do.

All in all, our policy still is that we plan surpluses or we plan to pay down debt. We do not plan to pay down debt and still have huge surpluses.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, I would like to thank the member for his great dissertation today on the prebudget, and I would like to ask him a question.

We as Conservatives have asked the government for tax relief for low and middle income taxpayers and all Canadians. It has become more evident of late that despite bragging about great tax reductions, my constituents continue to say "Show me the money". Hard-working people in Elgin—Middlesex—London have less money in their pockets considering what they have said about this.

We have to ensure that money taken from Canadians is treated with respect. In the member's comments he stated some places where we think, at the end of the day, our constituents could end up with a little more money where it really counts, and that is in their pockets. At the end of this budget process, does he believe that good Canadians and constituents in his riding and mine will end up with more money where it counts, in their wallets?

Mr. Dave MacKenzie: Mr. Speaker, if this government is listening to Canadians, Canadians will end up with more money in their pockets. The government would only be fulfilling what it said in the throne speech earlier.

[*Translation*]

Mr. Christian Simard (Beauport—Limoilou, BQ): Mr. Speaker, in the few minutes at my disposal, I will say a few words about the budgetary consultations that were held for the next budget and the positions of the Bloc Québécois in connection with it.

I remind hon. members that we made firm commitments during the last election. The Liberals have to understand that we will not compromise our principles. They will have to make serious moves in a series of cases.

I am talking about fiscal imbalance, employment insurance, the environment and Kyoto, agriculture, international aid, respecting Quebec's jurisdictions, social housing and funding for Francophone and Acadian communities.

At this time I will address the issue of the environment and Kyoto, and the issue of social housing for which I am the Bloc Québécois critic.

The presentation of a budget is extremely important. Beyond the rhetoric, the government has to decide whether to spend or not spend, invest or not invest in one policy or another. In a budget, generally speaking, one cannot lie. This government has certainly been somewhat creative when it comes to hiding a huge surplus of nearly \$10 billion. Year after year, instead of permitting a healthy social debate on how to use this surplus, it used it to pay down the debt, while Quebec and the provinces, who have to deliver the services, are required to cut library, education, health and front-end services. In the meantime, the government brags about surpluses not debated at the end of the year.

As I said, generally a budget reveals where a government is at, so we shall see whether or not this government is capable of making commitments for the population. Otherwise, we will not think twice about voting against it. We are convinced that the public will be behind us. If there is no correction of the fiscal imbalance and the EI situation, people will perhaps be only too pleased to teach another lesson to this government, if it is incapable of facing up to its responsibilities and realizing it is a minority government that needs to listen to what the people have to say.

The government did not enjoy the confidence of Quebeckers, and I do not think it can earn it. We would like to show it the paths of virtue, however. These impenetrable paths also involve saying what has been done and doing what is said. Unfortunately, as far as child care is concerned, an announcement was made during the election campaign that an agreement had been signed, and today, February 1, is the deadline and it has still not been signed. I have just checked the Radio-Canada site and I can confirm that as of right now it has still not been signed.

There have been commitments made about social housing. Others were made about Kyoto. As far as the environment and the Kyoto protocol are concerned, there have in fact been some \$3.7 billion in expenditures, but the spending has been ill-informed. That amount of \$3.7 billion may have been spent, but as it was invested without any consistency and without any specifically designated and worthwhile taxation measures, the objectives were not met.

Imagine, \$3.7 billion have been invested, while our greenhouse gas emissions have risen 20% since 1990, and we have not met the 28% Kyoto objective. That is quite something, considering that \$3.7 billion have been spent.

Often this government does not meet its commitments. When it does invest money, it administers it badly, that is it invests it in the wrong things. It does not in fact take the appropriate fiscal measures.

For example, still concerning Kyoto, they preferred—at the cost of \$260 million a year—to provide oil companies with tax havens and other tax favours through legislation. This government is acting very badly when it does act, and often does not make the required choices.

Before the last budget, many groups were involved in consultations about housing. Everyone was certain that the 2003-04 budget was going to contain social housing provisions.

● (1725)

But there were none. During the election campaign the government made a commitment of \$1 billion to \$1.5 billion for investment in social housing. We are not sure that this promise will be kept. This government, unfortunately, has taught us to be cynical of politics. They feel free to say one thing and do the opposite with little concern.

Therefore, an amount of \$1 to \$1.5 billion over 5 years has been promised. We are not sure if this bare minimum is going to be in the budget. If it is not, the Bloc Québécois will be pleased to take up the argument and see what happens. Still, in terms of all our activities, we think it is unacceptable. That is why there must be a bare minimum for social housing, and at least get the Liberals to commit.

Private Members' Business

Nevertheless, we think up to \$2 billion per year could be put into this area within three years.

What is even more cynical is that in 1990 the current Prime Minister and the current Minister of Labour and Housing signed a report in which they denounced the Conservatives' management in the field of housing. At the time there were 1.3 million poorly housed families in Canada; now there are 1.7 million.

When the Prime Minister became finance minister in 1994, he cut all investment in social housing after making a big scene. Between 1994 and 2001, he put nothing into social housing despite making a fuss and declaring it a major fundamental value.

There are moments of truth respecting housing, other social measures and the fiscal imbalance. There will be one, of course, around February 22, the date the budget is brought in. In that moment of truth we will see the true nature of Bernadette, the true nature of this government. We fear that the true nature, once it has been seen naked, will not contain much and will not be clothed in valuable measures.

If these minimum commitments are not made, the Bloc Québécois will ensure—

● (1730)

The Acting Speaker (Mr. Marcel Proulx): It being 5:30 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

I want to inform the member that, the next time this subject comes before the House, he will have 13 minutes to complete his speech and 10 minutes for questions and comments.

PRIVATE MEMBERS' BUSINESS

[English]

CANADA ELECTIONS ACT

Mr. Mark Holland (Ajax—Pickering, Lib.) moved that Bill C-261, an act to amend the Canada Elections Act (voter and candidate age), be read the second time and referred to a committee.

He said: Mr. Speaker, I want to begin by taking the opportunity to thank the member for Bonavista—Gander—Grand Falls—Windsor for seconding this motion and the 20 individuals who seconded the bill.

I also want to recognize the multi-partisan nature of this effort. There is a caucus leader within each party. I want to recognize the member for Newmarket—Aurora, the member for Verchères—Les Patriotes and also the member for Skeena—Bulkley Valley, who have all, within the different political parties, been coming together and fighting this issue, recognizing that there is a serious problem in this country. That problem is with the disengagement of our youth from our political process.

We need only to look at the last couple of federal elections to see what the impact of this disengagement has been. We see that roughly 25% of young people in the 2000 election actually came out to vote. We notice that in the 2004 election, which has just happened, only 33% came out to vote.

Private Members' Business

We need to do something fundamental to change this. If we extrapolate this over time, we will have a situation where roughly a quarter of the population will be deciding the fate of the entire nation. That is indeed a serious problem.

I think that reducing the voting age to 16 represents an incredible opportunity. It represents an opportunity to engage youth while they are still in a general education environment and to give them an opportunity, frankly, that their parents would not even have had.

In school, for example, while I can assure everyone that the candidates would go to schools and talk to the students, there would be a supportive environment, maybe leading up from ages 14 and 15 to 16, for them to talk about issues and get engaged. It would not be merely academic; they would actually know that they would be able to take action on something. It would be a tremendous opportunity. By the time they get to 18, they are often disengaged, and often they can be 20 or even 21 before they get to vote for that first time. By then, they are often disengaged and they are not in a general education environment any more. Their patterns have already been established.

This has been shown time and time again. The member for Newmarket—Aurora conducted a lot of polling and I thought some of it was very interesting. We got a lot of it on the Vote16.ca website. It demonstrates very clearly that young people are very interested in voting. We know that if we can get them to vote once they will vote again and again. This is about establishing patterns and turning it around.

What are the arguments for not doing this? What are the reasons for us not moving forward and pursuing this bill?

Some would say that young people are not mature enough and that they simply do not have the cognitive capacity to be part of our electoral process. I take great exception to that.

My experience in dealing with 16 year olds and 17 year olds is that they are exceptionally sharp. They are individuals who often have a clear vision or who may be confused but have clear ideas about the things that are going to be impacting them. Whether or not it is post-secondary education, finding a summer job so that they can afford to go to school afterward, or finding something after school in trades or apprenticeships, their eyes are turning to the future.

It is not that long ago that the same argument being made about 16 year olds and 17 year olds was being made about women: the argument was that women do not have the mental capacity to comprehend political problems.

Often this issue of maturity is used to not allow different segments of our population to have a voice. In reality that is exactly what this bill is: it is to give young people a voice, to give them their rightful place as others have gained their rightful places, whether it has been women, aboriginals or other groups that have been denied the right to vote. This is to give them their rightful place, to give them an opportunity to have a say on the issues that matter to them and an opportunity to be part of the broader mosaic that makes the decisions on what is going to happen in this country.

There is another argument that I have heard and it is that young people “are just going to follow their parents” when they vote. “They

are just going to do what their parents say,” I have been told. As an anecdote, I can tell members that after a long discussion with an 80 year old lady whose door I knocked on, I asked her, “Have you ever voted Liberal?” She said, “Well, there was the one time that my sister Mabel voted Liberal”. It was that sort of time. All of them in the family could remember when somebody broke ranks and decided not to follow the lead of their parents.

The reality is that we all come to our voting decisions in different ways. Sometimes it is because we trust those in our family and decide to make a decision that way. Sometimes we have the strength of our own personal convictions, which differ from those of our family. But certainly it is not an issue that is exclusive to 16 year olds and 17 year olds.

On the issue of youth being too radical, this is something else I have heard. “Youth are too radical. If given the opportunity to vote, they are going to do something dramatic and it is going to dramatically change the course of the nation”. This certainly contradicts the first argument; either they are just going to follow somebody or they are going to be radical. In my opinion, if we look at it in terms of overall population, a demographic, these youth would represent a small group, but a group that should have the opportunity to have a say.

• (1735)

The opposite is sort of true. If these individuals are not given the opportunity to have their say in our political process, to come forward and state the issues that matter to them, oftentimes their issues then are not listened to.

Rick Mercer had a very interesting quote on this. Sometimes humour is a good way to approach things. He said, “If I was 16, I would write members of Parliament and I would complain, except if I was 16 they wouldn't care what I had to say because I don't have the vote, which is the problem in the first place”. This leads to a cycle of neglect. Often young people's issues are not given the attention they deserve because they are not given a voice in our political process.

Maybe one of the reasons they are not engaged is because we are not speaking to them. We are not talking to them about the kinds of issues that really have an impact in their lives. If they had the opportunity in a general education environment, when they are 16 and 17, before they go to wherever they have go and it is hard to get a hold of them, to actually engage in debate and discussion with candidates, we would have a renewed opportunity to talk to them about their issues. They would have an opportunity to say back to politicians, “You have to listen to us. We are a group now that must be reckoned with”.

I know the issue of the Supreme Court case recently came up. There were two youth that challenged the constitutionality of 16 and 17 year-olds not being allowed to vote. The Supreme Court ruled that ultimately it is a decision of Parliament. It acknowledged that it is in fact discrimination, but it is a political decision that must be made.

Private Members' Business

In Canada not too long ago, a person had to be 21 years old to be able to vote. If we look at other jurisdictions, Brazil has changed the voting age to 16 and Germany has changed the voting age for municipal elections to 16. This debate is happening in the U.K. legislature. As part of our broader process on engagement and talking about how we talk to young people, there is a movement to deal with this issue.

Youth have so many different responsibilities. This is one of the other arguments we talk about. We have sort of this contradiction with them. We expect them to be very responsible with certain things. Yet when it comes to giving them a voice and an opportunity to vote, we say they do not know enough. That is a contradictory message. We give them the opportunity to drive at 16. We give them the opportunity at 17 to join our armed forces and fight for this nation.

We give youth the opportunity at leadership conventions to select the leaders of our respective parties, who become prime ministers. That certainly is something that we all think is acceptable. In fact, in all of our nominations youth as young as 14 are allowed to select who their local candidate will be.

We have this inherent contradiction. On one hand we say they are not responsible enough; on the other hand we are giving them these sets of responsibilities. We need to bring in line those other things we are asking of them and give them an opportunity to have a voice.

I see it as a graduated process, as an opportunity at 14 years of age to join a political party, to engage in vigorous debate in school and in that general education environment, all of which will graduate to the opportunity to vote at the age of 16 in a safe environment, and perhaps cast ballots perhaps in a school. One of the problems we have with young people is that by the time they are 19 or 20 or 21, they have moved away from home, they have gone to college or university, they are in trades, they are very hard to pin down and they are not registered. That is not the case when they are younger. We can register them, we have the opportunity to talk to them, and they have a safe and secure environment of a school in which to cast their ballots.

I have to speak to this because I think it really talks to the broader issue. I have had the opportunity to work with some remarkable people from both sides of the House on this issue, who I think share the conviction that this is not the only solution. I think this is part of it. It is part of a broader discussion that we need to have in general about young people, about how we get them excited in our political process, how we engage them, how we make sure they do come out and vote, and how they do care. I think fluffing it off and saying they are only interested in Jessica Simpson or Britney Spears misses the point. We are setting a very dangerous precedent that we have to redress.

We will be going across the country very soon speaking to different individuals in different parts of the country, going into schools and speaking with parents about this idea and about the opportunities that exist for youth. Through that process I hope that every single member of Parliament in the House and Canadians in general will engage in a debate about how we get our young people excited about politics, and how we get them to be passionate about the process that so many have died for.

I think we take for granted in this country the fact that wars have been fought to give us the right to vote, that people have died and laid down their lives so that we can sit in this chamber and vote freely.

• (1740)

We often forget that in other parts of the world, most recently in the Ukraine, people are protesting in the streets demanding what we take for granted.

We have a responsibility to connect with our youth and to get them excited. This is an opportunity that we cannot pass up. Let us respect them. Let us recognize that they have a legitimate place in our system and deserve a voice. Let us move forward on that basis.

I urge all members to support Bill C-261. I encourage them to contact my office or the seconder's office for more information and to visit our website at vote16.ca.

[*Translation*]

Mr. Stéphane Bergeron (Verchères—Les Patriotes, BQ): Mr. Speaker, first, I want to salute the initiative of my colleague from Ajax—Pickering, who had the wisdom to make this a non-partisan bill. Anything related to electoral reform must, in essence, be non-partisan. It is in this spirit that any amendments to electoral legislation in Canada must be made.

It is my great honour to support this bill introduced by my colleague to lower the voting age to 16.

In a few moments, the our party's whip, in an effort to educate and ensure healthy democratic debate, will address the pros and cons of this bill. I want to state that this in no way undermines my support for this bill and that of most of my colleagues who, at present, intend to support it.

That said, I want to ask my colleague a question. A few moments ago, he spoke about the reservations often raised to oppose such legislation, stressing the supposed lack of maturity of sixteen-year-olds. I want to ask him the following question: what would one say to people who claim that sixteen-year-olds and seventeen-year-olds are not sufficiently interested? Of course, one can object on the basis of their maturity, but also on the basis of their interest in politics. I want to know what he would say to those who think that young people are not sufficiently interested.

[*English*]

Mr. Mark Holland: Mr. Speaker, in my experience young people are very interested. When we ask them if they are interested in politics, we may not engage them. The question is phrased the wrong way. They are sent the wrong argument.

When we tell them at 16 and 17 that they do not know enough to vote, we are essentially telling them not to worry about it because they do not know enough. A lot of young people 18, 19, 25, or 30 years old say they do not know enough. They do not vote because they do not know enough and do not follow the issues. This essentially establishes a trend.

Private Members' Business

When we sit down and ask them how they feel about, for example, gay and lesbian marriage, or how they feel about post-secondary education and tuition costs, or how they feel about issues that are impacting them around summer employment, the room opens up. They are taxpayers so we should ask them how they feel about these issues. In discussions I have had with 16 and 17 year-olds I am absolutely amazed at the level of their maturity, and the different perspective they bring to the debate. It would be a shame if that was not included in the mosaic of our decision-making process. It is wrong not to do that.

There is a fundamental flaw in logic and that fundamental flaw requires intelligence to vote, that someone has to be of a certain maturity level to vote. Each and every one of us could point to brilliant adults and adults who are not so brilliant. We could also point to mature adults and adults who are not so mature. The same thing can be said of 16 and 17 year-olds. It has been said time and again that we do have some brilliant young people. With respect, if a dumb adult can vote, or an immature adult can vote, then why can a brilliant, mature 16 or 17 year-old not vote? That whole argument misses the real point and sends a real damaging message.

We need to be talking to our young people in a respectful way, in a way that respects their voice, respects their opinion, and does not belittle it. When we tell them they do not know enough, we are really telling them not to get involved in the political process. To me that is a real problem.

• (1745)

Ms. Belinda Stronach (Newmarket—Aurora, CPC): Mr. Speaker, I would like to commend my colleague, the hon. member for Ajax—Pickering, for taking the initiative and recognizing what young people can contribute to the public process. I will be fully supporting this initiative.

The hon. member mentioned a poll that was conducted among 1,000 young people between the ages of 14 and 17 at the end of November by Professor André Turcotte from Mass Communication at Carleton University. When 1,000 young people were asked, three out of four said they would exercise their right to vote.

The hon. member has had a chance to speak to many students at universities and high schools. I wonder if he could tell us what the response has been. Is it similar to the poll or has he experienced otherwise?

Mr. Mark Holland: Mr. Speaker, I thank the hon. member for her questions and for her support in this initiative. My experience in the poll, anecdotally, and I have had an opportunity to talk to many students, including many university students, is very much that case. There is a tremendous interest, particularly in those who are 16 and 17, on being engaged in the process.

One of the interesting things that I find is that sometimes we run into someone who is 17 who says, "I really want to vote. I am mature enough. I know enough, but I am not so confident about my other colleagues".

I was speaking at the University of Toronto and the people said to me that they had that exact opinion. A 16 or 17 year-old brought up this issue, that until they got to college or university, and it was basically the same issue, they felt that they were mature enough and

had the knowledge, but when they looked at some of their peers, they wondered if they did. So it held through into that age.

I think there is a tremendous amount of interest, but it is not being tapped. If we do not tap that interest when we can get them, and we actually have an opportunity to discuss with them their responsibilities and roles and what is involved, and get them comfortable with the voting process, then we have really missed that opportunity.

Ironically enough, and I think all the polling work that the member was so good to do demonstrates this. If we capture them at a younger age, they are actually more likely to vote and more likely to establish those positive habits.

Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC): Mr. Speaker, I am here today to address Bill C-261, an act to amend the Canada Elections Act, voter and candidate age.

As far as I have seen, there are two rationales that have been provided in favour of this legislation. The first is that people effectively become adults or capable of adult actions before they reach the age of 18 and therefore they ought to be permitted to vote, which of course is an action where one requires a certain level of maturity to participate in intelligently.

The second rationale is that giving people the vote at age 16 would familiarize them with the voting process, thereby raising the participation rate among those in the age 18 to 25 cohort who are currently eligible to vote but who do so at less than a 25% rate of participation.

I will address both of those arguments in turn. I must say, I think both of them are incorrect. I will address both of them in turn and then turn to some additional observations.

My response to the argument that 16 year olds are de facto adults or are capable of acting as adults would be the following. The proponents of the bill have pointed out that many of the privileges and obligations of adult life kick in before a person is 18. Surely, they argue, it is odd to allow people to engage in driving at age 16, to join the army at age 17 and to have sex with adults at age 14, all of which is permitted in Canada, and yet to withhold the right to vote.

Leaving aside the age of consent in Canada, which I think should be raised from 14, I will just point out that in most provinces in Canada, voting age adults are denied the right to drink alcohol or even to purchase cigarettes until they are 19 years old. In the United States they can vote when they are 18, but they cannot drink until they are 21. So the age at which we achieve these mileposts of maturity in adulthood vary within jurisdictions without necessarily being a sign of injustice.

I might point out that there was a time in the United States when people could only vote at the age of 21, but they could drink at 18. Now it has been reversed. I am not sure that this indicates a great injustice.

My response to the argument that giving the vote to 16 year olds would increase participation rates among 18 to 25 year old is twofold. First, I would start by agreeing that this is a genuine problem. We see declining voter turn-out rates among young voters and it appears to be a problem that is growing over time.

I would like to quote what Margaret Adsett wrote in a recent issue of the *Journal of Youth Studies*. She said:

After the 1980 election...a consistent pattern of lower voter turnout with decreasing age emerged, and the spread in the turnout rates by age groups consistently increased. The difference in the spread was 19.5% in 1984, and it rose to 34.4% in 2000.

This is a very real and growing problem. However much of this seems to have nothing to do with voting age. Young people seem to be less involved in the political system in a variety of ways that have no relationship to the voting age and therefore are not curable by means of an adjustment to the voting age.

For example, a survey conducted in the year 2000 revealed that while 60% of Canadians of all ages, including 33% of Canadians born before the year 1943, held membership in one or another of the political parties. Only 2% of those between the ages of 18 and 27 were party members, and that is despite the fact that both the Conservative and Liberal Parties make provision for people under the age of 18 to hold party memberships.

I believe there are ways of increasing the participation rate for people in the 18 to 25 age cohort. Let me run through a few of those.

One thing that the Chief Electoral Officer has already started to do, the results of which cannot be felt until the next election, was to conduct a series of student votes at high schools across the country in the year 2004, including seven or eight high schools in my own constituency and many hundreds of others across the country. The purpose of this was to familiarize 14, 15, 16 and 17 year olds with what it is like to participate in an election, thereby preparing them for the next election, when they are old enough to vote.

I think that was a profitable measure. It is now in place and it probably deserves to be expanded to a wider selection of high schools across the country.

●(1750)

My hon. colleague from Ajax—Pickering pointed out that people who are 18 have typically moved away from home and are difficult to register to vote. He has suggest that we try to register them while they are still at home.

The obvious solution to this is to have another enumeration. We used to enumerate in Canada and register those people despite the fact they moved away from home. If we simply reintroduce the enumeration system, which, frankly, we need to take care of all the adult voters who are being left off the voters list, this would do much, not merely to capture younger voters and cause them to vote in increased numbers, but also to ensure that people of all ages who are currently being left off the voters list are being captured and therefore able to participate in greater numbers than is currently occurring. Of course voter participation rates are declining in all age groups.

Private Members' Business

We frequently talk about European countries where there are higher voter participation rates than in Canada or in the United States. Typically, in Europe elections occur on weekends rather than on weekdays as in North America. Simply changing the day of the week on which elections are conducted would boost voter participation rates or indeed holding elections over a two day period rather than simply one.

The greater availability of advance polls, particularly the greater widespread geographic availability of advance polls would have a significant impact as well. As someone who represents a rural riding, I am very conscious of just how important this really is.

Finally, I want to turn to another issue which is to look around the world. I am a comparative historian. I always do this when I look at any policy. What do other countries and other jurisdictions do? What can we learn from them? We can learn that the practice of lowering the minimum voting age below 18 is not a very common practice. There are no major democracies in the world in which the voting age starts below the age of 18. None of the great democracies of the Commonwealth and British common law tradition have a voting age below the age of 18: not Canada, of course, nor any of our 13 provinces and territories; not the United States or any of its 50 states; not Australia or any of its six states and several territories; not the United Kingdom or any of its devolved regions; not India or any of its mini states; not any of the dozen or so Commonwealth democracies in the Caribbean. The same is true for every democracy in continental Europe and Latin America. When we add to this the many thousands of local jurisdictions in Canada, the United States, Australia and elsewhere, none of which allow voting below the age of 18, I think the trend is apparent.

However voting is permitted at age 15 in Iran and in Brazil, according to my colleague from Ajax—Pickering, and also in Nicaragua, Cyprus and Cuba, although how much a vote in Castro's Cuba is worth is an open question. I would like to see some evidence from Canada's own municipal and provincial experience to indicate what voting at age 16 is actually like and what its implications are before jumping in at the federal level.

In the United States the states have been referred to as the laboratories of democracy. In Canada I would like to see us experiment with any such innovations at lower levels of government before we adopt them at the level where the stakes are the highest. This has been the process in the past with various electoral reforms, changes to the first past the post system, referendums, recall and the various other types of innovations in democracy. It would be profitable for us to start there in Canada as well and for that reason I will be recommending to members of Parliament that they vote against Bill C-261.

●(1755)

[*Translation*]

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I am pleased to speak to Bill C-261, introduced by our Liberal colleague, which calls for the voting age to be reduced to 16 years.

Private Members' Business

I would like to situate this in context. In Quebec, the age was dropped from 21 years to 18 in 1963. In Canada, the first election in which anyone under the age of 21 could vote was held in 1972. So, the question of lowering the voting age to 16 years has been raised regularly for about 20 years. This is what one might call an ongoing debate with periodic recurrences.

In February 2001 and in 2003, two NDP members introduced bills similar to Bill C-261, which we have before us today. Theirs did not, however, differentiate between the age for voters and the age for candidates. Under the parliamentary rules of the day, neither bill was votable.

I would like to take this opportunity to properly present the two opposing points of view. There are a number of debates here in this House, not only those that confront party differences or the differences between us sovereignists and the other members of this House who are federalist. In this case, since this is an important issue and can trigger debate, there will be arguments for and arguments against. Anyway, there is no such thing as unanimity of thought or magical thought on this earth.

I would like to start by illustrating certain points in favour of this reform. Other colleagues have already spoken on this. It is being argued that this measure could get young people more involved in politics. A recent study suggests that people who start voting early keep on voting throughout their lives. It is presumed that young people would have their first contact with politics when still in school, which would help prepare them for later life, through such things as civic courses.

On the other hand, reference is made to certain inconsistencies between our present system, with the Elections Act stipulating that the minimum voting age is 18 years, and other legislation that contains age restrictions. I would like to point out some of these inconsistencies.

Among other things, at 17, one can enroll in the army and go off to war. At 16, one can drive a car. Everyone will agree that these are actions with potentially more serious consequences than one individual's vote. At 16, at the wheel of a car, one can endanger someone else's life as well as one's own. At 16, a young person can decide to leave school. At 14, one has the right to work, and with a high enough income, the duty to pay taxes. At 14—16 in Quebec—a young offender may be charged in adult court. At 14 in Quebec, a teenager has the right to consent to receive or refuse medical care, with one anomaly in the jurisprudence: a court may order a 14-year-old to take medical treatment. At 14 one can marry.

Those who say that the right to vote should be extended to 16-year-olds consider it a question of fairness, and ask the following question, more or less: why do informed and motivated young people of 16 not have the right to vote when poorly informed and uninterested adults do?

● (1800)

On the flip side are those people who have quite the opposite opinion. They tell us that comparing the right to vote to other rights shows there is a problem with the age of criminal liability and that to use responsibility at an early age would be to approve a reduction a priori. We have to look at how all this fits in the Young Offenders

Act. The Bloc Québécois was against lowering the age of criminal liability.

There is another aspect. Before the age of 18, the contractual liability of a minor is limited. Does lowering the voting age have an impact on contractual liability? Should this be amended in any way?

Although it is possible to do so, we know that until the age of 18 is reached, parental consent is required for marriage and enlisting in the army. Earlier we heard that a minor is not treated as an adult when receiving medical attention. Also, you have to be 18 to buy cigarettes or alcohol. What about the right to vote? Is there a link between these legal provisions?

In a way, the right to vote marks the arrival at the age of majority, when all restrictions related to being under age are lifted. To those who oppose I ask, how do you reconcile allowing a person the right to vote when he cannot enjoy all the other rights and freedoms?

Some observers or specialists argue that youth under 16 are not mature or knowledgeable enough to make an informed decision. I admit that this argument advocates the elitist concept of the right to vote. As far as I am concerned, I am not prepared to equate 16 years of age with a lack of maturity, because we all know of someone, regardless of their age, who still has not achieved maturity. Let us be clear. We must avoid making a direct link between age and maturity. There are young people, 16 or 17, who are perfectly mature.

Young people themselves do not seem convinced. In fact, according to a November 2004 poll, approximately 37% of young Canadians and Quebecers aged 14 to 17 say they are interested in politics. However, 50% of them would like to have their say. Furthermore, 50% believe that lowering the voting age to 16 is a good idea, while the other 50% believe the opposite.

I have illustrated that the two opinions are diametrically opposed and balanced. There is support and opposition.

However, a vast majority of young people, 76%, state that they would travel to vote if they had the right. However, in the most recent federal election, voter turnout among young people between the ages of 18 to 21 was 38.7%, compared to 60.9% for Canada overall.

I have the following question: do we know for sure that lowering the voting age would mean higher voter turnout among young people? I think this is difficult to prove.

Private Members' Business

•(1805)

I am running out of time, but I could have mentioned the March 2003 reform of democratic institutions, on which Claude Béland submitted his report containing various recommendations including keeping the voting age at 18. I could have talked too about the fact that, in the vast majority of countries around the world, the voting age is 18 and that polled countries where the voting age is 15 or 16 are, in some cases, ones where the word democracy has to be written in quotation marks.

In closing, there is no magic solution. I believe that the debate needs to continue in this institution called Parliament. If the House of Commons approves this legislation at this stage, in my opinion, the appropriate committee, which is the Standing Committee on Procedure and House Affairs, should seriously consider this issue, hear witnesses and report back to the House on this bill.

[*English*]

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I thank my colleagues for probably one of the most enjoyable debates of the day, the most informative at the very least. Not to comment on the excitement of prebudgetary consultations but this debate is clearly engaging some members in the House in bringing before us a fundamental question about how we view our democracy, how we view the responsibility that we share as Canadians.

We often lament to voters who do not come to the ballot box and say that men and women died for this right. People for generations have fought here and abroad in foreign lands for the very right to engage in the political process. Some of the arguments saying that this bill is not good for Canada today are most profound in their simplicity and their lack of vision and courage for the country that we are trying to create for Canadians. I proudly and strongly stand in support of my colleague on Bill C-261.

Engaging young people and engaging Canadians in the debate about where we want to lead this country is fundamental to the very things that we do here each and every day. This bill has been introduced a number of times, twice before by my party, but they were in circumstances where the government of the day was able to run over it, ignore it, dispel it and push it to the background.

Now we have an opportunity. I was most encouraged by the member's choice in coming to all parties and engaging people from all corners of the House to try to find a practical and real way to engage young Canadians in the political process, because by all the numbers and by all the studies we know that they are not. There are very few political scientists, politicians and policy makers who are able to convince anyone in this country that this trend is not going to simply continue down the slippery slope.

We often lament to the Americans that only 50% of Americans vote in their federal elections, decide who the next president, congressmen and senators will be. We are quickly matching them on these numbers. I fear to think about what kind of place we will eventually end up with and what percentage of Canadians will actually decide who sits in the House to pass such important laws, bills such as the one that was proposed by the government this morning, the same sex marriage legislation. How many people will decide this? If we are not encouraging young people to join in on the

debate in a real, practical and empowered way, then how and when if not now?

I was speaking to a page yesterday, not on this particular bill but on her experience in the House of Commons to this point six months in. She was very professional in not presenting a partisan view, but she did express her level of engagement and interest in what was going on here, how enthusiastic she was about some of the debates. She said that her friends would return home at night and have discussions about these things. Oh, would that we had this problem in this country with young people, that there were young people at home right now saying, "Did you hear what happened in the House of Commons today? A bill was introduced. What do you think about it? What would you do? What will you be voting on in the next federal election whenever it comes?" We should have this interest level.

The consideration by some of the members present that someone at the age of 16 or 17 cannot be given the sincere and profound responsibility of voting their local representative into the House, yet at age 14 can vote in a potential prime minister through a leadership convention is absolutely absurd. If this is the case, then quickly we must change the way that our parties function, their constitutions and bylaws, to ensure that nobody below the age of 18 has any significant responsibility and decision making in choosing something as important as the leaders of our parties. Clearly we have to change all of our bylaws. If members of the House are looking to strike this bill down, then I look forward to their making presentations at their own conventions to make sure that everything else falls in line.

I had the sincere pleasure of living in Costa Rica for a while and I witnessed one of its federal elections. What a contrast. There were parties in the street and people engaging for months beforehand. The most incredible thing was watching families going together to the ballot box. In Costa Rica there are two ballot boxes, one for below the voting age and one for above. The young people cast their ballots. There is the same list of candidates, the same parties, and the results are released on television at the same time. What this created, and I witnessed this in the houses of Costa Rican friends, was a debate within the families.

•(1810)

A lot of people are concerned that parents will direct the young people. The most engaging all candidates debate I participated in during the last federal election was at a high school. It was a fascinating experiment. In the afternoon the high school classes came in, students who were 15, 16 and 17 years old. Their teachers had prepared them on the issues. The students had thought about and considered the issues for weeks before the debate. In the evening we had a debate in the same auditorium which was open to the community.

Out of the nine or ten all candidates debates we had throughout the course of the election, the candidates all agreed that the debate with young people in that high school that afternoon was the most informed and passionate one. It was difficult for the candidates because the young people knew their issues. They knew what they were talking about. They brought hard questions for the candidates because they cared.

Private Members' Business

As my hon. colleague mentioned, when we present the issues to young people in Canada, they have opinions lo and behold. They have intelligence. They have enough compassion and commitment to make decisions about the future direction of our country.

The cynical side of many of us would say that this is a strategic decision for parties, to find advantage or disadvantage in allowing young people to vote. I call upon members to have the courage to seek out a vision for this country. They must have the courage to go forth to young people and present their vision of this country, the courage to say that we care passionately about what the young people care about, and that we will enact legislation in this House that positively affects their lives and their future.

This is as opposed to what we do right now in understanding where the percentages are. If we are going to upset one group, is it going to be seniors or young people? Well, let us run the numbers. That is what the cynic wants to say.

I want to present to the House that in this tour that is going across the country, people should ask their constituents. Members should ask the families in their ridings whether they believe that the young people in their lives, be they their children or people in their community, have the intelligence and the capacity when presented with the issues of the day, when presented with the options, the parties and the candidates, to cast a vote in the best interests of their future and the future of their community and their country.

The young people that are engaged, and we have heard testimony here in the House today, clearly have the capacity and the ability to come into this process. The cigarette companies and the cola companies have figured it out. What we must do is engage people at a young age and create the culture of voting. I saw a culture of voting in Costa Rica with turnouts of 80% plus in its federal election. I saw a culture of voting and a culture of democracy which we are sadly lacking.

The last election was meant to be a ferocious debate. It was to be a debate on principles and one which would intimately engage Canadians and the numbers would skyrocket in participation. Sadly, after voting day we saw yet again that Canadians were not being engaged.

After the high school debate that I witnessed in Kitimat, B.C. I went knocking on doors. Many times the people who came to the door were informed. They said that they knew me, that their daughter or their son talked about seeing me. They said that it was the first time that their son or daughter had come home from high school bubbling and talking about the issues that they had been presented with. The young people wanted to engage their families in the upcoming federal election, letting them know when the date was, making sure that they would actually vote. They said that they did not have the ability to cast a vote and that their parents must vote.

The number of people who told me this was astonishing. I made a commitment to visit the schools not for partisan reasons, but for reasons to engage young people, to present the issues, same sex marriage, legalization of pot, all the big issues that the House will be facing in the coming weeks. Lo and behold, the young people have opinions. Lo and behold, they want to do research and they want to find something out.

I wish that were my experience with the so-called adult mature community of this country, that when I engage them they immediately want to go out and study the issues, that they want to find out something about the issues and come back with their opinions.

Recently at York University there was a very tragic scene. Young people were engaging in their right to protest a decision that had been made. During that protest the police came in and rude is the most mild word to use but it bordered on illegal and I hope that charges are pressed. I would encourage the dean of York University to withdraw the charges against the students.

I want to remind the House that in this minority government, in this Parliament that is bringing forth the values and interests from across this region, from across the parties herein lies an opportunity for us to redefine democracy and to re-engage our young people in the passion that we all feel for this great country.

● (1815)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, it is an honour to stand today to talk about this serious issue, Bill C-261. I thank my colleague from Ajax—Pickering for bringing it forward because it is an issue that is very important to me.

I will start the debate by talking about a situation that happened to me in central Newfoundland. I am from a very rural riding. A 16 year old girl said that she wanted to talk to me about post-secondary education because she had a concern. I said that was fine and that we should talk about it. She brought forward not just some problems with the system for her and her family financially but she also presented some ideas.

She told me that she would never ever bring to the debate just problems. She said that she wanted to bring solutions as well. I listened to her and she made a very good debate. When the election was over, I saw her again and asked her how she felt. I told her that we would, hopefully, be able to move forward on it. What she asked me was whether it mattered and had I listened. Well I looked at her and admitted that I had not really listened because I knew she could not vote.

That is the problem that comes into this. When someone is 16 or 17 they are making life decisions, decisions about careers and family but we did not listen to them because they could not vote. To me, that was the ultimate crime. I want to give her that chance.

The charter states that every citizen of Canada has the right to vote in an election of members of the House of Commons or legislative assembly and to be qualified for membership therein. I cannot think of a better person than that young lady who talked to me so intelligently about her situation and who brought forward solutions. That is the type of debate we need to have.

I think engaging our youth is the issue in which our communities need to get involved. We need to engage the entire community, young and old, and the community consists of secondary schools.

My hon. colleague from the New Democratic Party talked about the debate that was going on in a school and how informed the students were. If we give them the right to vote, are we going to listen? Of course we will listen and we will take action this time because in the end we need their support.

Imagine sitting at the dinner table with a daughter, like the one I spoke about earlier, who says, "Dad, I don't like your thinking on post-secondary education, I don't like the way you are voting and I think you should vote another way". The Dad may reply by saying that it was unfortunate she felt that way and then she might reply by saying that she would cancel his vote.

All of a sudden we have empowered our youth. These people are mature enough and engaged enough and we need to recognize that. That is why I am honoured to stand here to talk about Bill C-261.

It is nice to see that we have support from all parties in the House. It is one of those issues that tie us because we have children and we want to engage our children to do this. Voter turnout in my riding was pathetic. It was less than 50%. What a crime. To get 16 and 17 year olds to vote puts excitement into this debate. It allows them to have a say and it elevates them because now they would have an opinion and we as adults would finally listen. They are in grade 11 or grade 12, but when we speak to them, as we have done, we will listen. To me that would be the biggest benefit of this bill because they do believe in these issues. They do have opinions on same sex marriage and on ballistic missile defence. We just do not take the time to get another perspective, but the bill certainly would.

My hon. colleague quoted a fellow Newfoundlander, Rick Mercer. I will quote him again because he was doing one of his typical rants, as he likes to call them. He said, "If I were 16, I would write my member of Parliament, I would complain, except if I were 16 they wouldn't care what I had to say because I don't have the vote and that's the problem".

• (1820)

My hon. colleague from Newmarket talked about the poll that was done recently of a thousand respondents. One of the questions was: Do you feel a sense of responsibility to inform yourself about public policy issues or is public policy an area that government should deal with on your behalf? Of the young respondents, 27% said that it was their personal responsibility, while 63% said that the government should decide for them. The reason I believe that is so is because we told them that is the way it is.

Now we have to tell them that their opinion does count and that they can take a personal interest in the rest of their lives. Even at 16 and 17 they can make the decisions for the rest of their lives.

Another question was: Would you be very likely, somewhat likely, somewhat unlikely or very unlikely to vote in the next election if allowed? The poll showed that 23% said unlikely, while 76% said likely. They say that no government works on their behalf and that they really do not have much say on the issue, but 73% said that if they were given the chance they would stand up. I think it is time we gave them the chance.

One of my hon. colleagues complained that we would be the first country to do this. Why can we not be the first country? Let us be the first country to tell our young people that they can vote, that they can

have a say and have the power. I think that would be the greatest benefit of this particular situation.

The last point I want to make is about my home. I am from a rural riding where out-migration is at a terrible level. I was a victim of that out-migration. I was 17 years old when I left my hometown of Bishop's Falls in central Newfoundland, a town of less than 4,000 people.

The first time I ever voted in my life I was in a foreign land: New Brunswick, which is somewhat foreign, but it is foreign when one is from a small town in Newfoundland.

The thing is that I wanted to vote in my hometown. I wanted to get involved in my hometown. If we do not involve our youth in the little town of Bishop's Falls, then we are in trouble.

Let us imagine answering the door and a young lady is standing there. She says that her name is Jessica, that she is 16 years old, and that she is running for town council and wants our vote. Can anyone imagine a 16 year old candidate? I may not vote for her but I guarantee I will remember her. That young lady will inspire me and she will inspire her friends to vote as well. We are dealing with younger people who have opinions and well thought out ideas and now it is up to us to recognize that they have that voice.

I want to do this for rural Canada. I definitely want to do this for rural Newfoundland and Labrador because I believe in it. I believe that our children, 16 and 17 year olds, should have that voice.

• (1825)

The Acting Speaker (Mr. Marcel Proulx): The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

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

[English]

AGRICULTURE

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, it is unfortunate that it is necessary for me to rise today. It results from a question I asked on November 5 on an issue which was and is extremely important to people in my constituency and right across the country. It is unfortunate because had an answer been given, of course, I would have no reason to be standing today. As is the case so often, there was absolutely no answer given to the question asked.

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In the background to my question I pointed out a situation to do with Blue Mountain Packers in British Columbia. Some of my constituents have shares and are among the key players in this operation. They had complained to me, rightfully so, that they have been held up in reopening the plant by the Canadian Food Inspection Agency. They made the point that the local people were very good, and I think that is the case with the CFIA, but once the decision gets to the brass in Ottawa, everything seems to be put on hold.

We desperately need these plants to open to deal with the BSE situation, especially cull cows and bulls. Instead of being helpful in getting these plants open as quickly as possible, the Canadian Food Inspection Agency, the brass here in Ottawa, seemed to be holding things up. I talked about that particular plant and that problem in my background to the question.

On Monday, lo and behold, something was done. Three people were sent from the CFIA to the plant. Finally, after we had been hammering on this for months and I had made that week a concerted effort to make this happen, the people were sent and the plant did open. Public pressure seemed to be necessary. However, that was not my question.

On November 5 I asked this question specifically:

—how many plants has the CFIA approved in western Canada in the 18 months since the BSE crisis hit?

I asked that question because of the painfully slow process that is going on within the CFIA. Again, the local people seem to be doing their jobs very well and they seem to be very cooperative for the most part. It is when they have to go to Ottawa for some approval that the situation is held up. It is completely unacceptable.

I asked that question and I received no answer at all. I hope the minister will answer it today.

In my constituency on the issue of the Canadian Food Inspection Agency I have had several people suggest to me that the CFIA may have been instructed by people in government, provincial or federal—I have heard both—to actually deliberately slow the process down so that some of the government backed plants, let us say, do not face new competition.

If there is a grain of truth to this, and I do not know whether there is or not, that is simply unacceptable and the government has to deal with it. It should have dealt with this an awful long time ago. In Alberta the two main plants were definitely backed by the Alberta government when they were built. I am looking desperately for explanations as to why the Canadian Food Inspection Agency is being so slow and why it seems to be deliberately slowing the process down; it seems to be, but it may not be. This would be one possible explanation.

I would like an answer from the minister to my actual question. How many plants have been approved by the CFIA in western Canada in the past 18 months? I would really appreciate an answer from the government for a change.

•(1830)

Hon. Wayne Easter (Parliamentary Secretary to the Minister of Agriculture and Agri-Food (Rural Development), Lib.): Mr. Speaker, the member said that he did not get an answer on

November 5. I just re-read *Hansard* and I think he received a very positive answer. In fact, I answered the question myself. I told him that I had talked to individual investors at the plants and that we would be moving ahead. He admits himself, and he says that lo and behold something was done.

Of course something was done. The minister announced on September 10 a policy and a program to increase beef slaughter capacity in the country, and we have been moving ahead doing that.

Regarding the question of how many plants have been approved in the last 18 months in western Canada, CFIA cannot approve plants unless investors have put in place an operation and want the federal inspection system.

I would answer this way. In the last 18 months the CFIA has had one request in western Canada for the registration of a beef slaughter house. Officials of the Canadian Food Inspection Agency worked very closely, and he admitted that himself, with the management of the establishment to facilitate the plant's registration.

On November 9, 2004, the CFIA informed the minister that the application for registration for the establishment was approved and that the plant was licensed and was eligible to begin operations as of November 10, 2004. While the details of the plant's application process cannot be discussed, it is important to note that all new meat establishments must provide the required information so that their application for registration can be properly evaluated by the CFIA for compliance with health and safety standards and requirements of our trading partner.

Currently for beef, there are 29 federally registered licensed slaughter house operations across Canada. One other plant has officially approached the CFIA for federal registration and that file is progressing quite well. We expect to see more requests. In fact, we hope to see more requests, and the CFIA is prepare to do its part as is the minister.

The requirements for federally registered meat establishments are fundamental to Canada's meat inspection program which is designed to ensure that Canadian meat products achieve the highest standards for food safety. These federal standards also allow Canadian meat products to be exported to markets around the world. Requirements vary significantly from country to country, and we are audited by foreign countries to ensure that requirements are met.

In conclusion, the CFIA has in place a well established and recognized process for application review. When the necessary information is returned from the plant ownership, an immediate review and evaluation occurs. That is what the CFIA is all about, to help those plants get registered, to see that our standards are met and to ensure that we are moving product that is safe for the consuming population and meets the requirements of the nations that we export to as well.

•(1835)

Mr. Leon Benoit: Mr. Speaker, the member said at the start of his presentation that he had given me an answer on November 5. That simply is not the case and he knows it. We could read it in *Hansard* on page 1274. That was no answer at all. Now he has given me an answer of one plant. That is one plant in 18 months. He should be ashamed of that.

He said that only one plant had asked to be registered. That is because plants have to go through the complete process which involves the CFIA at every step before they can request registration. In fact, the CFIA is holding it up and is holding it up in an unacceptable fashion. It has become an agency out of control. We opposed the establishment of the Canadian Food Inspection Agency in the 1990s. I was there. We took the right stand. It is an agency out of control and the government is responsible for its actions. It has to take control.

It is an agency which is slowing down the opening of these plants now. It is also picking on individual producers who have come to me in two or three cases for help. Now the CFIA is making life difficult for them in other situations.

The member has to take control, and I look for the minister's assurance that this will happen.

Hon. Wayne Easter: Mr. Speaker, as usual we get a rant with no substance from the member opposite. He said that the CFIA is out of control. Nothing is further from the truth. The government itself has responded progressively with the minister's September 10 announcement. In support of the current government's measures, CFIA has decentralized its plant approval process that will see a regional team of experts fully dedicated to new plant approvals. The member knows this, but he just does not want to admit it.

I have seen that in my province of Prince Edward Island with the plant that has just opened. We saw it with the plant that the member mentioned in Blue Mountain. That is working with the operators in a regional—

• (1840)

The Acting Speaker (Mr. Marcel Proulx): The hon. member for Selkirk—Interlake.

PUBLIC SAFETY

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I am following up on a question I asked back on November 26 to the Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness.

Essentially, on November 7 a murder was committed in one of the cities in my riding. A young man was beaten to death by two individuals. One of those individuals was out on parole and the other was out on conditional release. On top of the death and the murder of which they are accused, one of the accused has multiple unrelated felonies which he committed during his conditional release.

We really have to take a hard look at how our parole system works and at how public safety has not become paramount to every decision that has been made. We need to ensure that people on the street are protected from these violent offenders.

We need to get down to the bases of how Parliament and the government has made some bad decisions and on how the entire system works. The Liberal experiment on conditional sentences and on parole hearings has failed, and we have to revamp the entire system.

I also want to follow up with this. Just recently we had two inmates walk out of the Rockwood Institution, a federal minimum security facility in my riding. A total of five inmates have walked out

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of that facility in the past 12 months, and a total of 15 in the past five years.

Public safety has to be paramount. Correctional Service Canada has a great staff and good management. I am very proud of the job that they do, but they have to do it within the mandate and the regulations presented to them by the government. However, again they are working inside another Liberal experiment.

I ask, when will the government put public safety first and fix the parole system in Correctional Service?

Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, I am pleased to speak today on a question raised in the House on November 26, 2004, by my hon. colleague from Selkirk—Interlake.

[Translation]

The question concerned the rehabilitation, release and monitoring of violent offenders by the Correctional Service of Canada.

[English]

Correctional Service Canada is mandated through the Corrections and Conditional Release Act to contribute to a safe society by assisting offenders to rehabilitate and to reintegrate into the community. The law dictates certain conditions and limitations on the length of time that an offender can remain incarcerated. Therefore, it is important to recognize that the vast majority of offenders are serving fixed sentences and are eventually returned to their communities.

[Translation]

The National Parole Board is an independent tribunal that has exclusive authority to release offenders. No one can influence its decisions, including the Minister.

[English]

All National Parole Board decisions are made following a thorough assessment of risk, which examines the offender's past, his or her present, and his or her future.

In making its release decisions, the National Parole Board considers all available information, including recommendations and concerns of Correctional Service Canada, as well as information from the police, the courts, psychologists and others, including victims of crime.

In order to fulfill its mandate, Correctional Service Canada operates on the principle that society is best protected when offenders are able to re-establish themselves in the community under conditions that minimize their risk of reoffending.

[Translation]

Gradual, structured release of offenders to the community, when it is safe to do so and with proper supervision and support, is effective in ensuring the safety of our communities.

[English]

Release is not automatic. Conditional release decisions are based on a thorough assessment of risk, and public safety is always the paramount consideration.

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Correctional Service Canada's public safety results are evidence that CSC, or Correctional Service Canada, is fulfilling its mandate. The rates for successful completion of conditional release are among the highest in recent years. Some 94% of offenders on conditional release last year successfully completed their sentences without reoffending and 1% were re-convicted for violent crimes.

The member asked why we continued to release violent offenders into the community without rehabilitation or monitoring. The fact is that this is not the case.

As soon as offenders enter a federal prison, and throughout their sentence, they undergo intensive assessments. These assessments determine the offender's security and programming needs. The assessment forms the basis of the offender's correctional plan for treatment and intervention throughout the offender's sentence. The aim of this plan is to help the offenders address the factors that caused their criminal behaviours. CSC actively encourages offenders to participate in their correctional plans and progress is monitored.

The ultimate goal is to rehabilitate the offender. The more successfully offenders complete recommended programming and treatment, the better their chances of successful reintegration. Released offenders may also be subject to strict supervision conditions. Any violation of those conditions can result in a return to the penitentiary.

As I indicated earlier, most offenders will eventually be returned to the community. However, some offenders will be ordered detained by the National Parole Board.

• (1845)

Mr. James Bezan: Mr. Speaker, I concur with the parliamentary secretary that we have to rehabilitate and reintegrate our violent offenders and our criminals, and ensure that they go through the proper process. However, the current system that we have today is not working. The government has failed on keeping tabs of its violent offenders who are out in the public. That is why we have the crimes that were committed in my riding. The proof is in the pudding.

The Deputy Prime Minister, when I questioned her, made a statement, and I want to ask if it has been followed up on. She said:

However, I have indicated that I am willing to undertake a review of aspects of our parole system. The parole board may need more resources to do its job. I am more than willing to have the justice committee of the House of Commons take a look at this issue. I have been very clear that our goal is public safety.

When is this review going to take place of the parole system and Correctional Service Canada so that we—

The Acting Speaker (Mr. Marcel Proulx): The hon. Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness.

Hon. Roy Cullen: Mr. Speaker, I just want to reiterate that this government is committed to contributing to safe communities across Canada and that public safety is a paramount consideration in all decision-making.

The minister is still committed to reviewing sentencing and parole. One of the roadblocks up until now has been the fact that the justice committee has a very extensive workload. There is now a subcommittee that has been formed and I know the minister, and the government, is currently reviewing how to proceed with this review.

I can undertake to follow up with the minister and make an assessment and a determination of how and when that review will be conducted. I think that it would be in our interest and the government's interest, and in the interest of the people of Canada to review sentencing and parole. We must ensure that we are doing the right thing so that we can avoid, wherever possible, the kind of situation that did occur in the member's riding.

[*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 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:49 p.m.)

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