



CANADA

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OFFICIAL REPORT
(HANSARD)

Wednesday, November 7, 2001

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, November 7, 2001

The House met at 2 p.m.

Prayers

• (1400)

[English]

The Speaker: As is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Edmonton North.

[Editor's Note: Members sang the national anthem]

STATEMENTS BY MEMBERS

[English]

RICHARD B. WRIGHT

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I congratulate Richard B. Wright on his splendid achievement in winning the 2001 Giller Prize for his novel *Clara Callan*.

Clara Callan, Mr. Wright's ninth novel, is a remarkable depression era story of two sisters from small town Ontario whose lives diverge radically during a period marked by social upheaval and the imminence of war. As the jury remarked, Wright succeeds in "precisely evoking the Depression...while portraying Clara and her radio-actress sister with grace and wit".

This is not the first time Richard Wright's work has received recognition. His first novel, *The Age of Longing*, was nominated for both the Giller Prize and the Governor General's Award. With his recent retirement from a teaching position at Ridley College in St. Catharines we can hope to see more work flow from the pen of this prolific and talented Canadian writer.

In 1994 Jack Rabinovitch established this Canadian literary prize to celebrate Canada's best fiction writing and to honour the memory of his late wife, literary journalist Doris Giller.

On behalf of the Government of Canada I congratulate Richard Wright for this achievement and wish him many productive years to come for the benefit of Canadian literature.

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VETERANS WEEK

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, it is my privilege to rise in the House today in honour of

Canada's veterans. This is Veterans Week and as Canadian soldiers are once again shipping off to war it behooves us to honour and remember the proud tradition that they and our veterans represent. We do this because we cannot afford to ignore the very real and constant threats to our security.

This week should also serve as reminder to the government that failure to maintain our strong and proud military tradition is to fail not only our veterans but all Canadians.

I humbly suggest that the best way to honour our veterans is to ensure they are well taken care of as they took care of us and to respect their noble traditions by making the troops of today a priority.

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SENIORS

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, this is National Seniors Safety Week. Many seniors are injured in their own homes. Declining vision, hearing, sense of touch and smell are all part of the normal aging process, yet they can increase the risk of injury.

As we age our bodies take longer to heal and recover, making injury prevention that much more important.

[Translation]

Fortunately, the news is not all bad. Many of the injuries occurring in the home can be prevented. Hazards just have to be recognized and the necessary precautions taken.

[English]

The Canada Safety Council is encouraging seniors to make their homes safer. Its campaign "Good Living and Independence—That's the Ticket for Aging Canadians" includes public service announcements and ideas for improvement.

All colleagues in the House can get help the message out. Simple precautions in each of our homes would help prevent injuries and improve our quality of life. Indeed there is no place like home and all of us want to be as safe and injury free as possible.

S. O. 31

•(1405)

[*Translation*]

CANADA CAREER WEEK

Ms. Diane St-Jacques (Shefford, Lib.): Mr. Speaker, I wish to draw the attention of the House to Canada Career Week, November 4 through November 10.

By supporting the communities, Human Resources Development Canada and its partners are contributing to the organization of events to provide our fellow citizens with the opportunity to learn more about various careers, retraining opportunities and the necessary steps to take to improve their future.

By pooling their efforts, people can achieve a degree of personal satisfaction that leads to furthering their education, increasing their earnings, and reducing poverty and dependence on social programs, which in turn benefits the entire community.

In the spirit of Canada Career Week, I encourage all of my colleagues to take an interest in the initiatives in their regions and to encourage people to learn more about career opportunities everywhere in Canada.

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[*English*]

VETERANS WEEK

Mr. Carmen Provenzano (Sault Ste. Marie, Lib.): Mr. Speaker, another Veterans Week is upon us. It is a time when collectively we declare our great pride in the service and sacrifice of Canada's veterans.

Whenever they were called on to fight oppression and tyranny they answered the call with courage and distinction. In two world wars, in Korea and in countless peacekeeping operations around the world, theirs is a legacy that we pledge never to forget.

With the world now at war with terrorism and with our servicemen and women once again being sent into harm's way it is more important than ever that we remember those who have stood on guard for us from the turn of the last century to the beginning of this one.

This year once again we will meet on the 11th hour of the 11th day of the 11th month. It is an act of allegiance that knows no limits of time. It is an act of remembrance that we have pledged to honour.

Lest we forget.

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NATIONAL SECURITY

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, everyone but the government seems to know that Canada's border control measures are a farce. Yesterday we found out just how bad they really are when a number of people snuck into Canada through Halifax harbour despite supposedly stepped up and improved security measures.

The ease with which stowaways walk away from ships is a serious concern. The government must drop the pretence and start taking border control and the security of Canadians seriously. The U.S.

examines more than three times as many ship bound containers as we do in Canada.

When will the government start addressing the root causes of our lax border control policies by reinstating the port police and bringing our inspections of containers up to acceptable standards?

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ABORIGINAL AFFAIRS

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, in Ottawa today are two important groups. First, I recognize the cruise industry that is an important and strong contributor to our tourism industry.

Second, I recognize Chief Joe Linklater from the Vuntut Gwitchin first nation in Old Crow, the farthest northwestern community in Canada. The Old Crow people are the ones who depend on the caribou herd we have been fighting so hard in the Canadian government to save.

I salute the heroic efforts of Chief Joe Linklater and the Vuntut Gwitchin people who have fought for years a heroic battle against the large oil companies to save their lifestyle, a very important way of life in far northwestern Canada.

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[*Translation*]

VETERANS WEEK

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, in Quebec and in Canada we have the pleasure of living in a land of rich resources with a decent standard of living. During Veterans Week, with its theme "In the Service of Peace", let us remember our fellow countrymen who were killed in action and pay tribute to their fellow soldiers who served our two nations in difficult times.

On behalf of all members of the Bloc Québécois, I also want to express all our gratitude to members of our forces currently serving overseas and to say that our thoughts and prayers are with them and their families.

We have no greater duty than to honour the sacrifice of those who served to protect our peace and our freedom. We have a duty to pay tribute to all those who gave their lives for us, and those who are protecting us this very day.

We have a duty to perpetuate the memory of our veterans throughout Quebec and Canada, those men and women who served so nobly in peace and in war.

We will never forget the marvellous legacy they have left to us, so that we may live freely within a democracy.

• (1410)

[English]

HUMANITARIAN AID

Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.): Mr. Speaker, since the bombing of Afghanistan began, an additional 130,000 refugees have fled the country. Especially now, with winter fast approaching, we must turn our attention to humanitarian aid for the people of Afghanistan. Our cause, to root out terrorism sanctioned by the Taliban, will suffer terrible harm if Afghanistan refugees starve to death.

I ask all members of parliament to join with me in calling upon the coalition to make humanitarian aid to the innocent in Afghanistan a top priority.

Men, women and children must be fed, shelter must be provided and the injured cared for. We must make humanitarian aid a central component of our mission in Afghanistan.

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DIWALI CELEBRATION

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, on November 14, Hindus across the world and in Canada will be celebrating Diwali, the festival of light.

The Diwali celebration symbolizes the victory of good over evil and Hindus join their families and friends in celebrating it with prayers, sweets, exchanges of gifts and fireworks.

Hindus also start their new calendar immediately following Diwali. Today Diwali is celebrated on all continents of the world.

Following the September 11 terrorist attack, it is important that we take time to pray for peace and tranquility for all humankind.

I urge all Hindus in Canada to share with their families, neighbours, friends and all Canadians the message of peace that symbolizes Diwali.

As a member of the Hindu faith, I wish to extend, along with all my colleagues in parliament, a happy Diwali and a prosperous new year to all Hindus.

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REMEMBRANCE DAY

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, Remembrance Day is a sacred and solemn occasion in my home province. In fact it is consider important enough for Nova Scotia to have a separate Remembrance Day act. That act includes fines of up to \$15,000 for any employer who contravenes the act and thereby breaks faith with those who died.

I strongly support my home province's position on this important day but I am afraid that other jurisdictions are not so committed. In fact I am told that here in Ontario students are barely given enough time to attend a cenotaph ceremony.

At this turbulent time in our history, we need to remember appropriately the freedoms our veterans won for us and the terrible price they paid. Let us never forget.

S. O. 31

THE ENVIRONMENT

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, by Monday the performance of the Canadian negotiators at the Kyoto protocol talks in Marrakesh earned them all three Fossil of the Day awards. They get this award for doing the most harm to the negotiations.

The awards are voted on by more than 60 environmental organizations from around the world. This is the first time that any country has gotten all three awards in one day.

As a result of this embarrassment, Canada's position has actually improved since then and the talks are going fairly well. We received several accords and the results are looking positive.

However, we are vacillating as a country on the issue of legally binding consequences for non-compliance. We call on the government to take a stern, unequivocal position on legally binding consequences for non-compliance with the Kyoto protocol.

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[Translation]

UNIVERSITÉ DE SHERBROOKE VERT ET OR

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, on Monday, awards of excellence were presented to 54 young Quebecers at the annual gala of the Fondation de l'athlète d'excellence du Québec.

I was pleased to learn that the Université de Sherbrooke women's volleyball team was proclaimed university team of the year.

The Sherbrooke team distinguished itself last year at the national level, winning a silver medal at the Canadian university championships. Three of its players later went on to play with the senior national team.

The team's trainer, Normand Bouchard, was named university trainer of the year.

On behalf of my fellow Quebecers, I offer warm congratulations to the Vert et Or team and its trainer on making the podium. They do the Eastern Townships and Quebec proud.

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[English]

OPERATION APOLLO

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, in a ceremony repeated many times in Halifax harbour's long naval history, Canadian warships once again departed for troubled waters to the sorrow and applause of family members and supporters, and to the appreciation and pride of all Canadians.

Canada's deployment of 2,000 Canadian forces personnel in Operation Apollo includes the deployment of the naval frigate HMCS *Charlottetown*. The name Charlottetown holds special significance to all Canadians as it is the birthplace of this nation. As a citizen of the city, I am proud to rise today to extend on behalf of all citizens of the birthplace of Confederation support and best wishes for a safe and successful return of all personnel involved.

As Canadians we are all proud of them.

Oral Questions

●(1415)

SOFTWOOD LUMBER

Mr. Gerald Keddy (South Shore, PC/DR): Mr. Speaker, maritime softwood lumber producers are reeling from the impact the 12.6% anti-dumping duty will have on the economy and their livelihoods.

In situations reflected across this country, workers in the softwood lumber sector, already faced with hardships of an economic downturn, dare I say recession, are further curtailed by this unfair duty.

It is particularly unfair to Atlantic Canadians because, as Nova Scotia premier, John Hamm, has pointed out, the maritimes have always enjoyed unrestricted access to the U.S. market. Now that has changed. Not only are loggers affected, truckers, mill workers and others are all being negatively affected by this unfair duty, and all because of the political decision by this government not to defend Canada's interests.

The United States is dependent on affordable, accessible Canadian softwood lumber for its construction industry. Lumber companies from British Columbia to Nova Scotia have shown that they are fed up with the government's inaction. When are Canadians going to see this government stand up for Canada's interests?

ORAL QUESTION PERIOD
*[English]***IMMIGRATION**

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, Canadians were not impressed yesterday at the sight of political leaders insulting each other over shaking hair, shaking hands or shaking speech. Canadians want to see action on jobs. They want to see action on security.

On the issue of security, the minister of immigration continues to tell us that she detains suspicious claimants and yet we have a quote today from her own officials. They said "Rarely do we detain undocumented people". That was said by her own officials.

Why does the Prime Minister continue to hurt genuine refugees by not dealing with these suspicious claimants who are undocumented?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the Leader of the Opposition misinterprets the quote. We detain when we have evidence or concern about security, where we have evidence or concern about identity or where we have concern that the individual will not show up.

The overwhelming majority of those people who show up undocumented, if they are not detained, is because they do not pose any risk.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, let me help her with the picture. People cannot get on a plane in another country, men, women or children, unless they have documents. If they arrive here without documents it means they have destroyed them. That makes them a little bit suspicious.

We have another quote from one of her officials saying that things have changed since September 11. Now the official says that suspicious claimants are delayed from anywhere from two to four hours.

When will the government detain, until being cleared of being a security risk, any person arriving here without documents?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the Immigration Act gives the immigration officers the authority to detain anyone where they have reason to believe that person poses a security risk. They do detain.

However things have changed since September 11. Now, not only do we photograph and fingerprint, there is what some might call an indepth grilling of two to four hours and an assessment is made as to whether or not that person poses a risk.

I want to assure the Leader of the Opposition that when my officials have reason to believe that someone poses a concern or a security threat to Canada they detain without hesitation.

Mr. Stockwell Day (Leader of the Opposition, Canadian Alliance): Mr. Speaker, they are not detained until they have been declared a security risk. When we raise these issues we get accused of being unpatriotic.

We have another report today stating that 11,000 people were arrested by U.S. authorities trying to get into the United States between border points and another 4,000 were arrested from Canada to the United States at border points.

We are tired of a Liberal government that puts more focus on the rights of suspicious claimants and fugitives from the law than genuine claimants and people who heed the law—

The Speaker: The hon. Minister of Citizenship and Immigration.

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I reject the premise of what the member opposite has said. I want to give him important information.

As Minister of Citizenship and Immigration, my officials are responsible at ports of entry for people coming into Canada. Last year they identified and stopped over 25,000 people coming into Canada from the United States when there were criminality concerns.

Border patrols of both U.S. and Canadian law enforcement do their best to patrol our borders but immigration stops people coming into Canada.

Oral Questions

•(1420)

TERRORISM

Mr. Grant Hill (MacLeod, Canadian Alliance): Mr. Speaker, on the issue of terrorist assets, President Bush has just signed a new executive order adding 62 organizations and individuals to that list. We expect to get some indication whether any of these organizations or individuals are Canadian. There is one company and one individual on the list with Canadian addresses.

Has the finance minister seized the assets of Al-Barakat North America Inc. or an individual by the name of Liban Oussan, yes or no?

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, having received the list from the United States, Canadian authorities are now reviewing it, as I am sure the member would believe is appropriate. We will deal with it once we have had our own verification of the identity and the nature of the persons on the list.

Mr. Grant Hill (MacLeod, Canadian Alliance): Mr. Speaker, I will take that as a qualified no.

We expect to get some indication. I personally would like to have this indication outside in the form of briefings rather than here in question period.

Could the finance minister give us some indication of how many organizations' assets have been seized, how many individuals' assets have been seized and what are the amounts?

Hon. Lawrence MacAulay (Solicitor General of Canada, Lib.): Mr. Speaker, we have a process in place in order to freeze assets. I can assure the hon. member that information that is brought to the government by government agencies or CSIS is evaluated.

If a decision is made by order in council to put them on the list, they will be put on the list.

* * *

[Translation]

FRAGMENTATION BOMBS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, when we ask it to intervene to put a stop to the dropping of fragmentation bombs on Afghanistan, the government simply says that there are always innocent victims in wartime.

The Prime Minister heard this response frequently when he was promoting the Ottawa treaty to ban anti-personnel mines, and it has not stopped him from continuing.

Does the Prime Minister, an elder statesman, plan to use his influence fully on the international scene, as he did in the case of the Ottawa treaty to convince the coalition to stop using the fragmentation bombs?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, on a number of occasions, the minister of defence has said that these bombs are used against military targets and not against individuals.

This is completely different from anti-personnel mines. The problem is a very different one and, at the moment, these bombs are permitted under international agreements.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): So were anti-personnel mines, Mr. Speaker.

Although the government says they are for use against military targets, according to the UN, Afghan children have been the victims of them. I do not understand why the government remains insensitive. Of course there are innocent victims, but there is no need to make sure there are. Mustard gas, agent orange and chemical bombs have all been banned. Fragmentation bombs should meet the same fate.

We realize that, at times in history, war is unavoidable, but will the Prime Minister not admit that we can always choose our weapons?

Right Hon. Jean Chrétien (Saint-Maurice, Lib.): Mr. Speaker, I have just answered the question. This weapon is in use and has not been banned by the international bodies that look after such things.

The hon. member is suggesting it should be banned. I think this is something we could look at, but to be honest, I do not think we would succeed if we wanted to in the short term, because it is a very complicated matter.

What counts is that we make sure terrorism is beaten and the Taliban, who are protecting the terrorists, are—

The Speaker: The hon. member for Mercier.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, the Bloc Québécois supports the Americans and the international coalition in the fight against terrorism.

However giving one's support does not mean giving a blank cheque. It means taking part in the debate and expressing one's views, one's way of seeing the situation. Unfortunately, this is not what the Prime Minister is doing.

Does the Prime Minister not realize that he is caving in, that he is letting them use cluster bombs and that he is abdicating his responsibility as a head of state?

•(1425)

[English]

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, with respect to allowing the use of cluster bombs, Canada is not using cluster bombs. We are not involved in the bombing of Afghanistan. The United States is using them but they are lawful to use. They are not banned in the same way that anti-personnel landmines are banned.

One thing that Canada does pay attention to within the United Nations framework is the cleanup of any weaponry that is left. The whole point about anti-personnel landmines is that they are in the ground and they hurt people after the conflict is over.

No matter what the weaponry is, we want to make sure there is an appropriate cleanup so innocent civilians are not hurt afterward.

[Translation]

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, Canada is known on the international scene as a leader in peacekeeping missions. It is not known for its active involvement in armed conflicts.

Oral Questions

Does the Prime Minister not realize that, by not condemning the use of cluster bombs, he is not only denying the spirit of his anti-personnel landmines treaty, but he is also jeopardizing Canada's reputation?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this is a totally false statement. As the Minister of National Defence pointed out, these weapons are used by the U.S. army, not by Canadian soldiers. Moreover, as regards anti-personnel landmines, the Americans did not sign that treaty.

We will continue to try to promote the best possible causes. However, we must also be realistic. If tomorrow I were to ask the U. S. president to stop using these weapons, I doubt it would happen. We must work with the other UN member states to bring about changes, as the Minister of National Defence just said.

* * *

[English]

CANDU REACTORS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, President Bush tells us that the al-Qaeda network is trying to purchase material for nuclear weapons. We already know that Canada's Candus provided the seeds for nuclear weapons in India and in Pakistan.

Now is the time to sunset Candu reactor sales, at least until we develop technology preventing their use in nuclear weapons production. Would the Prime Minister not agree?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have been selling Candus for a long time. It is the safest and the least polluting form of energy that we can have.

The member is referring to a problem that existed many years ago. At that time we stopped delivery to the government of India of anything in relation to the Candu. We have always acted responsibly.

At this time when we need a form of energy that is not polluting, I maintain that the Candu is safe. It is the best way to have energy without polluting any place in the world.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, domestically the government is prepared to adopt draconian measures to fight terrorism. Internationally, are we going to turn a blind eye to a lethal potential threat that Canada could be visiting on the world?

Individuals suspected of selling more than one kilo of weapons grade uranium on the black market have been arrested in Turkey. This uranium may have come from eastern Europe. Eastern Europe is another favoured market for Candus.

What is the government going to do to ensure that our nuclear technology is not ending up in the black market world of terrorists?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we signed all the treaties in relation to the protection of waste and so on. There is an international organization that overlooks all of these activities and Canada subscribes to it. We participate in that. If there is any fault anywhere, we have done it, in India and I think we did it once in Argentina. The policy of the Canadian government on security and safety in this matter has been well established for a long time.

[Translation]

BANK OF CANADA

Right Hon. Joe Clark (Calgary Centre, PC/DR): Mr. Speaker, the independence of the Bank of Canada is based on the principle that the government will not interfere in setting monetary policy.

Yesterday, the Minister of Finance violated this convention by announcing publicly the measures that he felt the bank should take. At a time when the minister should be working to build the confidence of Canadians in their institutions, why is he undermining the Bank of Canada's independence in this way?

• (1430)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, all that I said was that monetary policy and fiscal policy work much better when they work together, toward an objective.

The example to follow is the one we have today. The example to avoid is the situation that existed in 1990, when his government was in office.

* * *

[English]

THE ECONOMY

Mr. Scott Brison (Kings—Hants, PC/DR): Mr. Speaker, when asked about the record low Canadian dollar, the finance minister responds that although the Canadian dollar is doing badly compared to the U.S. dollar, it is actually doing well compared to other currencies. The minister is wrong. This year the Canadian dollar has lost 11% against the Mexican peso, has lost 2.5% against the Russian ruble, has lost 6% against the Argentine peso and has lost 4% against the British pound.

If the fundamentals are strong, why is the Canadian dollar doing worse than pesos, rubles and pounds, for goodness sake? Why is he passing the buck on the Canadian dollar?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I honestly do not know what to say.

First of all, the hon. member has just stood up and has essentially said that what we should do is emulate the monetary policy in Mexico where interest rates are fluctuating between 14% and 16%, and then his example of the kind of economy to follow is Argentina. Only a Tory would think that.

* * *

IMMIGRATION

Mr. Ted White (North Vancouver, Canadian Alliance): Mr. Speaker, the immigration minister is once again creating a false impression. Access to information documents show that her own officials have warned her that thousands of people should not have got into Canada without documentation, yet she repeats every day that everyone who is a security concern is detained. This is simply not true.

Oral Questions

I would like the minister to tell the House, if arrivals have destroyed their documents, how can an immigration official be expected to work out whether they are a security concern?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, many people who are fleeing dictatorial regimes simply cannot get documents. They bring what information they have. Others have to resort to humanitarian smuggling in order to flee countries for their lives. They often do so in the middle of the night.

A valid document is a passport or a travel document. Other bits of information such as birth certificates and driver's licences are not considered valid documents but do help us to identify who people are.

Mr. Ted White (North Vancouver, Canadian Alliance): Mr. Speaker, the 50% of refugee claimants who show up without documents and say the magic R word, are asked a few questions, fingerprinted, given a medicare form and a legal aid phone number. Then they are released and sent to the welfare office. However, 20% or more of them then disappear without a trace.

Why does the minister ignore the experience, the wisdom, the advice of her own officials? Why does she not really put security into the process and detain the people who are a security risk?

Hon. Elinor Caplan (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, we do detain those who are a security risk.

I would ask the member, if he has any evidence or advice that he has seen that I have not, perhaps he would like to table it. I would like to see it because the premise of his question is quite wrong.

I would also say to him very clearly that the statistics he is quoting are wrong. Ninety-seven per cent of people mail in their forms. Some 77% of refugee claimants work at the very first opportunity. Canada's acceptance rates are consistent with those of other countries in the world that have refugee determination.

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[Translation]

SOFTWOOD LUMBER

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, yesterday the Minister for International Trade told *Le Devoir* that his long term objective for softwood lumber was a return to free trade.

In this context, what is the minister's short term objective?

● (1435)

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, for the sake of consistency, I have exactly the same objective, which is of course free trade for softwood lumber.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the minister's response notwithstanding, it is my impression that we are in the process of sliding back to the 1996 strategy of negotiating tariffs, lowered ones it is true, but still tariffs and quotas for softwood lumber, and these have penalized Quebec in particular.

Is the response the minister let slip yesterday concerning the long term not an indication that we are heading toward a 1996-style strategy?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Just the opposite, Mr. Speaker. What I said is that what we wanted for the long term was free trade, precisely so as to avoid managed trade agreements.

That is, therefore, what we want in the short term, the medium term, and the long term. We want free trade in this area.

I greatly appreciate the co-operation of the government of Quebec. Yesterday, I had the opportunity of holding discussions with their minister responsible for forestry practices.

The government of British Columbia is making a magnificent contribution. Never in the history of the softwood lumber issue has the Canadian team presented such a united front.

* * *

[English]

TERRORISM

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, I would like to welcome the foreign affairs minister back from his mission abroad and congratulate him on his efforts.

While in the Middle East last week the minister refused to condemn Hamas or Islamic Jihad for their terrorist activities or their attacks on civilians. Terrorism is a daily reality for the people of Israel. Sadly, last Sunday two students were killed and dozens of others were injured in another terrorist attack. Since then, both groups have claimed credit.

Will the minister now condemn Hamas and Islamic Jihad?

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, we denounce all acts of violence used to attain political objectives. We denounce them for their ruthlessness and for the fact that they undermine the cause that they seek to espouse. Terrorism does not speak to anybody. It speaks only on behalf of the criminals that perpetrate it.

The hon. member may have noticed that in seeking to have governments in Iran, Syria and Lebanon renounce groups that use violence for political objectives, I drew a certain amount of negative criticism in those places. I should have thought that he would give me some—

The Speaker: The hon. member for Portage—Lisgar.

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): I do, Mr. Speaker, some. After the minister's mission, Canadians are left somewhat puzzled about the government's moral obtuseness. Last week the minister said that Hamas and Islamic Jihad attacks on non-combatants are equivalent to Israel's attempts to track down terrorists and kill them. Yet that is exactly what the coalition of which Canada is a part is committed to doing.

Is the minister not concerned that his own comments will undermine somewhat the efforts to stop bin Laden and al-Qaeda?

Oral Questions

Hon. John Manley (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am not sure I recognize that quote, but let us try to be clear.

In every case the use of violence, particularly directed as I said in the Middle East against civilians, is unacceptable to achieve any objective, political or otherwise, and must be denounced and must be stopped.

What we seek to have governments do in this region is to stop using those groups as a means of achieving political objectives. If there are political objectives to be attained, then they should be sought through the appropriate means.

* * *

[Translation]

INTEREST RATES

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, with interest rates for personal loans around 10%, mortgage rates around 7%, and the interest rate for the Bank of Canada at 2.75%, interest rates for credit cards have resisted this downward trend, and remain near 18%.

Does the Minister of Finance plan to sit back for much longer before deciding to come to the aid of consumers, particularly during this economic downturn?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as the member must know, there are some credit cards with much lower interest rates. There is a whole range of credit cards.

Some cards offer different services and have higher rates, while others have lower rates.

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, given the privileges the law grants to the banks in particular, is it not reasonable that in return there be limits set on the interest rates that financial institutions charge for credit cards in order to help consumers?

• (1440)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, what the big financial institutions will say, is that, first, credit cards are very competitive, there are many different cards, different types, and second, there is the whole issue of fraud, and this has to be paid for.

That being said, it is quite normal, and interest rates should come down in any event.

* * *

[English]

HEALTH

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, when it comes to protecting Canadians from bioterror, the government is doing too little and may even be too late. It set aside just \$5 million to stockpile medications. That is just 3% equivalent to what the U.S. plans to spend. The government's own health department has said it needs to spend 10 to 20 times that much just for anthrax and botulism.

The government has yet to tell Canadians what they can expect if there is smallpox bioterror. Will it do so today and be specific about it?

[Translation]

Mr. Jeannot Castonguay (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, I must say that, since the events of September 11, this government, with the Minister of Health and all ministers responsible, has taken action daily to improve our security systems, our checkpoints throughout the country.

It has been in touch with the provinces, starting with frontline health care workers.

The important thing is to begin with the excellent health care system we already have in place, to ensure that the necessary measures are taken by frontline workers to identify the risks threatening us—

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

[English]

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, I guess it escaped the government's notice that that answer had nothing at all to do with the question, which was about smallpox.

Smallpox is an explosively contagious disease, for the benefit of the government, and could threaten every Canadian if it were used for bioterror. Many Canadians are asking for a smallpox vaccination as a precautionary measure.

My question is, and I would like an answer to the question: How is the government planning to ensure that every Canadian who requests a smallpox vaccination can obtain one?

[Translation]

Mr. Jeannot Castonguay (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, I believe that this is a topic of interest to all Canadians, and rightly so. They should know that smallpox is not a local problem. It is a global one.

I am very pleased to say that yesterday, and the day before, at the OECD conference with health ministers from some 30 countries, this was one of the items on the agenda: specifically, how we could work together in the event of such an attack. Such an attack is highly improbable but we must still be ready anyway.

These are measures taken by the government. This conference was requested by the Minister of Health—

The Speaker: The hon. member for St. Paul's.

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[English]

INTERNATIONAL AID

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, my question is for the Minister for International Cooperation. With winter approaching, what specifically is Canada doing to ensure the long term health of those children in Afghanistan and Pakistan?

Oral Questions

Hon. Maria Minna (Minister for International Cooperation, Lib.): Mr. Speaker, in the next three days Canadian funds will enable UNICEF to immunize 45 million children in Afghanistan and Pakistan against deficiencies of vitamin A. This will save the lives of approximately 60,000 children in this area.

Canada is the lead country around the world in the provision of vitamin A; 1.5 billion capsules have been distributed up until now. It affects about 100 countries around the world. As I said, it will save about 60,000 lives this winter in Afghanistan and Pakistan.

* * *

●(1445)

AIRLINE INDUSTRY

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, the government has offered Canada 3000 \$75 million in loan guarantees, conditional upon a 30% reduction of capacity and costs. Its attempts to reduce costs by shutting down Royal Airlines and laying off workers have been rejected by the Canadian Industrial Relations Board.

Could the Minister of Transport tell the House if, along with reducing costs, he will also make it a condition that Canada 3000 applies to the job sharing program of Human Resources Development Canada to minimize job losses?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, it is well known that airlines around the world have encountered difficulties over the last year, problems that have been exacerbated by the aftermath of the events of September 11. The difficulties affecting Air Canada and Canada 3000 have been well documented, as have their requests for assistance.

The government has given them assistance in compensation for the losses sustained on September 11, for indemnity of third party war and terrorism insurance and for considering loan guarantees for Canada 3000. The government has acted where necessary.

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THE ENVIRONMENT

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, my question is for the Deputy Prime Minister. At Bonn this summer, Canada committed to support legally binding consequences for non-compliance with the Kyoto protocol requirements. At Marrakesh this week, Canada appears to be vacillating on this commitment.

The Deputy Prime Minister was in Bonn this summer when that commitment was made. Could he tell the House whether we will stick with that commitment or will we change it?

Hon. Ralph Goodale (Minister of Natural Resources and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, the head of the Canadian delegation in addressing the meeting in Marrakesh, at the very opening of the session a number of days ago, made very clear Canada's position on compliance. I detected in that statement no change in the position from that adopted in Bonn.

SOFTWOOD LUMBER

Mr. Gary Lunn (Saanich—Gulf Islands, PC/DR): Mr. Speaker, the softwood lumber crisis is affecting all Canadians. Over 30,000 forestry workers in B.C. alone will be unemployed by the end of the year. B.C.'s mill towns are at the risk of becoming ghost towns. We have asked the Prime Minister over and over again to get directly involved in this file.

My question is very simple. Has the Prime Minister personally spoken with President Bush this week? Yes or no. Have you picked up the phone and called the president of the United States on this file?

The Speaker: I know the hon. member will want to address his questions to the Chair. The right hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, at 7.50 this morning I was speaking with the president. I talked about softwood lumber. I talked about the border. I talked about steel. I talked about the campaign in Afghanistan. I talked about refugees.

On softwood lumber, I told him that it was a very important problem. He knew that because I had talked to him 10 days before, when we were in China.

Mrs. Elsie Wayne (Saint John, PC/DR): Mr. Speaker, we all oppose the anti-dumping duty that the United States has placed on softwood lumber, a duty that is unfair and is arbitrary. Most unfair is the fact that, despite the maritime accord, our industry in Atlantic Canada has been subjected to the anti-dumping duty for no logical reason whatsoever.

The Prime Minister has said he spoke with President Bush today. What we want to know is can the president tell us if he will take off that 13% right away?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, the member is absolutely right that this dumping case is unjustified. It is punitive against the interests of all Canadian companies from coast to coast.

We were very pleased that we were able to exempt Atlantic Canada from the countervailing duties. On the dumping one, as the House knows, it is company related rather than related to government programs. Unfortunately Atlantic Canada is included.

However the government stands by its industry and we want the whole country exempted. That is part of our work because we are in complete solidarity with our Canadian industry.

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●(1450)

AIRLINE INDUSTRY

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, on October 25 the Minister of Transport announced a \$75 million loan guarantee to Canada 3000. In exchange for the loan, it was mandated that Canada 3000 implement broad restructuring. This morning the Canadian Industrial Relations Board blocked the implementation of that restructuring plan. The president of the airline has said that the airline will run out of cash within 48 hours unless it has access to that loan guarantee.

Oral Questions

Why has the Minister of Transport approved a loan guarantee for Canada 3000 that it cannot access knowing that this decision was coming?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, the board of directors of Canada 3000 has come to the conclusion, due to changing circumstances over the past 10 days, that the business plan originally submitted to the government would not meet the government's condition of liability.

That is why the board is meeting right now. Given that it is meeting, it is unwise for me to make any substantive comment. However I should inform the House that the announced loan guarantee has not been finalized and there is no financial liability to the taxpayer of Canada.

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, yet Canada 3000 is waiting for a decision on its case against Air Canada for predatory pricing. It needs to appeal today's CIRB decision to the federal court. Also, the launch of Air Canada's fighting brand Tango is aimed at driving Canada 3000 out of business.

This transport minister has not stood up to Air Canada in favour of strong competition in the past, but now is the time for him to do exactly that.

What steps will the minister take to ensure that Canada 3000 and therefore broad competition in the air industry will be alive and well on Monday morning for Canadians?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, the hon. member should remember that Bill C-26 strengthened the hand of the competition commissioner and gave him the cease and desist powers which he sought to deal with these kinds of situations. The law is there and the law can be applied.

* * *

[Translation]

SAINT-HUBERT AIRPORT

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, for several years, the Canada Customs and Revenue Agency carried out the customs processing and immigration screening of U.S. passengers on chartered flights at Saint-Hubert airport. The stepped up security since September 11, however, has meant that charters are no longer landing at Saint-Hubert, which has reduced its volume of foreign traffic by over 80%.

What is keeping the Minister of National Revenue from restoring Customs service at Saint-Hubert airport?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, I would like to state, essentially, that this service was restored today.

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, I am very pleased that the service was restored today.

I would like to ask the minister what he intends to do to help out the businesses whose viability is in jeopardy because of his department's inability to provide the services necessary for proper functioning of the operations at Saint-Hubert airport?

Hon. Martin Cauchon (Minister of National Revenue and Secretary of State (Economic Development Agency of Canada for the Regions of Quebec), Lib.): Mr. Speaker, after September 11, service was indeed suspended, as it was at a number of airports. We are gradually resuming it, according to the amount of traffic at individual airports.

I am pleased to report that services were restored this morning to a number of airports, Saint-Hubert among them.

* * *

[English]

PUBLIC WORKS

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, this latest contract scandal involving the Minister of Public Works and Government Services and a criminal friend is not the first time that he has seen negative headlines across the country.

I will quote from a few which said: "Minister's crony gets contract"; "Minister under ethics probe"; "Minister's pal gets big-bucks contracts"; and "contract awarded to shady friend".

We have had all this and much more in only two short years. With this latest scandal involving the minister, how can Canadians have confidence in him?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, all contracts given, whether through my department or through responsible crown corporations, have all followed treasury board guidelines. Therefore I will let the case rest by itself.

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, the minister took Mr. Creuso on an official government trip to Europe. Two government agencies under the minister's responsibility awarded him contracts. Now the minister wants to distance himself from Mr. Creuso.

Will the minister inform the House whether Mr. Creuso is still employed or still in receipt of Canadian government contracts? Is he still on the payroll?

Hon. Alfonso Gagliano (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I said from the beginning that I do not get involved directly with crown corporation operations. Therefore, if the hon. member wants that information I will get it for him. I can transmit it to him or he can get it himself directly from the crown corporation. I do not get involved in the current operations of any crown corporation.

* * *

● (1455)

ACOA

Mr. Rodger Cuzner (Bras d'Or—Cape Breton, Lib.): Mr. Speaker, the Atlantic innovation fund that was launched by the government in June of this year, and is aimed at increasing the research and development capacity of Atlantic Canada, has attracted a great deal of attention from research institutions and the business community in the Atlantic region.

Oral Questions

Could the minister responsible for the Atlantic Canada Opportunities Agency inform the House as to the extent of the interest generated so far for funding under this \$300 million initiative?

[*Translation*]

Hon. Robert Thibault (Minister of State (Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, I think so.

[*English*]

I am pleased to announce today that we have had outstanding response from research, industry and private sectors for applications under the Atlantic innovation partnership fund.

We have received 195 proposals totalling more than \$1.5 billion. That shows the commitment of the research and business sector in research and development in Atlantic Canada. Even more important, I believe the commitment of the Government of Canada for innovation, research and development and to the—

The Speaker: The hon. member for Calgary Southeast.

* * *

THE ECONOMY

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, in the first half of this year the Canadian economy screeched to a halt. In the second half of this year the economy shrank.

Every economist in the country is convinced that in the third and fourth quarters of this year we are seeing a decline in the Canadian economy. Unemployment is going up and today the dollar is yet again trading at an all time low.

Everybody understands we are in a recession except for the Minister of Finance. When will he stand up and admit that he has led Canada into a recession?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, last week the United States announced the loss of some 400,000 jobs. Over the last three months Canada has created 67,000 new jobs. The fact is our economic growth is superior to the vast number of other countries in the G-7.

There is no doubt that we are an open and transparent economy and are obviously being affected by the global slow down. However the fact is that the massive amount of stimulus, as a result of our tax cuts and our investments, is flowing through the economy. That is what is sustaining us.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, the first step to solving a problem is admitting that we have one. The finance minister is making the same mistake that his predecessor Mr. Wilson made in this place in 1991 when he refused to admit we were in a recession.

Instead of giving Canadians happy talk, Canadians who are losing their jobs, and there has been an increase in McJobs but a loss in real full time jobs, does the finance minister really plan in the face of this recession to give six billion new dollars to his friends in industry and HRDC to waste instead of creating jobs through increased tax relief to put more money in the pockets of—

The Speaker: The hon. Minister of Finance.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, it really does no good for the hon. member to engage in this kind of fearmongering about the Canadian economy. Canadians understand that there are problems. They understand that there are problems outside their borders and they understand that they impact upon them, but they also know that they are doing better than most other countries. They also know that our disposable income has just achieved an all time high.

The resilience of Canadians is now being seen in the way we are reacting to the slowdown and Canadians are not going to allow the Reform Party, the Alliance, to put them down.

* * *

[*Translation*]

GENETICALLY MODIFIED WHEAT

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, in a letter to the Prime Minister last July, the Canadian Wheat Board and several agricultural associations asked the government to suspend authorization for the cultivation of genetically modified wheat.

Since several international purchasers have already said that they would not buy Canadian genetically modified wheat, agricultural producers fear losing millions of dollars.

Will the Minister of Agriculture commit to ensure that the criterion of trade impact be included once again in the seed certification process for new varieties of wheat seeds because it would appear as though it has been removed, unbeknownst to the government?

[*English*]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, those kinds of decisions will be based on science. There has not been an application for such a wheat to be registered in Canada. If there is an application at some time there is a process in Canada, which is admired by other countries in the world, in which we review the science around it. Decisions are made based on that.

* * *

● (1500)

APEC

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, recently the Secretary of State for Asia-Pacific attended the APEC conference. A number of important trade initiatives were discussed which will affect Canadian companies.

Could the minister outline to the House specific initiatives which will be of assistance to Canadian companies?

Hon. Rey Pagtakhan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, we market Canada's strengths through team Canada, trade missions and other programs, speaking about Canada as a high tech country and a country with first class products in goods and services and business people with integrity.

Points of Order

We participate in political and economic fora. We launch free trade negotiations, as with Singapore. We encourage trading countries to join the WTO so that they can participate in an internationally known, rules based system. We offer our business people support like the Export Development Corporation. Indeed, we have a lot of initiatives.

* * *

NATIONAL SECURITY

Right Hon. Joe Clark (Calgary Centre, PC/DR): Mr. Speaker, today the Governor of the Bank of Canada confirmed that the status quo on our perimeter policy just does not work. He said "We collectively need to find ways to give citizens and businesses a sense of confidence so that they can go about their affairs free of physical disruption, improving security to ensure that we continue to have access to the U.S. market".

Will the Prime Minister take the advice of the governor of the bank and implement a comprehensive border management plan similar to what my colleagues and I proposed last week?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this is what we are doing at this time. We have passed laws in Canada and in fact the movement of goods from Canada to the United States is going normally; the problem is the goods coming from the United States to Canada. That means that our system is functioning quite well.

We work with the Americans to make sure that it is a subject of discussion all the time. It is in the interests of Canadians and it is in the interests of the Americans too, because 87% of our trade is with the United States, but for a big country like the United States, 25% of its trade is with Canada.

It is in their interests, too, to make sure that the free flow of goods and services—

The Speaker: The hon. member for Winnipeg—Transcona.

* * *

RELIGIOUS ORGANIZATIONS

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Deputy Prime Minister and has to do with the ongoing disagreement between the government and the churches with respect to their respective responsibilities in the residential schools question.

The Deputy Prime Minister will know that the churches are unhappy with the government's latest action and offer. I wonder whether the government would be willing to consider the suggestion by the churches that an independent mediator be appointed to settle this issue once and for all, particularly for the sake of the aboriginal people who are involved in this issue.

Hon. Herb Gray (Deputy Prime Minister, Lib.): Mr. Speaker, there is no substitute for face to face negotiations between the parties. We cannot hand over our responsibilities to the people of Canada and especially to the victims to some third party. We are working to get back to the priority of helping the victims. I hope the churches will join with us in this worthy effort.

PRESENCE IN GALLERY

The Speaker: I draw to the attention of hon. members to the presence in the gallery of Mr. Ernest Alvia Smith, better known as Smokey Smith, Canada's last surviving Victoria Cross recipient. The Victoria Cross is the highest medal for bravery bestowed in the Commonwealth by Her Majesty.

As a member of the Seaforth Highlanders of Canada, Private Smith earned his Victoria Cross for action in Italy during the second world war. Mr. Smith is in Ottawa for this year's national Remembrance Day ceremony on November 11.

Some hon. members: Hear, hear.

* * *

● (1505)

POINTS OF ORDER

OFFICIAL REPORT

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR): Mr. Speaker, I rise on a point of order concerning the records of the House. I regret having to call to the attention of the Chair a very clear difference between the electronic videotapes of yesterday's question period and the version of *Hansard* now published on the Internet.

As you know, Mr. Speaker, the accuracy and independence of *Hansard* is critical to the credibility of the Parliament of Canada. We all know that there can be minor corrections and interpretations to the printed record that is found in *Hansard* in order to reflect the intent of the person speaking. However, the case that I wish to point out to the Chair goes far beyond that purpose and in fact seeks to materially alter the substance of what was stated in the House.

Yesterday the hon. member for Halifax was asking a question on softwood lumber, a matter that is creating massive unemployment and economic havoc throughout Canada. The Prime Minister chose to treat this as an occasion to avoid the issue and made a joke.

In his response to the second question by the hon. member for Halifax, *Hansard* now states that the Prime Minister said:

Mr. Speaker, some do not have long hair and shake it a lot, as is the case with the leader of the Conservative Party, who will be up soon.

I have listened to the electronic tapes of what the Prime Minister clearly said, which was as follows:

Mr. Speaker, you know some don't have long hair and shake a lot, as is the case of the leader of the Conservative Party.

I will leave it to Canadians to judge the appropriateness of the comment. I would like to focus on what obviously took place in the aftermath as a whitewash of what appears in *Hansard*.

The words attributed to the Prime Minister in *Hansard* are inaccurate. The Prime Minister chose to make a personal, unfounded and unprovoked attack on the right hon. member for Calgary Centre. That is not reflected in *Hansard*. It was deliberate and intentional action unworthy of the high office held by the right hon. member for Saint-Maurice.

Points of Order

The Prime Minister, rather than standing and admitting that he committed a tactical error in making a personal attack, has tried to wiggle out of it by altering the printed record of the House. The Prime Minister had the floor, the cameras were on him and the record is clear; the video record is clear for everyone to see. The Prime Minister cannot fudge this. I need not remind the Speaker of the damage that results not only to personal reputations but to the collective reputation by personal attacks. This is exacerbated by denials and deliberate cover-ups.

The arrogance toward the sanctity of the House records sullies this place and heightens cynicism toward parliament. The veracity and reliability of the official records of debate are at stake. The editor of *Debates* should not be put in that position by the Prime Minister. It is an abuse of officials by either the Prime Minister or those who act on his behalf.

The House was collectively embarrassed yesterday and the Prime Minister or his office compounded this error by instructing *Hansard* to alter his own words. When the Prime Minister drops a clanger he should be man enough to admit it, not try to fudge *Hansard*. Once again, public servants should not be asked to cover up what were lapses of judgment on the part of the Prime Minister.

Mr. Speaker, I ask you to review both the written record and the electronic tapes that are available to determine if the accuracy reflected in the words of the Prime Minister appears in *Hansard*. In the meantime I hope the Prime Minister would put an end to this matter by simply standing up in the House himself and giving an apology. He should not send a delegation to offer his apology, as he has done in the past. The Prime Minister owes an apology to a former prime minister, to the House of Commons, to the editor of *Hansard* and to the Canadian people.

I thank the hon. Speaker for his indulgence in consideration of this matter.

• (1510)

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, in fact there are really two points that were raised. I think the House is a little unclear as to what the hon. member is seeking.

He first of all raises the issue of the official record not being reflective of what was said. Then he goes on to describe that in his view the comments of the Prime Minister, which I think are taken out of context somewhat, were inappropriate.

Mr. Gerald Keddy: It was inappropriate.

Hon. Don Boudria: I am not debating that. If someone wants to say that the comments were inappropriate, I suppose that could have been invoked at the appropriate time but that is not the issue before the House. It is whether the official record is accurate or not.

Members of parliament are issued what is known as the blues, the informal *Hansard*, in which they verify the accuracy of what is there. If that has not been reflected accurately then we could certainly correct that.

I have just been handed a note from officials of the Prime Minister's Office in which I am informed that in fact no corrections of the blues were made yesterday.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I have something to add which should be helpful to you when you deal with this issue. I faced this earlier in the week when I was speaking on a private member's bill to do with divorce.

I mentioned something about a family who would have been married earlier when I should have said divorced earlier. The electronic record clearly says I used the word married instead of divorced, but I did not intend to say that and it makes no sense. I was able to change the word by sending it to *Hansard* so at least those who would read it in the future could make sense of my intent.

Here is where I want to be helpful. I feel somewhat guilty about altering a record like that and yet it did not express what I intended to express. I would like to suggest that the procedures be changed so that an editorial change could be put into *Hansard* in square brackets, clearly indicating that this is what the member intended to say but in fact did not, as a way of explanation.

In that way the record would be accurate and we would be able to communicate to future generations what we actually said.

The Speaker: I am sure all hon. members appreciate the contribution of the hon. member for Elk Island on this point, but I might suggest to him that he take that suggestion up with the procedure and House affairs committee. We will get a recommendation from there, and if it is acceptable away we go.

[Translation]

I think the Bloc Québécois whip would also like to take part in this discussion.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I would ask you to check something. We work with the French version, and yesterday's discussion, which was in English, appears to possibly contain a problem in the translation.

I would ask you to take this into consideration too, not to judge the misplaced remarks of the Prime Minister, that is a whole other issue, which we will all agree on, but the form and what occurred in the case of potential corrections to *Hansard*.

I also ask you to look at the differences in the French and English versions.

The Speaker: I appreciate the contribution by the hon. whip of the Bloc Québécois. What is important here, as the government House leader pointed out, is what appeared in *Hansard*.

[English]

The member for Pictou—Antigonish—Guysborough has brought two arguments together under the same argument in an effort to perhaps bolster his argument on one, but I am not sure.

However I will examine the record very carefully. I will come back to the House if necessary with a ruling on this matter. I will certainly look at the blues, at any changes made to them, and I will look at the video transcript of the proceedings, which of course we have heard repeated by the hon. member for Pictou—Antigonish—Guysborough, and will get back to the House in due course. I thank hon. members for their contributions on this point.

*Routine Proceedings***ROUTINE PROCEEDINGS**

• (1515)

*[English]***GOVERNMENT RESPONSE TO PETITIONS**

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

* * *

CANADIAN COMMERCIAL CORPORATION ACT

Hon. Pierre Pettigrew (Minister for International Trade, Lib.) moved for leave to introduce Bill C-41, an act to amend the Canadian Commercial Corporation Act.

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

* * *

*[Translation]***INTERPARLIAMENTARY DELEGATIONS**

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, I am honoured to present, pursuant to Standing Order 34, in both official languages, the report of the Canadian delegation of the Canada-Europe Parliamentary Association to the fourth part of the session of the parliamentary assembly of the Council of Europe, held in Strasbourg, France, from September 24 to 28, 2001.

Mr. John McKay (Scarborough East, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the report of the visit by the Canada-Taiwan Parliamentary Friendship Group between August 1 and 8, 2001.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have the honour to present the 38th report of the Standing Committee on Procedure and House Affairs, on the referendum regulations.

[English]

NATIONAL DEFENCE AND VETERANS AFFAIRS

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on National Defence and Veterans Affairs on the state of readiness of the Canadian forces response to the terrorist threat. Notwithstanding Standing Order 109, the committee requests a government response in 90 days.

This interim report contains 19 recommendations related to the budget, personnel levels of the Canadian forces, equipment requirements, the need for review of foreign and defence policies, our emergency preparedness agencies, as well as the role of the reserves and special forces.

LOUIS RIEL ACT

Mr. Reg Alcock (Winnipeg South, Lib.) seconded by the hon. member for Rimouski-Neigette-et-la Mitis, moved for leave to introduce Bill C-411, an act respecting Louis Riel.

He said: Mr. Speaker, I thank the member for Rimouski-Neigette-et-la Mitis and a number of other members from all parties in the House who participated in the development of the bill. I recommend it to the House for early passage.

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

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CARRIAGE BY AIR ACT

Hon. Ralph Goodale (for the Minister of Transport, Lib.) moved that Bill S-33, an act to amend the Carriage by Air Act, be read the first time.

(Motion agreed to and bill read the first time)

* * *

• (1520)

PETITIONS

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to rise to present two petitions from citizens of the Peterborough area who are concerned about kidney disease as a serious problem in Canada. These citizens would like to see the name of the Institute of Nutrition, Metabolism and Diabetes changed. This is our national institute which within the Canadian Institutes of Health Research is responsible for kidney research.

My constituents know that it does fine work, but they believe that it would be better if its name included the word kidney because then the public would understand what fine work it does. These citizens call upon parliament to encourage the Canadian Institutes of Health Research to explicitly include kidney research as one of the institutes in its system to be named the institute of kidney and urinary tract diseases.

VEHICULAR THEFT

Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance): Mr. Speaker, vehicular theft is a serious problem not only in the large urban areas but in many smaller communities as well.

That is the case in my constituency. One person died and another was seriously injured in a recent auto theft. Citizens feel that there is no deterrent through sentences handed down from the courts and that individuals found guilty of vehicular theft causing permanent bodily harm or ultimately death should receive the utmost penalty offered by the courts.

The petitioners call upon parliament to enact changes to the criminal code governing vehicular theft whereby harsher sentencing would be applied by the courts to those found guilty as charged.

Government Orders

YOUNG OFFENDERS

Mr. Bill Matthews (Burin—St. George's, Lib.): Mr. Speaker, I have the privilege to present a petition today on behalf of several hundred residents of St. Lawrence, Newfoundland, the Burin Peninsula region of Newfoundland and people from all across the country dealing with the tragic and unnecessary death of a 15 year old gentleman by the name of Joshua Doyle. Two young youths have been charged in this incident. One is 15 years old and the other is 18 years old.

The family and many friends of Joshua Doyle are petitioning the House of Commons that the 18 year old who has been charged be tried in adult court and not in young offenders court because the family and friends fear that the treatment would be a little too lackadaisical and not severe enough. This was a very tragic incident where a 15 year old young man lost his life unnecessarily.

[Translation]

MOTION M-241

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I have the pleasure of presenting a petition signed by constituents from my riding who feel that Motion M-241 should be adopted by the House. The petition reads as follows:

Whereas Motion M-241, which reads as follows:

That a humble Address be presented to Her Excellency praying that she will intercede with Her Majesty to cause the British Crown to present an official apology to the Acadian people for the wrongs done to them in its name between 1755 and 1763.

is currently before the House of Commons;

Whereas the advisory committee set up by the Société nationale des Acadiens, in its report presented on October 1, recommended, among other things, that the Société nationale des Acadiens continue its representations, so that the historical wrongs done during the deportation be officially recognized by the British Crown; that the motion be sponsored by all Acadian members in the House of Commons, regardless of their political affiliations;

Whereas Motion M-241 enjoys a great deal of support within the Acadian community;

We, the undersigned, are asking the House of Commons to take all necessary measures to ensure that Motion M-241 is finally adopted.

* * *

• (1525)

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

[English]

COMMITTEES OF THE HOUSE

TRANSPORT AND GOVERNMENT OPERATIONS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order. Following discussions among all parties I believe you would find unanimous consent for the following motion. I move:

That the members of the Standing Committee on Transport and Government Operations be authorized to travel to Washington, D.C. in relation to a study of airline and airport safety from Sunday, November 25 to Tuesday, November 27, 2001, and that the necessary staff accompany the members of the committee.

The Speaker: Does the hon. parliamentary secretary have unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[English]

PREBUDGET CONSULTATIONS

The House resumed from November 1 consideration of the motion, of the amendment and of the amendment to the amendment.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I will be sharing my time with the member for Renfrew—Nipissing—Pembroke. It is my delight to be able to rise in the House to enter into the debate about the most important function parliament should be providing: oversight of the expenditure of taxpayer money.

We are talking today in a prebudget take note debate. The motion of the government is that we simply take note of the debate. That leaves it pretty wide open. Our leader, the leader of the official opposition, has moved a significant amendment. Besides taking note of ongoing prebudget consultations the amendment says:

and in particular, the need to increase spending on national defence and public security by reducing waste and spending in low and falling priority areas, such as the proposed new Industry Canada-HRDC strategy paper, preserve and accelerate scheduled tax reductions, restore confidence in the Canadian dollar, and avoid falling back into a fiscal deficit.

The hon. Bloc member for Drummond has moved a further amendment. She has added the words “while improving the employment insurance system” to the motion and the amendment. That is what we are dealing with today and I will add a few comments about it.

It is a man thing. We do not like to ask for directions. We will drive around looking for a place. If we happen to find it that is great and if we do not that is too bad. I must confess that another man thing has caught me a couple of times although now that I am in my mature years I am finally over it.

Government Orders

I had a habit of driving my vehicle until the gasoline tank was almost empty. This happened on several occasions. On probably three or four of these occasions my wife asked why I did not stop for gasoline. We were going through a town which had service stations and the gauge said the tank was near empty. I told my wife there was no problem and said we could get to the next town. On three or four sad and, shall I say, emotional occasions I ended up walking for gasoline.

The reason I say this is that when we drive through a town where service stations are ready to serve and then get out into the country and run out of gas, we have missed an important opportunity. That is what I want to emphasize today. The government in its budgetary practices of the last seven or eight years has missed a golden opportunity. I mean that in the truest sense of the word.

There is no better time to pay down debt and get our fiscal house in order than when times are fiscally good. They have been good in the last four or five years.

The finance minister, the Prime Minister and all other members of the government like to gloat and say they are the ones who were so great at managing the economic and financial affairs of the country. They say they have surpluses and have paid down the debt.

However they have dropped the ball big time on this issue, an issue we have heard about in the finance committee over and over again: the need to reduce our debt.

It is important when times are good to get rid of the debt. However the Liberal government, while gloating that it has managed the financial affairs of the country so well, has failed miserably. It has driven through town when fuel was available and run out of gas in the country. How did that happen?

● (1530)

If we ask Mr. Average on the street whether we have less debt now than we did when the Liberals were first elected in 1993, most people would say yes, they have paid down a whole bunch of debt.

I will point something out for Canadians who happen to be listening on CPAC or in the hope that the people in the press gallery will report it. When the Liberals took power in 1993 our net debt was \$508 billion. Under their watch the debt grew. Four years later in 1997 it reached a peak of \$583 billion. In the last couple of years the Liberals have paid down a bit of it so our net debt is now down to \$547 billion.

This is my old teaching career coming out here but I wish I had an overhead so I could show this on a graph. The best I can do is make a picture. The debt grew until 1997. It has since come down a bit. However if we compare our situation now with our debt in 1993, we have a net debt which is \$39 billion more than it was in 1993.

We have almost \$40 billion more debt now than in 1993. It would not have been possible for any government, no matter how well intentioned, to have stopped borrowing immediately on the day of election. I concede that. It would have taken two or three years for even a prudent government to stop borrowing. However the Liberals drove through town without filling up the tank. They failed to pay down the debt when we had substantial surpluses.

I am miffed about this. When I look at the numbers, I am upset that the Liberals have paid down so little of the debt. By now it should have been down at least to what it was in 1993. It was achievable.

An interesting number threw itself at me when I looked at this. It so happens that our peak debt in 1997 went down by \$36 billion to reach the level it is at now. I thank the Liberals. I praise them. I congratulate them for doing at least that. They have reduced the debt by \$36 billion.

Do members know what number surprises me? During the same interval the amount of money the government took out of EI contributions minus what it paid in EI happens to be \$36 billion. The amount of money the government used to reduce the debt happens to be, to the nearest billion, the same as the amount it took from employers and employees through excessive contributions to the EI fund.

The economy has been rolling. Income tax revenues are way up. Despite its highly effective communication skills the Liberal government has managed to spend all that extra money while taking EI money to apply to the debt. It should have done a great deal more. It should have reduced the debt substantially more than it did.

There is another thing we ought not to forget. During this term of office the government has taken some \$30 billion from the public servants pension fund which it managed to spend. It did not apply it to the net debt. It managed to spend it.

Perhaps not all of it belonged to the employees. I argued when the bill was in front of the House that it should have been shared because the employees contributed to it. The taxpayers also ostensibly contributed via the government. However the government took all \$30 billion. Where is it now? It is down the tube.

● (1535)

I charge the government with financial mismanagement and missed opportunity.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I listened with great interest to what my colleague had to say. I would remind him that in 1993, if I understood the way he couched his remarks, the government inherited a situation which is extraordinary when we think of it now.

We were taking in about \$120 billion and spending \$162 billion every year. Every year a shortfall of \$42 billion was stacked on to the debt, as the hon. member stated. That is almost a billion dollars a week. However the momentum of that enormous debt is something the hon. member mentioned but did not give sufficient emphasis to.

With regard to paying down the debt, the member used the pleasant folksy analogy of driving his car. I have great sympathy with him, particularly because when the price of gas was high I did exactly that. I once ran out of gas 200 metres from a gas station because I hoped it would be cheaper somewhere else.

Government Orders

I will give another analogy of a family which finds itself in a home with an enormous mortgage. It may be no fault of its own but for whatever reason the family has an enormous mortgage and must decide what to do.

We would all love to finally pay off our mortgages. I would love to. Perhaps the member has already done it. The family in this home discovers it must fix the roof. The parents must feed themselves and their children. Their kids must go to school. They need transportation. They need to do a great variety of things in addition to paying down the mortgage.

The hon. member says we should have paid down the debt. What would the member have done? Would he have starved the children, let the roof leak or given up personal transportation? What would the hon. member have done to pay down the debt?

Mr. Ken Epp: Mr. Speaker, I am pleased to respond to the member's thoughtful question. We would have done just what our plan suggested. I do not know if the hon. member remembers, but in 1993 our election platform included a plan to get rid of the deficit in three years. Zero in three was the plan. That is what the government happened to do.

Our projections were more accurate than those of the finance minister. At the time the government said it could not be done. It said it was bad, anti-Canadian and so on. Our plan was methodical. We would have continued to meet the needs of Canadians in social areas just as the Liberals did when they adopted our plan and implemented it in three years.

The election was in the fall of 1993. That parliament started in the fall of 1994 and lasted three years until 1997. During that time the government did exactly what we would have done and what the hon. member has now suggested.

However we would have done it differently from 1997 until now. That is what I was talking about. A great deal of surplus money was available. All the government did was take money out of EI and pay it against the debt. It managed to spend all the rest.

That is like a family with bills that exceed its income. The budget was finally balanced and the government was earning more than it needed for all the necessities of life.

What did it do? Did it pay down its mortgage as rapidly as it could so it could manage it better when things turned tough? No, it did not. It found new ways to spend it. The kid wants a TV in his room. Another kid wants new hubcaps for his car. The government wasted the money on a bunch of frivolous things Canadians do not generally support. As a result the money used to pay down the debt was about half what the government could have used.

We could have been back down to at least the debt level of 1993. We would not still have to pay, as we are paying this very day, some \$40 billion a year on interest. That is a huge drain on government coffers. It prevents us from doing what we should be doing in terms of helping to fund education and health care. It prevents us from looking after the defence of our country, which is such an urgent matter these days.

● (1540)

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, it is indeed an honour and a privilege to rise in my place on behalf of the people of Renfrew—Nipissing—Pembroke to take part in this take note debate on the budget that will be presented later this year by the Minister of Finance.

First, let me say that while we are delighted, we in the official opposition are not surprised that the Minister of Finance has decided to now come forward with a budget document. It has been very clear that since the opportunistic election call of November 27, 2000 the government has been pursuing a leaderless agenda. It is obvious to Canadians the agenda that has been set is the one being driven by the official opposition under the very able leadership of the Canadian Alliance.

Members of the Minister of Finance's party have been saying they are looking for suggestions, not just criticism of the government's lack of leadership. While that demonstrates an ignorance of the role of the official opposition, I am pleased to make a number of suggestions for the Minister of Finance to follow through on.

In reality, the government will only say what is necessary to get re-elected. Remember the broken GST promise? Let us face it, that is a credibility issue for the government. Every day the Liberal PC/DRC GST tax remains in place is a day which the Liberals demonstrate that they are no different from the PC rump that voters said enough is enough to. If the minister had ever truly wanted to demonstrate to the poor beleaguered small business owners who were turned into tax collectors by the government to collect this tax that there is a difference between this government and the last one, he would have cut the GST as promised in 1993.

The minister and his party campaigned on cutting the GST. Well, Canadians all know about the campaign promises of that party and honesty in government, particularly when they look at how the finance minister and his leader have shamelessly embraced the GST, the same tax about which they were so adamant that they would eliminate should they get into government.

Is it not ironic that even the Liberal government's big business friends, in this case the banks, are telling the government to cut the GST. If the past is any indication, usually when the big banks talk, the government listens.

While in the past we in the official opposition have warned of the sellout of the government to big business at the expense of working Canadians, it will be interesting to see whether or not the minister listens to his big business friends. I am sure they expect something for all those political contributions to the party, and I suspect to his leadership campaign coffers as well.

Publicly the Minister of Finance is saying that he would resist any call for an expensive spending package and he is right in taking that position. That does not mean the government should not continue to make stimulative investments in our economy. Nor does it mean that the Minister of Finance should use the events of September 11 and the fact that our economy was already headed into a recession prior to September 11 to continue to avoid paying the federal government's fair share toward health care.

Government Orders

The federal government may now cry that it does not have the money to properly pay for health care, but it is all a question of priorities.

If the government had not spent \$500 million, \$600 million, \$700 million, or whatever the figure is on its hated gun registry, that money could have been available for health care.

In the same way, if the government had not spent the \$500 million or \$600 million cancelling the PC helicopter contract, only to turn around and purchase the same helicopter for \$700 million, that money would have been available for roads, clean water and quality health care with no need to raise taxes the way the finance minister has 63 times since 1993.

When it comes to health care, the fact is that the government is spending less as a percentage of actual spending than it did six years ago.

At 14% of public health care expenditures, the federal government is a long way off from the 50:50 split that was the original agreement when the provinces and the federal government signed the Canada Health Act. It remains \$2 billion less than the 18% that the premier of Ontario is asking for on behalf of the province of Ontario and all other provinces that face the same crisis in health care funding.

• (1545)

In my riding, due to health care funding cuts by the federal government, one of the local hospitals in the city of Pembroke was closed. Now the remaining hospital, in its effort to provide quality community health care, has embarked on an ambitious expansion program. Is it fair to ask a community of 15,000 people to raise \$8 million for health care service that city dwellers take for granted? Obviously the government thinks its fair by its actions.

We are now raising the funds locally for a CT scan, old technology. We can only dream about an MRI.

The finance minister is well aware of the health care situation in Pembroke as he has two aunts who are locally in our care. The minister should be able to show some compassion and help us to eliminate the two tier health care situation that we have and which is a reality for too many Canadians in rural Canada.

Ontario has done a reasonable job in tackling the chronic underfunding of health care by the federal government because in Ontario good health is a priority.

The down side of this is that while Ontario and the other provinces are forced by the federal government to allocate more and more of their revenues to pay for this underfunding, other areas of importance face cuts. The decision by the federal government to not properly fund health care is having an undesired ripple effect on the people who depend on these services. The Minister of Finance needs to correct this imbalance.

As a mother of four school age children, I know that Ontario's teachers are working hard to provide quality education for students. Teachers tell me that we need to make more public education investments.

It is all a question of priorities. While the government always seems to have money for its pet projects of social engineering, the

money never seems to be there for things like health care and education.

In my riding of Renfrew—Nipissing—Pembroke we have a stretch of the Trans-Canada Highway which local residents refer to as the killer highway. The federal government has sadly neglected infrastructure investments in things such as highways. The water tragedies in Walkerton, Ontario and North Battleford, Saskatchewan mean the provinces need the funds to make investments in clean water infrastructure and in the environment.

Communities throughout my riding have been waiting on the federal government to make a decision with regard to the federal share of the Canada-Ontario infrastructure program, money that has already been announced. There is a rumour among Ontario municipalities that since the government has already taken the credit in press announcements for this program, it intends to pull out and not provide any of the promised funding when the program was announced. I hope the Minister of Finance issues a press release with that announcement if that is going to be the case. If not, get on with it. Let the cash flow.

I have had representations from the town of Petawawa for its Trillium Four Seasons Trail project which is an excellent proposal with significant community backing. The issue is one of safety. As well it provides local economic stimulus.

The municipality of Bonnechere Valley is looking for funding to renovate the Eganville and area community arena building. This building has been the focal point of community sports and cultural activity since 1950. It generally needs upgrades such as the ice-making equipment that dates back to 1968.

Nearly all the municipalities in my riding have submitted proposals for water and/or sewage project upgrades, including the towns of Deep River, Renfrew, Petawawa, Arnprior, Laurentian Hills and the city of Pembroke. The townships of Whitewater Region, Madawaska Valley, Killaloe, Hagarty and Richards, South Algonquin, Admaston/Bromley, Sherwood, Jones and Burns and the municipality of Bonnechere Valley have also submitted proposals that would see upgrades to their water and/or sewage facilities.

The county of Renfrew and the township of South Algonquin are looking to repair bridges. The township of Brudenell, Lyndoch and Raglan wants to upgrade the fire hall. The township of North Algona Wilberforce wants to construct a salt spill containment structure.

My suggestion for the Minister of Finance is to leave announcements already made in place and start funding the applications in this program.

My next suggestion for the Minister of Finance that promises to pay substantial dividends to the Canadian economy now and in the years to come is the construction of the Canadian neutron facility in Chalk River, Ontario.

Government Orders

•(1550)

My constituents have been told for well over a year now that the project has been approved in principle by cabinet. We are still waiting for the necessary funds that were promised a year ago. This was a campaign promise the minister's party made in the last election to the voters of Renfrew—Nipissing—Pembroke. The people of my riding are watching very closely to see whether or not the minister intends to keep his promise and provide the necessary funds.

It is clear the Minister of Finance will have some tough choices to make in his upcoming budget.

I have not spoken about funding the war on terrorism yet, which will require a substantial funding commitment from the federal government. Many of the suggestions being made are things that should have been done regardless of September 11, such as proper staffing and training for employees at all of Canada's border crossings. Maybe now after years and years of underfunding Canada's military, the Minister of Finance will provide—

The Acting Speaker (Mr. Bélair): I am sorry but I must interrupt the hon. member. On questions and comments, the hon. member for Dewdney—Alouette.

Mr. Grant McNally (Dewdney—Alouette, PC/DR): Mr. Speaker, her speech last night on the softwood lumber debate was a good representation from the member, and I have one question which also relates to prebudget consultations.

I am quoting from *Hansard*, page 7067. The member said: "Noted military historian Gwynne Dyer said recently in a speech in Pembroke that the price of free trade has been a loss of Canadian sovereignty". I am wondering if this is something she agrees with since she quoted it. It seems to be contrary to the Alliance's position on free trade.

Mrs. Cheryl Gallant: Mr. Speaker, that quote was made in my speech last night to give an indication to Canadians what people out there are thinking.

Mr. John McCallum (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I have a question for the hon. member on the subject of health care. I heard her echoing the thoughts of the Ontario government that this was a problem caused by the federal government. I would like to suggest two facts and see what her answer is.

First, she may be aware that recently, just before the election, the federal government put an extra \$23 billion over five years into health care. This year alone the increase for Ontario was \$1.2 billion which was 100% of the increase in Ontario government spending this year on health care. Effectively the federal government this year covered 100% of the increase.

Second, I would have thought that governing was a question of choices. The Harris government chose to have major tax cuts long before it was into a surplus, when it still had big deficits. It is choosing to implement a corporate tax cut of \$2.2 billion on January 1 next year. Surely it is equally or more the case that the problems it has in health care are a function of its own rapacious tax cutting long before it got out of deficit.

Mrs. Cheryl Gallant: Mr. Speaker, with the accord by the provinces with respect to health care, even with that dedication of

money, when the final phase is in place it will still be below the point of funding in 1993.

The Ontario government has done a fabulous job of putting money back into health care. In fact it has shored it up and put in even more than the amount of the federal shortfall. It did this by cutting taxes. Cutting taxes creates jobs. More jobs for people mean more revenue. More revenue means that there is funding for our necessary health care. It is our hope that the government will follow through with its promises and like the economic engines of Canada, Ontario and Alberta, it will continue to cut taxes to grow the economy.

•(1555)

Mr. Grant McNally: Mr. Speaker, I would like to follow up on my previous question.

I agree that tax cuts can lead to stimulating the economy but I would also indicate that free trade can provide a vast number of jobs. It has been a good program, although the Liberals originally were against free trade. It was brought forward by a previous Conservative government.

I want to ask the member again about the comment she made last night. She said it was a voice being added to the debate. Does the member agree with the comment she made last night, that the price of free trade has been a loss of Canadian sovereignty? Yes or no.

Mrs. Cheryl Gallant: Mr. Speaker, I was quoting somebody. To answer the question, I personally do not believe that free trade threatens sovereignty.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to join in the prebudget debate. I want to talk not so much on how much money we should spend on science and research but on how we should spend some of the money in the budget on science and research.

I will be splitting my time with the member for Stoney Creek.

I want to talk about the initiative of the hon. member for Bellechasse—Etchemins—Montmagny—L'Islet for the creation of a national science organization known as the Canadian academies of science.

I want to share with the House an overview of that proposal, its potential roles, operations, members and the assessment panel process which it would include.

As the sciences move to the centre of decision making in all walks of life, consideration must be given as to how Canada as a society keeps abreast of the impacts and implications of advances in those sciences.

In many countries, national academies play a key role in fulfilling this function. For some time there have been calls for the creation of a national science organization in Canada mandated to conduct independent assessments of the science underlying pressing issues and to provide a strong Canadian voice for the sciences, both nationally and internationally.

Government Orders

As it stands, Canada is one of only two G-7 countries without a recognized national science organization that fulfills these functions. The Royal Society of Canada has conducted assessments of science issues of public concern on an ad hoc basis but it has found that it is very difficult to conduct such assessments on a contract basis.

Without a standing capacity to deal with complex issues, Canada lacks the ability to keep pace with the impacts and implications of advances in the sciences. Furthermore, without an internationally recognized national science organization, it is very difficult for Canada to benefit from the excellent work carried out by foreign academies.

In October 2000, representatives of Canadian science and science related organizations participated in a national round table to consider the creation of a national science organization here. I was pleased to be part of that event. It was a fascinating discussion and in the end we arrived at a consensus in principle on the need for an independent, multidisciplinary, national academy for the sciences and humanities to conduct assessments of the science underlying pressing issues.

In February of this year the hon. member for Bellechasse—Etchemins—Montmagny—L'Islet, in his capacity as Secretary of State for Science, Research and Development, established a working group from a cross section of the round table participants. The goal was to develop a proposal that would address the role, scope and funding of such an organization, and to seek a broad and diverse base of support for the Canadian academies of science within the Canadian stakeholder community.

The working group carried out extensive consultation with academe, science organizations, learned societies, non-governmental organizations, federal government external advisory committees and individuals. The proposal was posted on public websites and distributed to participants of the October round table.

Targeted consultations were also conducted. The proposal was presented during the Standing Committee on Finance's prebudget consultations. Overall the consultations were positive and identified a broad base of support for the establishment of a national science organization.

The academies of science, through its mission, mandate, structure and operating processes, would be an independent, inclusive, impartial and objective organization that would operate in an open and transparent manner.

The Canadian academies of science would provide Canada with a voice on behalf of the full spectrum of the sciences defined to include natural science, engineering, health sciences, social sciences and the humanities.

Its mission would be twofold: to deliver credible, independent, expert assessments of the sciences underlying pressing issues; and to provide a Canadian voice on behalf of the sciences, both nationally and internationally.

Informed decisions in a knowledge based society rest on a foundation of independent, multidisciplinary assessments of the sciences.

● (1600)

At a minimum, assessment establishes an extensive picture of complex issues and clarifies the lines of debate. At its best, the assessment process builds a common base of understanding and establishes a consensus on the questions that remain to be answered.

The Canadian academies of science would provide a critical public service by ensuring independent, unbiased expert assessments of the science underlying pressing issues. These will be used to support informed decision making by the public, the government and other stakeholders, and to consider the impact of expanding knowledge on society.

It is important to distinguish between advice and assessment. Advice makes recommendations concerning a course of action, whereas assessment is the step prior to advice that identifies the scientifically sound evidence with the objective of informing the deliberative process. In a knowledge based economy, informed decisions rest on a foundation of independent, multi-disciplinary assessments of the sciences.

National academies around the world have a long tradition of providing high quality, independent assessments. An excellent example is the recent U.S. national academies' assessment report on stem cells. This report did not try to set policy but rather strives to inform congress and the executive branch. The assessment panel has one goal: to establish the facts about stem cell research based on documented evidence.

The challenges and opportunities that arise from advances in science are increasingly international in scope. Effective responses will increasingly require a collaborative approach that draws on the scientific and technological expertise in a number of countries.

Together with its member organizations, the Canadian academies of science will participate in joint activities with national academies around the world.

Our model uses an umbrella structure as called for during the October round table. The umbrella structure ensures the Canadian academies of science works with its member organizations to fulfill its mission and mandate. It will synergize and complement the important contributions of its member organizations and other Canadian science organizations. In essence, it parallels the U.S. national research council structure and is similar to the governing structure now employed by Genome Canada. At the same time, it is uniquely Canadian, as reflected in the inclusive nature of the board of governors.

Member organizations are, in effect, the shareholders of the Canadian academies of science. Close collaboration, including the ability to call upon the diverse membership and networks of the member organizations, is critical to the delivery of the academies' mandate.

Government Orders

The Canadian academies of science would be governed by an inclusive, diversified and balanced board of governors of 12 to 20 members. Member organizations will appoint one half of the board members or two per organization. The balance of the board will be drawn from the general public. Scientific credentials will not be a prerequisite for these members. General public board members will be selected on the basis of their leadership within their communities and a demonstrated commitment to Canada.

The board of governors will approve and direct the Canadian academies of science programs and administrative operations. It will also actively develop and maintain linkages with equivalent international bodies in partnership with member organizations and other Canadian science organizations.

With respect to the budget, it is estimated that the Canadian academies of science would require an annual operating budget of \$3.5 million. As noted earlier, this is a consultative proposal. To date we have received excellent feedback and I certainly applaud the efforts so far.

The government has invested heavily in science and technology. To gain maximum benefit from those investments, we need to change the way we organize full spectrum science in the country. The Canadian academies of science would do exactly that.

• (1605)

Mr. Tony Valeri (Stoney Creek, Lib.): Mr. Speaker, it is certainly a pleasure to have the opportunity today to speak to the prebudget debate and reflect on what I am hearing in my own constituency with respect to the upcoming budget and what types of things the constituents are looking for in this upcoming budget.

Clearly, constituents are asking the government to take steps to ensure that our economy remains stable as a basic hypothesis. However, along with the funding of a security agenda, which is a priority for Canadians, constituents are also asking the government to maintain a balance both financially and in its approach. This means that along with funding the security agenda, we must also continue to invest some dollars in the areas of skills training and research and development which, going forward, would help to continue to build our economy.

I think Canadians and certainly my constituents are looking to the government to lay out some short term objectives and some medium term objectives, given the type of environment that we are in today. It is very clear that the immediate or short term objective is security, meeting the security challenge and ensuring the security agenda is funded effectively. This means an increased investment in CSIS, in the communications security establishment dealing with our policing, and in the RCMP to ensure we prevent the Canada-U.S. border from being held hostage by terrorists as a result of the September 11 tragedy. We must also work with the international community to bring terrorists to justice. All those things involve money but constituents are calling for some increased investment in those areas.

I think what constituents want is to have their confidence and hope restored as we move through this tragic time. We can restore confidence by restoring the free flow of goods and by pursuing an open and fair free trade with our largest trading partner, the United States of America. We can restore hope by investing in people and

by ensuring people have access to education and to enhanced skills training.

We must ensure that stakeholders have an opportunity and a say in what kind of training is required in their particular sector. We must help apprentices who need to continue to improve themselves when they are engaged in training.

Those types of investments would send a signal that the government is investing in Canadians so they can improve their skills and continue to remain competitive, and improve productivity.

We also need to continue to invest in research and development if Canada and its economy is to continue to grow and innovate.

I heard directly from a representative of a university in my riding, McMaster University, who made it very clear that a challenge the universities are facing with respect to research are the indirect costs of research. I know the finance committee, in its travels across the country, heard that message. We need to respond to that type of request.

Health care concerns remain very high for the constituents of Stoney Creek. We are committed as a government to the over \$20 billion transfer to the provinces. That type of stimulus is what is required as we move forward.

Security, the concept of security, being able to protect ourselves from the threat of chaos, from the threat of terrorism, is the underpinning of a strong economy. Knowing that we have open access to our largest trading partner is critical and security is the key to ensuring we have that open and free access.

Ultimately, what are constituents saying in this period of prebudget consultation? In my constituency they are saying that the major issue this budget needs to address is the issue of borders. It is border, border, border.

• (1610)

As a country we are dependent on trade: 87% of our trade is with the United States and 25% of that trade comes back. It is a two way flow of trade. It is important that we have access. Not only do we need to do work in terms of the international trade area and trade agreements such as softwood lumber, we have a section 201 action on steel. These are issues that we need to resolve and clearly we have a strong case. As a government we cannot for one second hesitate in putting forward a strong Canadian position. I think we have done that and we will continue to do that.

We also have to make sure that we have access to the North American economy through a free and open border. In fact I am told that Ontario's trade with the United States of America is equal to or greater than United States trade with the European Union, just to give members the sense of the size of the trade between this province and the United States.

Therefore the border is the number one economic issue as we go forward. We need more resources allocated along with a co-ordinated plan to co-operate with our largest trading partner. We need to understand those challenges and respond to them and we need to collectively resolve the issue.

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Improved border infrastructure is required. Highway infrastructure improvements are needed as we get access to those borders. I am sure, Mr. Speaker, that you have a number of examples in northern Ontario with respect to highway infrastructure. Let me give the House one example in southwestern Ontario.

I was told today that between Toronto and Miami there are 15 stoplights. Thirteen of those stoplights are in Windsor. As we access the border and emphasize the need to get our products to market in the most efficient way, 13 stoplights is not acceptable. Along with dealing with the border infrastructure required as we respond to the security challenge and fund the security agenda, we must also ensure, in co-operation with the provinces, that we address the highway infrastructure improvements that are required, again focusing on the need to improve that trade flow and ensure open access, ensuring that our companies, those that create jobs for Canadians, can get their products to the United States of America as quickly and as efficiently as possible.

In summary, what are constituents saying? They are saying that the government cannot abandon Canadians' hard won progress. They are saying that the government must balance the budget, as it has, must pay down the debt, as it has, and must reduce federal tax, as it has. We cannot jeopardize the hard won progress Canadians have made in meeting those achievements.

As a government we should not shy away from reallocating, and we should be prepared to reallocate from low priority to higher priority areas where we need to. We should ensure that those high priority areas are clearly financed and properly financed.

Finally, what constituents are saying is this: absolutely no deficit financing.

• (1615)

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Mr. Speaker, I listened with great interest to the last member and in particular to his comments about the need for infrastructure. He emphasized Ontario but I have to reflect this in terms of my own province of British Columbia.

Governments in general have an excise tax on gas. The Liberal government right now takes in about \$1 billion a year in fuel taxes from my province of British Columbia and yet it spends only about \$200 million nationally on this highway infrastructure the hon. member talked about. If he thinks there are problems with highway infrastructure in Ontario, imagine the challenge we have in British Columbia with our highly mountainous terrain. B.C., being forestry dependent and having a lot of mining product that goes south, needs a very good highway infrastructure and it is very expensive to maintain.

Having made a comment about the infrastructure in Ontario, what does he think about his government's policy of spending \$200 million a year on the highway system nationally while extracting \$1 billion from British Columbia alone? B.C. needs some of its own money back so it can fix its highway infrastructure.

Mr. Tony Valeri: Mr. Speaker, I certainly understand the hon. member's comment about the infrastructure in British Columbia. When I made reference to the challenges in Ontario I did not do so to

the exclusion of other parts of Canada. Clearly there are challenges right across the country.

The point I was making is that we need to ensure a free and efficient flow of goods to our largest trading partner, and certainly there are border crossings in British Columbia that require improved infrastructure. I would fully support the point that we need to embark upon a much broader program and approach to a highway system or a national highway system.

On the matter brought up by the member with respect to the dollars spent versus the dollars taken in by the federal government in terms of an excise tax, that really speaks to a formula for a directed tax whereby a certain amount of money is allocated to a particular area of expenditure.

I have a problem with directed taxes. While I support the need for improvement in infrastructure, the problem with directed taxes is that if we adopt a position of directing tax dollars a number of envelopes are set up right across the bureaucracy and when there is no longer a flow of money we must stop spending in those areas. If we were to find ourselves with a clear need for infrastructure and excise tax dollars that need to be directed actually drop for some reason, we would not have the capacity to find other money. I am much more in favour of recognizing that the area is a priority and that collectively with the provinces we work to resolve it, ensuring that there is federal participation.

[*Translation*]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, the member for Stoney Creek began his speech by saying that steps must be taken to ensure that our economy remains stable.

Our finance critic, the member for Saint-Hyacinthe—Bagot, asked the Minister of Finance questions for weeks on end, even suggesting a plan of action to him, for the very purpose of ensuring that our economy remains stable, that it can get back on track in the wake of the events of September 11 and the recent crisis.

He also talked about what his constituents wanted, but we learned very little, except perhaps regarding highway infrastructures. He also said that, whatever it takes, we must hang on to a balanced budget, because this has been a hard won battle and an important one.

I would simply remind him that it is the majority of workers who have paid down the deficit, because of EI cuts.

Would his constituents, who are workers, not like to see the EI system reformed and the rules relaxed?

• (1620)

[*English*]

Mr. Tony Valeri: Mr. Speaker, certainly I want to respond to the hon. member's comment with respect to the call by the Bloc that the government should now somehow intervene and stimulate the economy in order to get us through this downturn.

It is also fair to say, and the hon. member should recognize this, that the \$100 billion in tax cuts that was announced is now in the pipeline. The tax cuts are now hitting the economy as we move forward. The transfer of over \$20 billion to provinces is now coming through the pipeline and that will hit the economy.

The drop in interest rates will create an enormous amount of stimulus. A lot of stimulus will hit the economy as we move through this and it will improve the economy. Going forward, what workers in my constituency want is to ensure that they have the opportunity to work and that their employment is secure.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am pleased to have this opportunity to speak in the prebudget debate. My colleague from Regina—Qu'Appelle spoke eloquently a few days ago in debate and laid out the general approach on behalf of the New Democratic Party. However, I too want to add my concerns about the state of the economy and what is facing low income Canadians in particular as we now move into the prebudget and into what will unfold in a budget that will be before us very quickly.

I heard the member across the way talk about the need for security. There is no question that the events of September 11 have heightened everybody's awareness about issues of security. I remember reading the headline in the *Globe and Mail*, "One billion dollars for security". I guess that is just the early estimate of what these measures will cost us.

In speaking in this debate today, I also want to put forward, as many people are doing, the idea and the importance that security is more than border crossings, more than police enforcement and more than protection of our borders or airports. They are important security measures about which Canadians are very concerned, however, security can also mean other things, particularly in the lives of Canadians who are at the bottom of the economic system. We can talk about food security, housing security, income security and services or program security.

I feel very saddened when I look at previous budgets in the House and see that there has been very little emphasis and very little debate around that part of security and what it means to Canadians. As we approach the budget and give our responses and concerns to the finance minister and the government, it is very important that there be a full debate, with diversity in the debate, so that it does not just focus on almost a panic that sets in and a mindset that all money has to be funnelled into national security.

I think there is a very great concern out in the public among various organizations, whether it is the Canadian Labour Congress, the Canadian Council on Social Development, the National Anti-Poverty Organization or the National Housing and Homelessness Network, all of which have done an immense amount of work. They are contributing to this debate by pointing out that after four years of massive surpluses, which were actually created in large part by cutting back on our social programs, created on the backs of poor people, we have to be very careful that we do not move now into an era when low income poor people and disadvantaged people will again suffer a disproportionate burden as we move into a budget that will possibly have a huge emphasis on national security.

In my mail yesterday I received a very interesting report, and maybe other members received it too, "The Third Annual Report on

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the Status of Inequality in Canada", produced by the CSJ Foundation for Research and Education. The report is titled "When Markets Fail People, Exploring the widening gap between rich and poor in Canada".

I will begin my remarks today by quoting from this report because to me it really sets out one of the fundamental issues we are facing and yet I believe the government has miserably failed to deal with it. The report states:

This report, *When Markets Fail People*, asserts that growing inequality is fundamentally tied to our market system and that, both in periods of recession and recovery, inequality between rich and poor has continued to grow. This is why income inequality is at its largest spread than at any point in the last generation... Years of neo-liberal policies have promised that the private market is the best solution to inequality and that (somehow) we can simply grow our way out of poverty.

The report continues:

● (1625)

The study reveals that market income improvements during economic booms are very sticky. They accumulate at the top, flow somewhat to the top half of income earners, dribble down to the poorer half of the population and completely dry up before they reach the poorest 10% among us.

This is a stark conclusion and a sharp judgment on the economic policies of the Liberal government for the last decade. We have seen the Liberal government pushed from the right by the Reform Party, then the Alliance, to deal with the deficit and sink money into tax cuts that have not benefited the people in society who are most at risk.

Those tax cuts lined the pockets of people who were already affluent and wealthy. They meant a few dollars for working people but they were dollars that were sucked out of essential services. They were dollars that were sucked out of programs that could have established, for example, real accessible national child care programs or a national housing program.

We are at a critical juncture in terms of making a decision and correctly analyzing what the impact has been of the market ideology as it is played out in the federal budget on all Canadians, but particularly Canadians who have suffered in the last decade.

I quote further from the report because it is such an excellent one. An analysis was done by looking at other countries where different choices were made in terms of budgetary priorities and government spending. It points out:

Societies with a narrow gap between rich and poor are characterized by increased quality of life, improved health and higher education levels. We must eliminate the undue bias that all our systems afford the wealthy—education, health, criminal and civil justice, immigration and politics.

I respect the work that is embodied in the report because it gives us a message about what have been the failures in the last decade.

A few days ago there was an open letter addressed to the Prime Minister, the Minister of Finance and the Governor of the Bank of Canada. It was signed by about 100 prominent and progressive economists in the country. I will not read the list of people who signed the letter, but it was co-ordinated by the Canadian Centre for Policy Alternatives, an organization involved annually in developing the alternative federal budget. They applaud the Bank of Canada's recent interest rate cuts, but they also point out:

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We also strongly believe that these cuts are not, by themselves, sufficient. We therefore call on the government to enact a mix of appropriate spending and tax measures, with the emphasis on spending, that will produce the greatest fiscal stimulus to employment creation.

The whole idea of job creation and stimulating the economy is something that is critically important because the number of people who have been unemployed has actually risen by about 60,000. There is no question that more people will be facing economic insecurity in the coming months and years.

There is no question that one possible policy instrument that people see emerging, if the federal government chooses to make a progressive decision, is public investment in a national housing program.

There was an op-ed piece in the November 2 Toronto *Star* by Marcel Lauzière and Andrew Jackson who are with the Canadian Council on Social Development. They highlight and zero in on the incredible inequalities in society in terms of the growing gap between wealthy and poor. They state:

What we need in December is a budget that does something to maintain and create jobs, and improve the lives of the marginalized. How do we achieve this? There is no better candidate than investment in affordable housing.

I agree wholeheartedly.

• (1630)

I spent a few weeks travelling across the country before and during the resumption of parliament. I visited various urban centres: Edmonton, Winnipeg, Ottawa, Toronto and Vancouver. I will be in Montreal tomorrow. I even went as far as Iqaluit and Nunavut. I spoke with people who were experiencing housing affordability problems.

The number one priority of every place I went to and every group I met with was that we should try to convince the provincial or territorial government, but most important the federal government, to make an investment in social housing.

There is an urgent plea from both the labour movement and the Canadian Council on Social Development that a significant federal investment in a national housing strategy would not only produce economic security and create tens of thousands of jobs but would deal with what is now characterized as a housing crisis. We are looking at more than two million Canadians who are facing severe housing problems. This flows from either absolute homelessness and lack of shelter on the street, in effect destitution, or people who are literally one paycheque away from being homeless, whose rents are so high that they do not have enough money to pay for food.

I urge the government not turn a blind eye to the idea that a major investment in social housing is something that would be good for our economy. It would create jobs and meet a real social need. Research that we have done shows that if there were a one time \$2 billion investment in social housing we would be able to produce 46,000 new jobs next year. That would increase to 94,000 jobs in five years. The National Housing and Homelessness Network stated that \$2 billion could build between 30,000 and 40,000 social housing units.

The government's own agency, CMHC, said that in terms of the demand and the needs that exist we need to produce about 30,000 to

40,000 units of affordable housing every year just to keep pace with demand. That kind of investment would create good union jobs.

Yesterday we were debating softwood lumber crisis. I am from British Columbia. I know full well the impact on small communities and even on urban centres has been devastating as a result of the outrageous duties placed on softwood lumber. If the Government of Canada made a decision to invest in housing, we could use our own resource to build affordable housing for Canadians. There is yet another benefit in terms of the softwood lumber crisis.

According to CMHC each new housing unit creates between three and six full time jobs in total over a five year period. The Federation of Canadian Municipalities argued and put forward some excellent documentation that over the next 10 years we need 20,000 new houses to be built yearly and 10,000 units to be rehabilitated annually. A program such as this would have a very positive effect on our economy.

I will be introducing in the House of Commons a housing bill of rights. I believe it is a basic fundamental right that people have security of shelter.

The government's performance to date in this area has been very disappointing. In the last Liberal red book a promise was made for about \$680 million over four years. There is concern that even that commitment will now drop off the table.

• (1635)

Provincial and territorial housing ministers will be meeting at the end of November. There will be a lot of interest and examination of whether or not the federal government will at minimum be committed to that program, or whether it will heed the advice of organizations like the Federation of Canadian Municipalities and the National Housing and Homelessness Network and look at the provision of an affordable housing strategy as something that can help people and stimulate our economy.

I endorse that idea 100% and urge all Liberal members to look at that kind of plan, which would have a very positive effect both provincially and municipally.

I will also talk about other aspects of the budget the NDP view as very critical. One of those areas is infrastructure. We have a Liberal task force currently working its way across the country and looking at the need for urban infrastructure.

I am from the city of Vancouver where infrastructure is at risk from years of lack of funding. It is critical to have a program of sound public investment in infrastructure, whether it be water filtration upgrading or public transit. There is strong support from Canadians for these critical things.

Canadians have been asked repeatedly in many polls whether they would prefer to have tax cuts or an investment in basic social infrastructure. Time and again they choose social investment because they understand that the quality of local communities and the quality of life actually improve for all people.

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It is another significant area which should be a key priority for the government, not just in terms of dealing with major problems in our urban environment but also as a way of meeting our international commitments at Kyoto by financing and supporting public transit.

We do not even think about the subsidization of private vehicle use and highways. It is not part of the balancing of or equating how we direct public funds. There is massive subsidization of our highway system and private automobile. When it comes to public transit, though, we do not see it on the same footing. Yet the benefit of financing and supporting public transit is something that is far greater.

I represent a riding that is made up of a very diverse population. It is a working class riding. People put in a lot of time working at part time jobs. There is a great fear that with the new government in British Columbia there will be a program of attacks on poor and working people and an assault on various social programs. People will be looking to the federal government for leadership, relief and support.

One thing on the agenda in British Columbia is a two tier minimum wage system, something that is completely outrageous. It is a program which would take money away from people working in minimum wage jobs. It would make their lives more difficult and make it difficult for them to make ends meet every month. Gordon Campbell, the new premier, is considering a two tier minimum wage whereby some people would be making \$6 an hour and some would get \$8 an hour. I find this incredibly offensive.

I bring that to the attention of the House because it is an example of where leadership is required by the federal government for strong investment in a program that would narrow the inequality gap in Canada. If we focus our sights on that and say that it is the true measure of security in our country, we will produce a society that is healthier and more productive. I urge the government to consider the words of these organizations and look at the priorities they have put forward.

• (1640)

Hon. David Kilgour (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, I thank my colleague most sincerely for her suggestions about the budget in areas like housing.

Would the member be kind enough to tell the House what she would like to see the government do with respect to overseas development assistance, for example, in countries in Africa, Latin America and the Caribbean? How would she like to see the government spend money on people with real problems in those parts of the world?

Ms. Libby Davies: Mr. Speaker, I thank the hon. member for his question because I actually did not get a chance to go into other areas. I am glad he raised this aspect of the federal budget.

I think he will know that the New Democratic Party has been a political party that has always stood strong and firm on being part of the international community that meets its obligations in the international community. While I do not have the figures in front of me, it is very disappointing that over a number of years Canada has slipped in its commitment to overseas development aid.

Look at the global situation now with the bombing in Afghanistan. Clearly our party has unequivocally been opposed to that war. We have said that it is critical that aid be increased for Afghanistan, but also for other countries.

This again really gets to the issue of security. Security is not just about military forces and people dealing with conflict. Security is dealing with the conditions that create hopelessness, despair and poverty. Canada has had a good track record but that track record is now being tarnished.

In reply to the hon. member, I believe there are members on the other side of the House who have strong support for international development and overseas development aid. We in the New Democratic Party feel strongly about that too and believe that it should be an area that Canada strengthens as part of a progressive commitment to the international community.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, before putting a question to the member for Vancouver East, I wish to offer my sincerest congratulations to the new mayor of the new city of Trois-Rivières, which will now have some 130,000 inhabitants.

I had the pleasure of getting to know Yves Lévesque better in recent months. I can say that he is a very dynamic individual who will undoubtedly be up to—

• (1645)

The Acting Speaker (Mr. Bélair): I am sorry to interrupt the hon. member, but I would suggest that he put his question or make his comment.

Mr. Yves Rocheleau: Mr. Speaker, I was leading up to the problems being experienced by our city with the closing of the Fruit of the Loom plant. This has meant lost jobs for 650 women, on top of the hundreds of workers who lost theirs with the closing of Tripap a few years ago.

Today, these workers are suffering because a decision by Human Resources Development Canada, through its minister, was upheld, which is contrary to a unanimous recommendation by the Standing Committee on Human Resources Development relating to older workers and the return of POWA.

I would ask my hon. colleague from Vancouver East what she thinks of the minister's attitude and the potential power of the Minister of Finance to remedy the situation by ensuring that his coming budget contains special allocations for dealing with this dramatic situation.

It is all very well to be concerned about security at our borders, but people are experiencing systematic insecurity. There is no longer any bridge between employment insurance and social assistance. There is a very noticeable gap, and workers aged 55 and over are totally overwhelmed and forced to dig into their own financial resources.

[*English*]

Ms. Libby Davies: Mr. Speaker, I would certainly concur with the member. New immigrants are particularly vulnerable in a marketplace where job loss can be very vague in terms of corporations that pull out of a community.

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I have a fairly sizeable garment industry in my riding of Vancouver East. It is a very competitive business. I know there are new immigrants who work very hard in these industries, yet they can be thrown out of work in an instant.

I agree with the hon. member that the study done by the committee highlighted the issues facing older workers. There has been no response from the federal government in terms of an infrastructure or support for older workers to make sure they are not the first to be laid off when they still have family responsibilities or mortgage responsibilities.

As has been noted, the employment insurance system is a joke. We are talking about older workers who may have paid into that system and have paid their insurance for decades. Yet when they become unemployed they may not be able to take advantage of it because the criteria have become so strict. I find that a real tragedy.

Bringing in a budget is an opportunity to use public policy and use a budget to deal with these inequities within our society. We have to make sure that older workers, new immigrant workers or people who are trying to get into the workforce have a fair opportunity. They have to have the proper kinds of support and programs for their families so that all people can prosper and benefit.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I know of the member's great interest in affordable housing. I know she represents an inner city riding and she knows that I represent an urban rural riding. We both have problems, often different problems, but real problems with affordable housing.

At this moment in parts of Canada there is already 24 hours of darkness, extreme cold and the people living there do not have affordable housing. The people simply lack housing. I speak of Nunavut.

These debates are an opportunity for us to think aloud. Would the member think aloud for us with her thoughts about what we should do for Nunavut, where they simply lack houses but live in an incredibly severe environment?

Ms. Libby Davies: Mr. Speaker, I wish we had more time to speak about this. I recently had the opportunity to go to Nunavut and visit Iqaluit. I met with housing activists, as well as one of the government ministers.

The member is quite correct. The situation there is quite appalling. I visited an emergency shelter and a number of public housing units. Every single person I met told me that they wanted to see a commitment from the federal government to a national housing strategy that would enable them to make housing a priority.

They are willing to put money into it, but they need the support of the federal government. I would say clearly to the member that he and I, along with other members of the House, should do all we can to see that the next federal budget makes housing a priority, so that the people of Nunavut are not out in the cold this winter. This is something that obviously in that climate they cannot afford to do.

• (1650)

[*Translation*]

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I will make one brief comment, since I know I have only one minute left.

I fully share the hon. member's concerns about affordable housing, and I agree with her suggestions on infrastructure and public transit in particular.

Social housing is, moreover, one of the primary concerns of the government of Quebec, which has just brought down a budget earmarking over \$400 million for it. This was a decision to which there was absolutely no opposition, and the people of Quebec are unanimously in favour. It seems to me that this example could be followed by all of Canada. The minister ought to be receptive to such suggestions.

The hon. member also referred to international aid. The motion the Bloc Québécois managed to get passed last week addresses increasing the level of international assistance to a slighter higher percentage of GDP. When one realizes that close to \$12 billion is being spent on the Canadian forces, and not even \$1 billion on international aid, there is something wrong there.

It seems to me, as the hon. member said, that we would be better off intervening on the international level, helping populations out of poverty, than supporting military regimes with bombing attacks that are very much debatable.

[*English*]

Ms. Libby Davies: Mr. Speaker, I am very happy to see that the government of Quebec has made a decision to reinvest in social housing. When I travelled across the country I used to say that I was proud to be from British Columbia because, along with Quebec, those were the only two provinces investing in social housing. Regrettably now I have to say it is only Quebec because in B.C. provincial funds for social housing have been frozen. I applaud the fact that in Quebec there is still a commitment.

I hope the member would agree with me that, if we had a federal commitment as well, we would then have a program, not just in Quebec but in all provinces and in all urban centres in smaller communities. This would be a significant, positive stimulus to our economy and result in the creation of good jobs, in many cases well paying union jobs.

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, I appreciate the opportunity to participate in this prebudget debate today. It is earlier than most of us expected. We still want to make a point of trying to get some of the issues that matter, certainly to my riding of York West, on the record.

The residents of York West, which is the riding I am proud to represent, clearly have stressed the importance of living in a safe community. They understand the pressures on our budget and on the finance minister to put the investment into security, as all Canadians want, to ensure we have a safe and secure environment.

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Another issue in my riding clearly is housing. There is an enormous need for that in part of my community. Other issues include jobs, good hospitals and efficient transportation. Seniors need more support such as home care programs and the like.

What I want to spend the rest of my time talking about are some of the things I have learned as chair of the Prime Minister's task force on urban issues.

[*Translation*]

The Acting Speaker (Mr. Bélair): I apologize to the hon. member, but pursuant to Standing Order 38, it is my duty to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Lévis-et-Chutes-de-la-Chaudière, Shipbuilding.

[*English*]

Ms. Judy Sgro: Mr. Speaker, I forgot to mention that I will be splitting my time with the member for Mississauga West.

I have gone with the task force across the country to some of our large urban regions. The issues that have come forward from all of them are that the communities are feeling under siege. Our large urban regions have limited tax ability to continue to raise taxes. People on the other end just cannot afford immense tax increases on their properties. They are feeling under siege. We look at them as being the jewels of our country; the large urban regions house about 80% of the population. It is important that they stay competitive and that they do well. They are very much looking to the federal government for help.

It is interesting that when things get rough, everybody seems to look to the father figure, the federal government, which is how they described it to me. They are in enormous difficulties. They are looking to us to show some leadership and to help them.

The competitiveness of these large urban regions is critical to their growth and development. It is not only locally; they need to be doing well internationally. We must stay focused on those issues. We must look at what the role is for the federal government, how we can best assist them and be a better partner in government. They feel their quality of life is very much threatened.

Cities which were once spotlessly clean and very efficient with great transportation and transit systems are now embroiled in gridlock. There are enormous problems. There is the frustration of being stuck on the road and not being able to get home at night, taking an hour to get home, and the air quality which all of us are having to experience.

From what I am hearing from our regions, what is needed is an integrated transportation network much like what the Minister of Transport is currently looking at.

Commuter rail is the responsibility of the federal government. An integrated system within our transportation network would be an enormous help to these large urban regions. We must keep in mind that urban transit is a provincial responsibility, not a federal one. The commuter rail is our role. We are looking at working with municipalities on trying to enhance that role, whether it be light rail or subways, enhanced VIA Rail or Go system, whatever happens

to be out there that is of assistance to our municipalities to move on the gridlock issue.

Another issue that has been raised by one of our colleagues in our round table discussions is the need for more affordable housing, both rental and home ownership. There is an enormous need for that.

There is also a need to attract skilled workers. We are an aging society. A lot of the people that worked in construction came from other countries. The need here in Canada is immense with the aging population we have currently.

Another issue was climate change and other related initiatives that need to be happening to deal with the Kyoto targets and how we can improve the air quality. Much of that is tied into transportation and how we might deal with that.

Brownfield sites which in many cases are good sites for redevelopment in a variety of areas will not get redeveloped. They will continue to stagnate in the state they are unless they get serious help by changing the liability issues and allowing deductions for some of the cleanup costs.

I raise some of these issues so that hopefully, if the Minister of Finance cannot get them into this budget, he will give some consideration to getting them into another budget.

The federal government has a lot of brownfield sites and so do the provinces and municipalities. If we could figure out how to deal with some of those liability issues, there would be great opportunities for intensification in some of our neighbourhoods to prevent some of the urban sprawl that is currently happening.

Fiscal tools were mentioned a lot in our round table discussions as a way to stop tying the hands of the municipalities behind their backs. Given the freedom and the responsibility, I am confident they would not use those fiscal tools in any way that would hamper the opportunity to be competitive and continue to grow in the regions.

From my experience as a city councillor, before we are going to add on any more taxes, the first thing we do is look at the economic competitiveness of the region and how it will compare. We look for the alternatives to ensure that our cities stay as competitive as Montreal and Vancouver. Of course now we are dealing with cities on an international level. It is important to make sure that the cities stay very competitive.

● (1700)

Health and education are very important. We need to have a well educated workforce. Our children need full opportunities to go to university and explore the avenues of tomorrow for themselves.

The universities, and York University in my riding in particular, do a fabulous job of opening the doors to a lot of programs for people who maybe would not have had a chance to go to university some years back. That happens as a result of foundations and other programs that offer opportunities to many young people.

Government Orders

Investment in research is also an area, especially after September 11. It shows just how important that is to us, when we deal with the kinds of scares we have had in the last couple of weeks, that we continue to invest in areas of research that hold a cure for many of the problems in society today. A certain amount of investment is needed. I am proud to say that our government has made it another one of its many high end priorities, to ensure that we get research money in there.

We make choices as a government and I think we have made the right choices. The \$100 billion tax cut, which is the biggest tax cut in the history of Canada, is now coming into play at a time when we probably will need it more than ever. It is hoped we will be able to keep that money going into the economy. Our infrastructure programs are kicking into gear as well. That will help create the jobs and the opportunities that will certainly be needed in the future.

Those were choices that we made. We could have decided, as some of our colleagues on the other side have asked, to go for massive tax cuts. Then we would have had to make other decisions. I am confident we have made the right decisions.

The Minister of Finance did a fine job of putting those things in place prior to September 11, certainly not knowing what was coming. The layout of those programs and those tax cuts has come at an appropriate time for all of us. We look at those tax cuts and we know that we put the incentives into our programs to continue going.

At the end of the day our seniors want confidence in the economy. They want to know that the health care system will continue to be funded in a fair and equitable way. As an example, approximately \$8 billion in additional health funding is going into the province of Ontario. That is over and above what was previously indicated. The health care money is there in order to ensure that seniors and other residents in my riding get the health care they want.

We wish everyone good luck with the budget and ask that the issues of our urban regions stay front and centre as we deal with the pressures on our budget today.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Mr. Speaker, leading in to a question for the hon. member, I would like to comment on the previous speech by the member for Vancouver East. I do not know if she was confused and got her facts backward but she said, and I assume she is referring to British Columbia, her province and mine, that there are subsidies for private motor vehicles and subsidies for the highways but unfortunately no subsidies for public transportation.

It is the exact opposite. Public transportation in British Columbia, particularly in the lower mainland in the area she is from in Vancouver, is heavily subsidized. On the price of gas alone that the private vehicles buy, there is an extra two cents a litre to help pay for that, so it is the exact opposite.

This goes to a question I asked a government member earlier and I address it now to the member. We need a good highway infrastructure system in order to get our economy working to travel east and west within Canada and north and south across the border. We have a tremendous amount of cross-border traffic. We need a much better highway system.

The federal government spends about \$200 million per year on national highway infrastructure. In British Columbia alone it extracts \$1 billion out of the province in fuel tax which was put on ostensibly as a highway tax to build and maintain our highway infrastructure. That is just the federal tax.

I would ask the hon. member what she thinks would be fair. Perhaps we could come up with some kind of system so that her government puts back some of the money so that we can spend it directly on the very sector it was taken from, the public transportation sector. Then we could have better infrastructure in order to move the goods to create the wealth that pays the taxes that keeps the government going.

Ms. Judy Sgro: Mr. Speaker, I can say that millions of dollars are currently being directed into British Columbia as they are to the other provinces. That money is on the table through our infrastructure programs for many issues on transportation, whether we are talking roads or rail transportation issues. It does not have to come specifically from a fuel tax as was indicated before. A dedicated tax ties the hands of what we can do with the money at the end of the day. Probably much more is going back into British Columbia than is being paid in fuel tax.

● (1705)

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I would like to ask the hon. member for York West if she endorses the unanimous recommendation of the Standing Committee on Human Resources Development regarding older workers who cannot benefit from a special program under the employment insurance program.

As we know, the employment insurance fund is getting richer every year. We also know that there is a good reason for this: before the reform, 84% of those who were unemployed could collect EI benefits, compared to only 40% now.

One does not have to be a rocket scientist to realize that surpluses in the EI fund are increasing rapidly every year. Therefore, will the hon. member make representations to the Minister of Finance and ask him to improve the situation?

As we said earlier, it is fine to talk about security, but the government should improve the situation of older workers, including women. As I said before, I have two files relating to this issue. First, there are the 650 women who work for Fruit of the Loom, including 150 who are aged 50 and over and whose situation is dramatic. Then, there is the case of the dozens of men working for the Tripap company.

Will the hon. member make representations to the minister and ask him to improve the situation?

Government Orders

[English]

Ms. Judy Sgro: Mr. Speaker, on a recent visit to HRDC I was quite impressed to see the number of programs available not just for young people but for older workers as well. These programs get them retrained and into other programs. I am quite happy to see what HRDC is doing. It is probably quite amazing for people who went to unemployment insurance offices in the past. Now the HRDC offices have everything. Counselling officers conduct interviews and help prepare resumé's. These counsellors assess the skills of individuals and look at exactly where they can assist the most. It is certainly very different and I applaud the current HRDC initiative.

Mr. Steve Mahoney (Mississauga West, Lib.): Mr. Speaker, I wanted to ask the member for York West, given her vast experience at the municipal level and a little experience that I have had at that end, how she sees the relationship unfolding between the various levels of government as we all wrestle with our budgets, not just post-September 11 but even before that, where we all try to figure out what the role of government is as we look to providing services to our various constituencies.

I suspect the member might have told me that clearly there is a role where the federal government, on a large scale basis, is responsible for setting and putting in place national guidelines and policies and for transferring money directly to the provinces that in turn are responsible to deliver certain services, such as health care and education, and in turn they would transfer money down to the municipal level which would also be responsible for delivering certain services to their constituents.

What is really happening, in my view of the overall economic situation in government, is that certain governments, because of either political dogma or certain promises that have perhaps been made, disguising it as a common sense revolution in Ontario, have changed the way that governments are forced to do business.

I recognize that in the province of Ontario the Mike Harris Conservative government was re-elected. It has had two majority governments. Obviously the people are voting for the Conservatives and we have to respect the democratic process.

However what they have done in that period is fundamentally changed the way governments are able to do business, particularly at the municipal level. They have downloaded the responsibility and taken away the money for so many programs. They have done it at the provincial level in Ontario and then, when the municipalities complain, they come to the realization that their only option is to go to the federal government.

Transit is a classic example. I spent eight years in the Ontario legislature. In those days and before, the province of Ontario assumed the responsibility to fund 75% of transit expenses at the municipal level. The other 25% came from the fare box or the tax base in a particular municipality.

If one had a municipality like mine in Mississauga, where the fare box would not generate enough revenue to cover that 25%, obviously one would come up with a shortfall. However when we analyze the nature of that community, one of the reasons that there is a shortfall in the fare box is the dominance and the predominance of the automobile going into industrial parks built all around Pearson international airport and in the west end of Mississauga, the area I

represent. Those industrial and commercial areas generate substantial tax revenue. They also generate substantial automobile traffic and very little traffic for a transit system to survive on.

As a result of that, it seems reasonable to me that a portion of the industrial commercial tax base in a municipality like mine could in fact be used to make up the shortfall in the 25% of the transit. The municipality was responsible for 25%, the province for 75%. When the province bailed out, it got to the point, until just the last few weeks, where it was funding zero per cent of transit costs. That is a major download to a municipality.

On top of that, it was funding zero per cent not only for the Mississauga transits or the TTCs of this world, or the Ottawa transit system, it was funding zero per cent for the GO train system.

● (1710)

What does GO stand for? It stands for government of Ontario. This was a transit system, for goodness sakes, that was created by the province of Ontario as a fast rail commuter system to bring people into downtown Toronto and back home from the east and the west in the GTA. The province bailed out of that entirely. It is 100% gone so all the GTA municipalities had to get together. They were not only trying to make up a shortfall in terms of their local transit systems but they were responsible for funding 100% of the Ontario government's transit system.

What happens when this occurs? It has a ripple effect. The municipalities get together and say that they do not have anywhere to cut. There is no level of government below the municipalities that can be cut. What are they to do? They have to take it away from other services or increase taxes.

Increasing taxes is not a very popular move, particularly in the last eight to ten years. There has been tremendous effort and sacrifice made on the part of municipal governments to find ways to pare down their operations so that they can deliver the kinds of services they need to deliver. However, the reality is that when one drives anywhere in the city of Toronto almost a seamless rush hour exists from the east end to the west end where there is nothing but gridlock.

Not only is there nothing but gridlock, the gridlock is on roads that are in the worst shape that I can ever remember in my lifetime.

Highway 401 is a disgrace in the sense of the potholes, ruts and damage that large trucks have caused, in spite of the fact that the 407 was built by the province and then sold and privatized. It took that money but did it put that back into maintenance or highway construction? No, it did not.

Government Orders

The province made a choice. However those government members were re-elected with a majority. This is their choice and their right in this democracy to do what they have done. They decided to cut taxes, and that is fine. We have done the same thing but there is a difference. We cut taxes at the federal level by \$100 billion, which comes into affect in this taxation year, after we had balanced the books. The province of Ontario did not do that. It actually sent out \$200 of borrowed money in rebate cheques to everybody in the province.

Some people I know sent the money back telling the provincial government to use the money to fix the roads, to deal with the garbage problems in communities, to build affordable housing or to help a single mother on welfare. Instead, the government cut welfare costs and have driven people off social assistance, some who perhaps should not have been there but many are winding up homeless and desperate as a result of the policy.

I served with Mike Harris for eight years, five years on the same side of the Ontario legislature in opposition to Bob Rae. For five years Mike and I were on the same program. We pretty much agreed, not necessarily on everything but on a lot of things. I say to Mike that he had a choice. He should not cry now when all of a sudden, as a result of a terrible tragedy like September 11, we find ourselves in an economic crisis in the country, and particularly in this province. He should not try to say it is all Ottawa's fault. It does not hold water and it does not make sense.

We signed a health transfer accord with the province of Ontario that generated \$1.2 billion in increased funds to the province for health care. How much do members think the province increased its health care budget? It increased it by \$1.2 billion this year. I say good for the province. It used the money for health care the way it was intended. It is the first time I have seen it do that.

●(1715)

The province of Ontario cannot have it both ways. Mr. Harris was to realize he had his choice and he made his choice. He made his bed and, by God, he will lie in it.

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, that was a most learned discourse. It is absolutely unbelievable but I think the hon. member forgot in which House he was speaking. I think he thought he was speaking in the provincial house. I think he finally recognized that he was in Ottawa and so he got turned around a little bit.

The hon. member knows or should know that a tremendous amount of trade takes place between Canada and the United States. In fact 85% of our export market goes across the border and about 45% of that transfers across the border over three bridges in Ontario.

The member waxed very eloquently about the condition of the roads but there is a lot more to it than that. Not long ago I saw a presentation with a computer model showing how traffic could be re-routed through some of the border crossings.

I wonder whether the hon. member would have the courage to talk to the Minister of Finance to make some provision in the budget that would actually create an opportunity for a re-routing of this transportation and to be sure that in fact this could happen. That

would eventually result in a more efficient transportation system and actually reduce the amount of money required to do this.

Is there a move on the part of the member to help the finance minister figure out a way that would work better? That is my first question.

The second question has to do with the position of cities in our economy today.

●(1720)

Mr. Steve Mahoney: Mr. Speaker, I think the idea of whether or not we are able to re-route some traffic across our border bears looking into.

I know for a fact that there is currently a proposal from the private sector to buy the currently closed rail bridge that goes across at Niagara Falls. The reason they want to buy that is to change it from rail to a road bridge and use it exclusively for trucks.

The member should believe me when I say that I know what House I am in and of the issues of which I speak.

The province of Ontario has also proposed building a new highway that would be partly alongside the Niagara escarpment and would be used primarily for trucks. I think that makes a tremendous amount of sense.

Those are the kinds of proposals in my view for which the provincial government should be knocking on our door to say that it needs our help to do those things.

We need the federal-provincial agreement to be able to put together some new routes for our commercial goods so that we can then free up the opportunity for other flows of traffic like tourists and residents of both Canada and the United States.

I would be happy to talk to the Minister of Finance. The member should know that we have already have been talking to the Minister of Transport about many of these ideas.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, I have a question for my hon. friend.

He railed against the provincial government's use of tax refunds. Since the hon. member is a citizen of the province of Ontario, would he tell us whether or not he sent back his tax refund?

Mr. Steve Mahoney: Mr. Speaker, the answer is no. I gave the money to charity instead because I would be darned if I gave it back to Mike Harris so he could squander it on some other foolish project that might get him re-elected. Using taxpayer money to win votes is the most disgusting and despicable play of politics. Harris is a master at it. Thank God he is retiring so we will not have to put up with that kind of shenanigans again in this province.

Mrs. Elsie Wayne (Saint John, PC/DR): Mr. Speaker, I welcome the opportunity to rise today to speak to the most important budget we have likely seen in a generation. I will be splitting my time with the hon. member for Dewdney—Alouette.

Government Orders

The events of September 11 have dramatically transformed our country and the world in which it thrives. The priorities parliament had set for Canadians and the direction we were to take as a country prior to the attacks have been changed for the foreseeable future by tragic circumstances.

In this new age our priority has become the safety and security of our citizens in the face of a constant threat from terrorist forces. The budget we will see this December will be unlike any we have seen since the end of the cold war. It will require a firm commitment to the programs and departments charged with the protection and defence of our nation.

The opportunity for the government to reassure Canadians and our international allies is now at hand. The upcoming budget must serve as a bold reinforcement of the strong commitments we have made to the war against terrorism. In short, it is time for the government to put its money where its mouth is.

I have risen in the House on many occasions to condemn the repeated and senseless cuts to our nation's armed forces that have been made in the last decade. My colleagues in the Chamber will know that when I say the time has come to reinvest in our nation's security it is not a new position brought on by the times but an ideal in which I have always believed and whose time has come.

There is nothing easier in times of war than saying that one supports a strong military. What is far more difficult is making a financial commitment to building that military. I rise today as I have risen many times in the past to call on the Minister of Finance and the Prime Minister to make a firm and focused investment in the Canadian armed forces.

Prior to the September 11 attacks those who called for increases in defence spending were called alarmists. It was said that in the post cold war world Canada had no need to maintain the kind of military force it had throughout the seventies and eighties. For this reason the Department of National Defence saw its budget cut from \$12 billion in 1993-94 to \$9.4 billion in the course of a few years.

For most of the 1990s the government made clear to the nation that defence spending was a luxury which could be reduced as needed to fund other programs or as a means of reducing the deficit. It is only in the aftermath of the attacks on the United States that we are seeing how truly flawed the policy was. It is only now that we are seeing the devastating effects of the dramatic cuts on our military capabilities.

For the past several weeks and in the past few months before the summer break the Standing Committee on National Defence and Veterans Affairs has been investigating the operational readiness of the Canadian forces.

I can conclude what our findings were because we tabled them today. We came forward and said that we needed more money in the budget for the military. We need at least \$1 billion but in reality we need a whole lot more.

As members of the House will know, I have often spoken of the need to replace our aging Sea King helicopters. Hon. members will also know that one of the most significant flaws in the government's procurement process is that contracts are awarded on the basis of the

lowest price rather than the best value or, more important, the best product for our men and women.

When I think of this my thoughts turn to a story related to me by a colleague who sits on the other side. The individual travelled to visit our peacekeepers and was shocked to see that soldiers returning to Canada were forced to give their combat boots to the soldiers arriving in theatre.

The story is shockingly similar to a story the House heard just under a year ago when a representative of the Royal Canadian Legion wrote of the disheartening conditions he witnessed when visiting our peacekeepers overseas.

When our government does not give our men and women in uniform the very uniforms they volunteer to wear we have gone too far. When our military personnel see the government cutting corners and shortchanging them it is only natural that morale is low.

● (1725)

Our military deserves the best equipment possible. When we make a capital expenditure we should not do so on the basis of how much money we can save. When we buy combat boots and combat clothing we should order enough for everyone who needs them.

Sadly in the wake of the terrorist attacks the government continues to operate with the mindset that we should be cutting costs when it comes to our military. Last week it was confirmed that many of our armed forces reservists will see a 15% cut in their wages.

It is inconceivable that in a time of war any government, let alone a Canadian government, would give notice of its intention to cut the pay of those whose lives are being placed at risk. When I asked the minister to justify his decision, his answer served only to raise more questions. I would ask that my colleagues in the House notice the strange logic of the Minister of National Defence when he said:

There is no approved pay reduction at all. Let me tell the House that the 21,000 reservists over the last three years have had very substantial pay increases, as have those in the regular force. There is a proposal that will involve some readjustment, some realignment. Some will get a reduction. Even more than that will get an increase.

The minister said there was no approved pay reduction and then admitted there was. What is it? If some reservists are getting a reduction does it not mean a reduction has been approved? If a majority of reservists will be getting a pay increase, as the minister says, why would the increase require us to cut the pay of others?

Less than two months after the commitment was made the government repeatedly indicated that in light of the massive changes following September 11 our military would not be left in need of additional funding. Today the defence committee tabled an interim report which calls for increased funding and more resources for the military. It calls on us to help OCEP and all the others.

Private Members' Business

My remarks today reflect my deep personal feelings on the issue. Our men and women in uniform cannot come to Parliament Hill, as so many others do, with placards to protest the injustices committed against them. Our Canadian armed forces personnel have never questioned their awesome duty to us. It is time we honoured them. The eyes of the nation will watch over the government when it brings down its December budget.

● (1730)

The Acting Speaker (Mr. Bélair): 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.

PRIVATE MEMBERS' BUSINESS

[English]

CONTRAVENTIONS ACT

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance) moved that Bill C-344, an act to amend the Contraventions Act and the Controlled Drug Substances Act (marijuana), be read the second time and referred to a committee.

He said: Mr. Speaker, I thank my colleague from Kootenay—Okanagan Boundary for seconding Bill C-344. Today I am going to give a discourse on how we can decrease and prevent drug use here in Canada, in North America and around the world.

The bill deals with the decriminalization of simple marijuana possession in contrast to legalization which I am opposed to. It is part of a three pronged approach. The first is decriminalization.

The second is a four point motion that deals with the international drug trade. I would like to thank the Secretary of State for Latin America and Africa for allowing me to accompany him on a very informative trip to Colombia to meet President Pastrana. Out of that came a motion which I will discuss later.

The last part is how we prevent drug use. This involves the head start program. The House chose to pass my private member's motion on that issue in 1998. The program strengthens the parent-child bond and has been profoundly effective in decreasing drug use in children, not to mention a 60% reduction in youth crime. I will get back to that later.

Bill C-344 calls for the decriminalization of simple possession of marijuana. A person found to be in possession of marijuana would receive a fine of \$200, \$500 or \$1,000 depending on whether it was their first, second or third offence. They would not go into the court system. They would not receive a criminal conviction and therefore they would not have a criminal record. This is different from the situation today when an individual found in simple possession of marijuana would have to go through the court system and then receive a fine or could go to jail. They could receive up to six months in jail for their first offence.

Drug laws in the country have been motivated mostly for political expediency rather than to deal with the truth. Today we seek to deal with the truth and deal with the facts. The idea in the bill has been employed in many European countries, in Italy, the Netherlands, Great Britain as well as in Australia. Decriminalization of marijuana

did not result in an increase in use, it resulted in a decrease or a static amount. That is very interesting. Decriminalization in contrast to legalization of marijuana results in a static amount or a decrease in the amount of drug use.

The bill enables us to save about \$150 million every year. Since September 11 there has been an increased demand on our security forces and our police forces. We have to find the money to go after the real criminals: the terrorists, the international drug lords, the people who push drugs and grow illicit drugs. They are the people our police officers need to go after, not someone who is in possession of a small amount of marijuana.

Does the bill provide a disincentive? It provides a financial disincentive, a fine of \$200, \$500 or \$1,000. It saves the taxpayer money, in the order of \$150 million. It enables our police forces to focus on the true criminals: the organized crime gangs and the drug pushers.

We also need to look at the bill in the forum of how we look at drug abuse, not from the punitive judicial model that we have used historically, but a medical model. I am a physician and I have spent 13 years working in detox units in British Columbia. I have seen all manners of drug use. I saw many dead people when I worked in the emergency department. I have seen people's lives completely ruined by drugs. I am totally opposed to drug use, including marijuana use. The bill will actually enable us to decrease drug use here in Canada. It will also free up resources to enable us to go into the prevention aspect.

The head start program that was passed in my motion in 1998 strengthens the parent-child bond. It ensures that children have their basic needs met. It helps provide good parenting skills to those parents who perhaps have not acquired them.

● (1735)

When that was employed from Moncton, and the Minister of Labour worked there has been outstanding, to Ypsilanti, Michigan and Hawaii, it resulted in a 99% reduction in child abuse rates, a 60% reduction in youth crime, a 40% reduction in teen pregnancies and a \$7 saving for every dollar that was used.

The Government of Canada is looking at ways in which it can build a children's agenda. The head start program would put meat, muscle and flesh on that idea. The House passed it. The government should adopt it. Find the best models from around the world, work with the provinces and employ a national head start program that ensures our children have their basic needs met. This bill would provide some resources to do that.

Private Members' Business

The other side of the bill, and the secretary of state was kind enough to allow me to attend his meetings in South America in this regard, is that we have a serious problem in the international drug trade. The so-called war on drugs, where we have tried to decrease the drug trade at source by going to Colombia and waging a war on drugs, has been an abysmal failure and will always be.

Rather than trying to decrease production, we need to do is decrease consumption. If we decreased consumption then we would be able to address the devastating problems that we have witnessed in various parts of the world.

In Colombia 70 people are murdered every single day as a direct result of the bloody war that has gone on for more than 20 years fuelled by the drug trade, primarily cocaine. As well, Colombia is branching out into a very pure form of heroin that is coming into Canada as we speak. That will have a devastating effect on people who are addicts. How do we deal with this problem? Let us stop consumption. If there was no consumption there would not be production.

When I was in Colombia it was very exciting. Senator McCain from the United States was also there at the same time. He made some very progressive statements. He said that people in North America could not point their fingers at Colombians and tell them to stop production. He said that we must decrease consumption in North America. The question is how to do that. Again this bill will address that problem.

There are four things we also need to do. First, apart from implementing a decrease in consumption at home, we need to get tough with organized crime. We need to adopt U.S. RICO like amendments. These are racketeering influenced and corruption organization amendments that would enable our police forces to go after the money. Cutting the money from organized crime is the most effective way of hobbling a criminal's ability to function. It is what criminals fear the most. RICO amendments would enable us to convict them and take away their money supports.

Second, what we need is a freer trade agreement in the Americas. A free trade zone in the Americas is crucial. If someone is growing cocaine in Colombia, that person would need to export something else. Right now the greatest barriers to farmers in developing countries are the barriers to trade that we in the west employ. Let us remove those barriers to trade and enable the people, who are grinding out an existence in abject poverty, to export and earn money so they can get away from this crop.

The last point is a very interesting one. Earlier this year Canada and the west had their knuckles wrapped for allowing legal chemicals to go to countries where they were used in the production of cocaine and heroin. The United Nations asked us why we were allowing this to happen and why had we turned our backs on it. This is wrong. We can and must have a series of import-export permits on the precursor chemicals that are necessary to the production of cocaine and heroin. If we did that, we would be able to track where the chemicals went and hit the people who produced the drugs in the first place. It is eminently doable.

When the secretary of state and I were in San José, Colombia, I had a chance to speak to the United Nations and OAS drug

representatives. I pitched this idea to them and they thought it was a fantastic. They said the only thing that was holding this up was bureaucracy.

Canada should take a leadership role in implementing a series of import-export permits that would enable us to track as well as eliminate those people who produce drugs, by tracking the precursor chemicals and choking off supply. It is something that is doable, it is cheap and can be very effective.

• (1740)

If we look at and compare those countries that have had a very punitive model for dealing with drug abuse, such as the United States, and those European models where they have had a decriminalization approach, we would see this.

In the Netherlands, Italy, Germany and now in Great Britain decriminalization of simple marijuana possession has enabled them to decrease the use of cannabis. The reason is very interesting. They reckon that because the forbidden fruit syndrome was not attached to a decriminalized substance like cannabis, they found that use, particularly among youth, declined quite substantially, which is very interesting. When one looks at harder drugs, there is not a shred of evidence to show that cannabis is a gateway drug. In fact, where drug use had been decriminalized, they found that hard drug use actually was static or had declined. This is also a very interesting fact.

When drug use in European countries like the Netherlands was compared to the United States, it was found that the use of harder drugs like cocaine was about 2% in the Netherlands and about 11% to 12% in the United States. Therefore the harder, more punitive actions do not work when the objective is to decrease the use of hard drugs.

Europeans, Australians and now the Brits have done the same thing. A pilot project to decriminalize the use of marijuana was done in Brixton to see what would happen. They found that drug use declined. There was a massive saving to their judicial forces. The same thing happened in south Australia where decriminalization was so effective that it is now looking at applying it to the entire country. Where it has worked it has been extremely effective.

I want to go back for one moment and talk a bit about the cost factor.

Today in Canada there are about 71,000 convictions for possession every year. More than half of that is due to marijuana. Does it make sense that we use our law enforcement forces for this particular process? Does it make any sense for a 20 year old to be picked up, convicted and receive a criminal record for the simple possession of marijuana? In getting that criminal record, this impedes a person's ability to gain access to a wide variety of professional faculties thereby severely compromising and truncating the individual's ability to be a contributing member of society in the future. It does not work. If we look at society and see who is supporting it, it is very interesting.

Private Members' Business

The Canadian Association of Chiefs of Police, the RCMP, the Council of Churches, elements in the Canadian Medical Association and other groups have said that it is time to decriminalize, not legalize, marijuana possession. They have said that it is time drug use was looked at in a more comprehensive fashion. Those groups look at it not in isolation, quite wisely, but look at the larger picture.

How do we prevent drug use? The head start program will prevent drug use by working with parents. This has had a profound effect on children. We have to work with our youth. If we start early with our youth, we will have an opportunity to substantially reduce drug abuse here in Canada. This does not work however with adults.

I worked as a doctor in jails and I was also a jail guard. The extent to which drug abuse is found in jails is quite profound. A study was done of 4,230 inmates and it found that 40% of those inmates used drugs in jail within the last year. That is shocking. It does not work. We have to use other models.

It is very interesting to look at hard drug use. Some people have said that punitive action needs to be taken and these people need to be put in jail. That does not work. I have done some exploration in Europe with regard to hard drug use. People were put in methadone programs, needle exchange programs and were even allowed small medicinal use of the drug they were using.

● (1745)

That program was held in conjunction with housing, education, work, being an essential part of the program, and, of course, therapy. After one year, the combination of that in a defined time period had a 50% to 60% success rate for hard core drug addicts.

I listened to what people said about the program. Some said that they had been on the streets. The program had given them job training and put them to work. It provided them the structure in their lives which they had never had before. Although they had been given the medicinal heroine for a period of time, it was a limited period of time.

The quid pro quo to receiving the drug is the patients must engage in the treatment programs. If they do not engage in therapy, treatment, counselling, work and job skills, then they cannot participate in the program. They have to have a willing partner.

In my experience Canada has a revolving door syndrome. People are thrown in detox and come out dry. Within 24 hours, I have seen these people in the emergency ward. They are drunk or on drugs again after having spent seven to ten days in detox. That model does not work.

We have to obligate the drug addicts or the substance abusers to engage in these other elements of treatment, work, job skills and counselling to get them off the street. Where that has been done in Europe, 50% to 60% of people have been taken off the street. This is quite extraordinary.

The cost savings are substantial. True, there is some front end loading of money, but we have to look at this in the long run. It saves money in the long run.

Perhaps the greatest scourges and the greatest damage associated with drug use are not the problems of taking the drugs themselves,

but the indirect costs; the crime associated with drug abuse. Many people who take heroin and cocaine have to engage in stealing and prostitution to raise the money they need for \$300 and \$400 a day habits in cocaine, crack cocaine, Ts and Rs and heroin. They do not get that by going to work.

That of course has a profound impact on our society. The costs associated with drug use in Canada is more than \$20 billion. That is what it costs us directly and indirectly as result of drug use. Perhaps the most frightening element of all this is the scourge of HIV and other communicable diseases.

If we compare the United States with some of the European models and Australia, take Great Britain for example, the incidence of HIV is about 1% among IV drug abusers, which is much higher than IV drug abusers in North America. If we look at people who use heroin, roughly 40% of individuals who have taken heroin intravenously have shared needles. It is shocking.

It is incumbent upon us to look at a broad range of issues, look at this factually, logically, deal with the facts and employ programs that have worked around the world.

I certainly would be remiss in not thanking Steven Barrett, Kerrie Woods, our British connection, and Jennifer Ratz for their very hard work in putting this together and working with me along this level. I want to thank the Secretary of State for Latin America and Africa for being so kind and generous in allowing me to participate in a couple of very important trips we have taken this year.

The elements of the bill I have put forth have widespread support from the public. Roughly 75% of the public in polling wants decriminalization of marijuana. Roughly two-third plus of the member of the House want decriminalization. I hope the government takes the bill, adopts it and send it to committee. I hope it does not let it languish but adopts it as a much larger program of how we deal with substance abuse issues in Canada today.

Let us look at it from a humane fashion. Let us look at it from a compassionate fashion. Let us look at it from a medical model, not a punitive model. Let us do the right thing, the socially appropriate thing, the harm reduction platform. Let us save lives, save money and help Canadians in the future. If we do that, truly Canada will be on the cutting edge and we will be saving many lives.

● (1750)

[*Translation*]

Mr. Jeannot Castonguay (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, following the May 17, 2001 debate on the use of drugs for non-medical purposes, a special House committee was formed to examine the many issues surrounding this important topic. It will be presenting its conclusions in November 2002.

The Minister of Health and this government are impatiently awaiting the recommendations of this committee and of the special Senate committee now studying Canada's anti-drug legislation and policies.

I would remind the House that, through the various departments, which are working together to develop a drug strategy for Canada, the government is actively making its expertise available and providing support for the proceedings of these two committees.

The issue of anti-drug legislation and sanctions, and especially marijuana, is now the subject of a broad public debate. I will go over some of the proposals in the amendment proposed.

This amendment would mean that simple possession of small quantities of cannabis or cannabis resin could be dealt with under the provisions of the Contraventions Act. It would change the procedures and the legal system for offences of possession, possession for trafficking, and trafficking of one gram or less of cannabis resin or 30 grams or less of cannabis.

The Contraventions Act, which was passed by parliament in 1992, was designed to provide a simplified process for prosecuting violations of statutes and regulations that would otherwise be prosecuted under the Criminal Code before provincial courts.

According to the Contraventions Act, summary conviction offences may be designated by the governor in council as a contravention. The fact that an offence is designated as a contravention under the act eliminates the stigma normally associated with a federal conviction offence.

One of the objectives of this bill seems to be the elimination of a criminal record for possession of small amounts of cannabis. Another objective is to re-allocate the savings to the legal system toward the prosecution of dealers and traffickers of illicit drugs. These are obviously laudable goals. However, without an in-depth study of the subject, including a cost benefit analysis, and information on the social and economic benefits, we cannot speculate as to whether or not the amendment would meet its objectives.

Amendments were made to the Contravention Act in May 1996. They were the result of consultations with the provinces and territories. Similar consultations would be vital for the proposed bill.

The amendments allowed violations of federal statutes to be prosecuted under the various provincial and territorial legal systems. The governor in council was able to make regulations to have a provincial system apply to the offences.

The 1996 amendments also allow the Minister of Justice to sign agreements with each province or territory regarding the administrative details of the act, implementation procedures for the act, and the prosecution of contraventions.

The Contraventions Act allows the governor in council to designate summary conviction offences under federal statutes or regulations as contraventions. Indictable offences are specifically excluded from designation as contraventions.

These proposals are all good, but we must be careful to ensure that all of these provisions are carefully considered.

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Once again, we would need to have special consultations with the provinces before considering this approach.

Furthermore, we have to hear from the Canadian public on this subject before making any decisions regarding cannabis policies. This work is underway.

First, the Senate committee and the special committee of the House, together with the results of their studies, will be a considerable help in examining the questions. These committees may recommend a cost-benefit analysis and further public consultation before a decision to amend the policies on cannabis according to the Contraventions Act.

I stress the need for broad consultation with representatives of the provinces and territories to obtain their support for this approach and their opinion on its implementation. A strong consensus among the provinces, the territories and the federal government is the only way to rectify the inconsistency of the current enforcement scheme.

We must explain the changes clearly to Canadians.

• (1755)

We must also make sure that a new and innovative approach is not unnecessarily complex and that Canadians understand the reason for the change and its application in practice.

In addition, processes should probably be established to provide training to police officers in the appropriate enforcement of the provisions of the Contraventions Act to make sure that the result is not a broader or discriminatory enforcement of the law.

An evaluation framework would probably be needed. Mechanisms should be established to obtain the basic data on current trends in substance abuse and arrests and to monitor the social, legal and health related effects of the Contraventions Act.

In conclusion, the government believes that the time is not right to pass this amendment and that the preliminary work required has not been completed. In our opinion, the work of the parliamentary committees must be completed before any change is made to current legislation, such as the Contraventions Act, in the case of cannabis.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I would first mention that I strongly support the bill before us, which will be votable after the third hour of debate.

I wish to remind the Parliamentary Secretary to the Minister of Health, as a preliminary remark, that the government has been examining these issues for over 20 years. In the early 1970s, there was, among others, the Le Dain Commission comprising three highly esteemed criminologists, including Andrée Bertrand, a criminologist at the University of Montreal. I do not think the government can claim insufficient information as a pretext for rejecting the bill.

The government may not agree with the essence of the bill and wish to continue to have the use of marijuana dealt with by the criminal justice system, but, please, let it not claim lack of information, because that argument does not hold.

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I would like to put the bill in the context of its legal ramifications. This bill does not legalize the possession of marijuana. It decriminalizes it. That means that a person in possession of a small quantity of marijuana cannot be incarcerated and therefore will not have a criminal record.

This is interesting, because we must be very clear about this approach, which is to make the possession of marijuana a civil offence. It is not legalized. There would be a civil offence subject to a fine. The first would be \$200, and, if I recall correctly, the second would be \$500, and in all cases beyond the second offence, the fine would be \$1,000.

This bill is very relevant to Canadian and Quebec society of today. I sit on the special committee that will review the whole matter of Canada's antidrug strategy.

In the committee we were given a document, which my colleague might find worth reading as well, prepared by Diane Riley, a doctor, not in the medical sense of the term, but in the sense of having a university doctorate.

She has identified all of the studies that have been done on drugs. Her document is in both official languages and was prepared at the request of Senator Nolin of the other House.

I would like to share a number of the conclusions. The document reminds us that 600,000 Canadians have a criminal record simply because they were arrested for possession of marijuana. This figure of 600,000 Canadians and Quebecers alone is cause for reflection.

Must people be sentenced for possession of a harmless substance? The report refers to an article that appeared three years ago in the British medical journal *The Lancet*, a very serious report which proved that the consumption of marijuana, in the short term certainly, but also in the long term, has no impact on people's health. It has sedative virtues, relaxing effects, but no effect on people's ability to function.

When my colleague, the hon. member for Rosemount—Petite-Patrie, brought forward a motion which was debated here in the House on the legalization of marijuana for therapeutic purposes, certain members, particularly the hon. member for Saint John, to be specific, raised the whole argument, the kind of lecture grandmothers are wont to make, with great affection and most certainly great good intentions, about how marijuana destroys people's brain cells and can lead to dysfunction.

Let us just think about how many of Canada's decision-makers have used marijuana, and would therefore be dysfunctional according to the argument of the hon. member for Saint John. That argument does not hold water.

We have proof. The *Lancet* article, and the review of the medical literature carried out by the researcher I mentioned, do not allow us to add medical considerations to the argument.

• (1800)

On the contrary, using marijuana may have great therapeutic value for people infected with HIV.

The hon. member who is sponsoring this bill is asking us, as parliamentarians, to remove from the criminal code the simple

possession of marijuana. Our colleague will have to tell us whether this also includes hashish. Usually, when medical definitions refer to cannabis, it means both marijuana and hashish. We will have to see about the scope of the bill.

Another argument that will have to be considered, and regarding which we have some data, is the fact that, in countries where it is not a crime for a person to have marijuana in his possession, this includes a number of European countries such as the Netherlands, Italy and Spain, it is not true that this has led to an increase in use.

Those who are listening to us will definitely not be surprised to hear that, according to the figures provided in the study conducted by the other place in 1998, marijuana is used more in prohibitionist countries such as the United States than in countries like the Netherlands, where it has been legalized.

In the Netherlands, legalization has even resulted in government controlled coffee shops providing marijuana in a legal fashion. In the weeks and months that followed legalization, there was no increase in marijuana use, because people who use this drug do so for personal motives, for therapeutic reasons and to achieve personal serenity. There is absolutely no reason to believe that we will witness a phenomenon of massive and unrestrained use.

There is a third reason we should support this bill presented by the Canadian Alliance member. I am referring of course to the significant resources used by police forces. It is interesting to see that, at the federal level in Canada, and this does not even include the various police forces such as the Montreal urban community police department or the Quebec provincial police, only the RCMP, 1,000 officers are involved on a permanent basis in the fight against drug trafficking.

Our special committee on illegal drugs also heard officials from the Canada Customs and Revenue Agency. They tabled a document that my colleague could also look at. We got an idea of the size of drug seizures in recent years.

Take the example of marijuana. These are the latest statistics. In 2000 Canadian customs authorities made 44 seizures of marijuana worth a total of \$17.7 million. Why should this figure interest us? This does not mean that once our colleague's bill is adopted, we will become a country with open borders to marijuana, without any restrictions. That is not the idea. However, we have to understand that this prohibitive reasoning, the reasoning that outlaws the possession of marijuana, leads to and promotes the trafficking of marijuana.

We could free up police resources considerably. If one thinks that 1,000 officers are assigned to drug control, it is easy to think how we, as a society, could make a much more rational use of these resources, particularly in a context where true organized crime has developed considerably, and has considerable information technologies at its disposal.

Therefore, the bill is perfectly reasonable and we do not feel the need to wait for committee work to be over. The Senate committee will carry on for several more months. We heard from a senator in our committee. A preliminary report will be presented in August. After that, the Senate will undertake a two year study. Our committee will also study the issue for several months.

• (1805)

I think that, since the conclusions of the Le Dain report, the House has all of the information it needs to support this bill, which designates a civil offence and meets the wishes of a large majority of Canadians and Quebecers.

[English]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I very much support this bill and want to thank the hon. member for Esquimalt—Juan de Fuca for bringing it forward for debate. I am glad it will be a votable bill.

One of the issues we have to examine in deciding whether we support the bill is what the real public health risk is that is associated with cannabis use. There has been an enormous amount of evidence, which we could probably stack several feet high, to show that the risk to individual or public health from the use of cannabis is minimal. In fact what really has happened in the country is that the greatest risk to public health when it comes to drug use is from prohibitionist policies.

It is ironic that is the criminalization of drug users, whether it is in regard to cannabis or other substances, that has created the greatest harm in our society, whether it involves individual health or safety in our communities or people who are forced into a criminal lifestyle. To me that is the heart of the issue. We must have an honest debate. We must break down the barriers and mythology surrounding Canada's drug policies and our moral attitudes toward drugs and critically examine the fact that it is prohibition and criminalization that have created harm for and risk to public and individual health, not the drugs themselves, although they can create harm.

Today I was at the special committee on the non-medical use of drugs. We heard from a witness, Dr. Eric Single, professor of public health sciences in the faculty of medicine at the University of Toronto, who has done a lot of research on drug use and substance abuse, particularly in Australia. He pointed out to the committee that in Australia where decriminalization has taken place the use of cannabis did not increase. In fact, not sending people to jail had no counterbalancing effect in terms of increasing use. What it did do was reduce law enforcement costs significantly.

I found it amusing to hear from the government member that we have to be so careful and cautious, that we have to study it and weigh all the angles. Let us get real here. Let us remember that it was 30 years ago that the Le Dain commission conducted a thorough examination of the issue and came to the conclusion that cannabis or marijuana should be decriminalized. In fact it went further and made many other recommendations, so this is not progressing at exactly a rapid rate.

I would argue that the public is far ahead of the politicians on this one. We can go to just about any survey, national, provincial or regional, and we will see that Canadians are much more realistic

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about this issue than those of us who are in elected positions. More than anything in this debate and when it comes to a vote, people need to have the courage to be realistic on the issue and break down the mythology that exists.

We in the NDP actually have dealt with the issue. Indeed, at our national convention in 1999 we passed a resolution stating: "Be it resolved that the NDP support the Canadian Association of Chiefs of Police in its call for decriminalization of cannabis".

This bill is a private member's bill and I thank the member for bringing it forward, but it is ironic in that I do not think his party has the nerve to do it. We really have to do a lot of education because it should be more than private members' business. It is something that as a political institution we should be standing up for and taking on. I hope the member will do some work within his own party to get it to adopt a stand for decriminalization.

The bill is important. I guess my only complaint would be that it does not go far enough. It really is the tip of the iceberg.

• (1810)

I represent the riding of Vancouver East. It includes the downtown east side, which is probably the epicentre in the western world for HIV-AIDS and injection drug users. There is really just an open drug scene now. There are people whose lives are devastated. There are people who are in pain, who suffer trauma and who have been marginalized as a result of criminalization due to Canada's drug laws. While we are debating the decriminalization of marijuana, let us really link it to the broader issue, which is that we absolutely have to look at Canada's drug laws. They have to be reformed, just as the Le Dain commission said 30 years ago.

Today in Vancouver the special Senate committee is actually holding a hearing and it will be hearing from drug users themselves, people who have actually come together and organized to speak out so that they are no longer marginalized and their voices are being heard.

I had a letter sent to the hearing today because I could not be there. In outlining the crisis that has faced our community with injection drug use and the lack of action by levels of government, what I asked the committee to look at and to urge the federal government to act swiftly and adopt were the following points.

We need a strategy and a program for user accessible treatment on demand. There are people who are facing addiction and want to get into treatment but they cannot because it is not available or not accessible.

We need a realistic and honest drug education program focused on health and well-being. We have so many programs run by police departments, which basically tell kids that if they use cannabis or do this or that they will become drug addicts and die. Kids know that is not true. We need an honest education program focused on people's understanding of their own bodies, of their own health and of what is appropriate use, rather than just a message of "say no to drugs" when we know kids are not listening to it.

I have called for a safe injection site. So have many other people.

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I have called for multicentre heroin trials and for the decriminalization of marijuana for personal use as a step toward a more critical discussion on the legalization of marijuana and other substances.

We need support and housing programs for injection drug users who have been marginalized and criminalized by current attitudes and laws.

We also need testing of on the street drugs to provide critical information to health care providers in order to prevent overdoses. I want to say one thing about this. Because of the barriers we have to dealing with this issue realistically and because we as a society have been so afraid to deal with the issue of drug use, we have created an environment where people are literally living off the street and buying drugs on the illegal market. As a result, they are dying from overdoses in enormous numbers. These deaths are preventable. Drug overdose is now the leading cause of death for people between 30 and 44, more so than heart attacks, car accidents, strokes or cancers. These are preventable deaths if only we have the courage to provide the kind of harm reducing, realistic policies necessary, to provide treatment on demand, to provide realistic education and to help people where they are at and not further criminalize them.

I welcome this debate today because it is one more step in what has been a struggle for legislatures in terms of standing up and taking on this issue. I sincerely hope that there will be an honest assessment of this issue in the House and that we will not hide behind our perception of people's morals. I sincerely hope that we will be honest and realistic and support the bill, that we will see it as a step toward a more critical debate and discussion about the need to reform Canada's drug laws and the fact that prohibitionist policies have caused the greatest harm in our society, both to individuals and to communities.

● (1815)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR): Mr. Speaker, I want to thank the hon. member from British Columbia who brought this matter forward. I commend all members who have taken part in this debate. It is a very timely and very helpful process we are engaging in at this moment.

Looking at the substance of Bill C-344 which calls for the decriminalization of marijuana, there is an important distinction that cannot be repeated often enough. There is a huge difference between decriminalizing marijuana and legalizing marijuana. I think there is often a great deal of confusion over this particular issue.

The private member's bill calls for enactments within the Controlled Drugs and Substances Act and the Contraventions Act which would essentially put the possession, trafficking and use of marijuana into the category of a summary offence ticket, that is, a speeding ticket or a motor vehicle type offence, that would result in potential fines and potential incarceration.

The penalties are really not the question. It becomes a much broader debate when we engage in discussing the effects of such a change. Essentially it would lead potentially to expanded use of marijuana for very casual social purposes which is occurring now in this country. There is a realization behind the bill that a disproportionate amount of criminal justice machinery is trying to deal with this problem right now, while at the same time dealing with

what I would fairly call proportionately larger problems in the country.

The issue is one which deserves debate. It is one that is currently being debated in the House of Commons committee that it has been referred to. It has also been taken up by the Senate and the hon. Pierre Claude Nolin, a Conservative senator in the other place. They are delving into the very pith and substance of what we are discussing here today in this private member's bill.

The hon. member for Esquimalt—Juan de Fuca has displayed a great deal of courage and diligence in ensuring that this matter comes forward. I am quick to acknowledge that other members of the House have a great deal of experience because of the predominance of this problem in their ridings.

It is a problem on a number of levels. There is a reliance by many in society on drugs far more damaging and with much higher addictive qualities than marijuana. My colleague from Quebec raised an important issue, the distinction between whether it includes marijuana or hash and hash oil. That to me is not clear in the bill.

Neither legalization nor increased criminal sanctions will fully address some of these complexities. There has to be a full and public debate. There has to be a great deal of attention placed on the health aspects.

My colleague from the New Democratic Party has quite correctly pointed out that the evidence is not clear. There is a fair bit of conflicting medical research that speaks of the addictive qualities of marijuana and hashish, that speaks of the harm that can result from direct inhalation of marijuana.

There is also the real effect that it has on a person's mental capacity, decision making, and physical dexterity in the operation of machinery or a motor vehicle. These are considerations that have to be brought into the debate.

The problems require a variety of measures to seek out a solution. They include education, treatment and rehabilitation and government regulation in areas that may not result in criminal sanctions.

All of this is to say that in the context of the debate, it is not a simple one. It is not just a matter of saying we are going to remove the penalties from the criminal code and put them into the context of something that is deemed less serious with less detrimental effect on a person's future. By that I mean obviously there are those in the past who have been unfairly punished or felt disproportionate results coming from the fact that they may have been arrested for possession of marijuana or have engaged in the use of marijuana.

● (1820)

We have seen a greater openness to acknowledge the medicinal benefits of marijuana in the control of pain, glaucoma and other medical afflictions in recent years. We have come a long way. I acknowledge that the legislation in this area has not changed for many years. There have been previous studies, but there is an intense and removed attitude to re-examine the issue.

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The leader of the Progressive Conservative/Democratic Representative coalition, the right hon. member for Calgary Centre, has openly supported the spirit and intent behind the legislation. In May of this year he called upon the government to decriminalize marijuana. He stated that it was not fair for a young person to face a lifelong criminal record for possession of the drug. He made the distinction between criminalization and legalization. He also noted, as I will note, that it was a personal opinion.

I am obliged to say that within the coalition we will be having a free vote on this issue. There is a difference of opinion in our coalition and in other parties. That is healthy. Canadians openly embrace the reality that people have very different backgrounds, experiences and strongly held beliefs about the issue.

The hon. member for Saint John who was referred to in the debate holds very personal strong beliefs about this. I understand and respect the position of my leader. Yet, even the Minister of Justice signalled that she would be open to a debate on the decriminalization of marijuana. Many Canadians are still uncomfortable with the amount of evidence that is before them, particularly on the health aspects.

A survey last May suggested Canadians were almost evenly split on the issue of legalization: 47% in support compared to 26% in 1975. There is an apparent shift in public attitudes.

I certainly support further study. I support and commend the effort being put forward by members of parliament and the Senate. I must be honest, however. I am not there yet. I do not feel comfortable with going down the road of decriminalization at this point.

We are engaged in a healthy debate. The issue has been before the country. There was reference to the Le Dain commission. The medical community is more engaged in bringing forward hard facts about the effects of marijuana use. The mover of this bill is a medical practitioner and that further legitimizes and crystallizes his commitment to this issue. Changing attitudes toward the medical use of marijuana, combined with increasing demands on the law enforcement community, have also necessitated this closer examination.

There was reference earlier that the law enforcement community is stretched to the extreme in trying to enforce all sorts of laws that proportionately require greater attention. I do not want to draw too close an analogy, but having law enforcement officers engaged in the enforcement of a gun registry, for example, highlights the ludicrous nature of giving officers too much to do without enough financial resources or enough person power to commit the task that is before them.

This bill calls for changing the way in which we set up the fine structure. There is a great deal of concern on my part for people who suffer the inability to travel or to gain full employment in an area for which they are qualified for the reason they may have a criminal record for simple possession. That can change by having a criminal record expunged.

The bill does not go as far as to legalize the use of marijuana. I commend the hon. member for bringing this matter to the House for debate.

I referred to the debate within the policing community. The chiefs of police seem to support the hon. member's initiative and yet frontline police officers feel that this is not the road to go at this time.

I believe there is a danger that those who are under the influence of marijuana suffer from a decreased drive and initiative.

● (1825)

It is still a mind-altering substance, something that can affect in a criminal way the operation of a motor vehicle or at times the intent that may be involved in a criminal act.

Again this issue is something that will be with us, I hope not for the same amount of time since the last time it came before the House. I look forward to the outcome of the Senate report and the House of Commons committee report and the further debate that will take place on the floor of the House of Commons.

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, over the course of the last decade cannabis use has been the subject of discussion in several fora.

Today we are being asked to examine a proposed amendment to the Contraventions Act and the Controlled Drugs and Substances Act regarding cannabis.

In considering a legislative amendment, we must take into account our international obligations as a country and consider international experiences with regard to cannabis possession. As well we must also consider the need for further information in areas where our current knowledge does not suffice. While we may believe that the basis of information exists, we must not make a premature decision on this issue. Together we must identify where further data is needed and must consider the important work already in progress.

A special committee of the Senate is currently studying Canada's drug legislation and policies, particularly with respect to marijuana. The committee is already hearing from some very informed witnesses on the subject. As well a Canadian Alliance motion debated on May 17 in the House of Commons dealt with the non-medical use of drugs. As a result a special committee of the House has been set up to consider factors underlying or relating to the non-medical use of drugs. It will be tabling its report in November 2002.

I must say that I find it odd that the House is now debating Bill C-344 when it is clearly within the scope of the special committee.

In making a decision on Canada's policy, whether it is to introduce changes to the legislation or to maintain the status quo, we should do it in an informed manner and in a way that does not duplicate the valuable work of these committees. We believe that the work of these committees will bring important current views of Canadians to the fore for consideration.

This is an important issue. We will all await the results of the Senate committee and the House committee before we move forward to make any further changes.

The Acting Speaker (Mr. Bélair): The time provided for the consideration of private member's business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

*Adjournment Debate***ADJOURNMENT PROCEEDINGS**

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1830)

[*Translation*]

SHIPBUILDING

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I have risen numerous times in the House to ask questions, make speeches, take part in question period, make comments, and speak during adjournment debate. I can see that the parliamentary secretary is preparing to respond.

This adjournment debate is on a question that I raised in the House on May 30. I will not repeat the preamble, but I ended my question by asking the following:

Why is the Minister of Industry not acting on the report entitled "Breaking Through", which proposed effective and innovative policies instead of subsidies to support the shipbuilding industry?

We know that this report, which was made public in late March, was written by a committee that the minister struck himself following a commitment that he made as industry minister two days before the election was called. He made this promise in St. John's, Newfoundland. I was there myself and I heard his promise.

Of course, on June 19, after the House had risen, the minister responded to the recommendations made by the committee's report. He did respond to the recommendations.

We have been waiting ever since, not just me but all those interested in shipbuilding in Canada are waiting for an actual shipbuilding policy. We are still waiting for a shipbuilding program or programs with actual amounts attached.

In fact, the same day the minister said in a press release that \$150 million, mainly in the form of loan insurance, would be spent over five years for shipbuilding. I checked with various shipyards in Canada and with a third party I had asked to get information directly from Department of Industry officials. Apart from having set up a shipbuilding division, most of the employees of which used to work for the department but now work in a new structure, nothing specific had been done and not one cent had been spent on shipbuilding in Canada.

My question is a very simple one. I would like to know more, and if I am mistaken, I would like the parliamentary secretary to the minister to say so today, about what exactly has been spent to help shipbuilding in Canada.

Since that time, I would remind the House, Davie Industries has gone bankrupt. Right now various committees are trying to help the industry get back on its feet in my riding. I am naturally concerned but, at the same time, I know that the shipyard in Saint John, New Brunswick, has not reopened. It has been closed for a year and a half, as has Marystown, and the list goes on.

Nothing has been done. It has been a year and some weeks since the formal commitment by the new Minister of Industry with respect to shipbuilding.

Mr. Claude Drouin (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, as my colleague, the hon. member for Lévis-et-Chutes-de-la-Chaudière has said, this is a very important matter, one that affects his riding and mine, and a number of others across Canada. I am pleased to respond to the hon. member.

As the hon. member has said, on June 19 the hon. Minister of Industry announced the launching of the new policy framework on shipbuilding and industrial marine industries.

The culmination of a lengthy process of consultation with Canadians, this new policy framework focuses on opportunity, growth and innovation in niche markets where Canada can compete. This policy is designed expressly to help the industry capture domestic opportunities, look globally, use innovation as a key to competitiveness, find financing and build stronger partnerships.

The new policy framework includes 24 measures to support new works with a value of between \$200 million and \$300 million, which is double the current production. The structured financing facility now in operation is a key element of this framework.

The purpose of this facility is to stimulate the demand for new Canadian ships in existing Canadian shipyards, by offering financial benefits to Canadian and foreign buyers and lessees.

This facility includes two main elements: the first one is the interest rate, which can provide a reduction of up to 10% of the purchase price of a Canadian built vessel, while the second one is a credit insurance that insures part of a loan or lease to buy ships built in Canada.

The structured financing facility will help the Canadian shipbuilding and industrial marine industry to seize new opportunities by allowing for the setting of competitive prices for buyers and lessees of high quality ships built in Canada.

I am pleased to inform the House that this initiative is well underway and that we are currently receiving applications for assistance under the structured financing facility.

Even before the program was introduced, however, the federal government already provided assistance to the industry in the following forms: accelerated capital cost allowance for Canadian-built ships; a 25% tariff on most non-NAFTA ship imports; domestic procurement by the federal government; Export Development Corporation financing for commercially viable transactions; and a very favourable research and development tax credit system. These important elements of the federal policy continue to help the shipbuilding industry.

The reality of the private sector means that all companies have their share of troubles. The shipbuilding and industrial marine industry, and a company such as Davie in particular, are no exception.

The federal government is continuing to monitor the situation closely and the Minister of Industry met with representatives of Davie on September 20 to discuss the current financial situation. He also met with Mrs. Marois, Quebec's minister of finance, to discuss Davie's request for financial assistance. Although the government of Quebec indicated that it could not support the projects proposed at the time because it found them unrealistic, the federal government remains prepared to work with the government of Quebec and all other stakeholders to help them find a solution.

The new policy framework represents a serious commitment on the part of the federal government to continue to help the industry. The policy benefits from the support of a new organization, within Industry Canada, responsible for the energy and marine sectors.

• (1835)

Mr. Antoine Dubé: Mr. Speaker, I appreciate the answer of the parliamentary secretary, and I recognize his honest concern for the industry.

I know I have only a minute, but I would ask him to tell me, if the program exists, whether he has accepted applications? If so, how many and for how much?

I will not make a secret of this, I informed him of my question this afternoon, so I expect he was able to get the information. If no

Adjournment Debate

projects have yet been accepted with respect to future project applications, what might the deadline be for such an application?

The case of Davie is a matter of some urgency, because a creditors' meeting is scheduled for November 23.

• (1840)

Mr. Claude Drouin: Mr. Speaker, I simply wanted to mention, as I said earlier, that there are applications which are currently being considered, but it is too early to be able to quantify or assess their value. However, the program is functioning. It is being examined and we hope to make an announcement as soon as possible and that Davie Industries will be able to benefit from it.

We have seen that workers from Davie Industries have taken things into their own hands, and are talking about forming a co-operative. This is an effective way to find solutions to resume activities at the Lévis shipyard. People can be sure that the Government of Canada will be there.

[*English*]

The Acting Speaker (Mr. Bélair): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.41 p.m.)

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