



CANADA

House of Commons Debates

VOLUME 137 • NUMBER 134 • 1st SESSION • 37th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, January 29, 2002

—
Speaker: The Honourable Peter Milliken

CONTENTS

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

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

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

HOUSE OF COMMONS

Tuesday, January 29, 2002

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)

[*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 two petitions.

* * *

• (1010)

BANKRUPTCY AND INSOLVENCY ACT

Mr. Pat Martin (Winnipeg Centre, NDP) moved for leave to introduce Bill C-423, an act to amend the Bankruptcy and Insolvency Act (unpaid wages to rank first in priority in distribution).

He said: Mr. Speaker, I am very pleased to rise today. I thank the member for South Shore for seconding this important bill.

The bill seeks to amend the Bankruptcy Act so that in the event of a company going bankrupt, unpaid wages to workers would have first priority in the distribution of the assets of the bankrupt company.

It is a timely and topical issue. There are 10,000 bankruptcies every year in Canada. In many cases back wages, back contributions to pension plans, severance pay, et cetera, are only left to workers when other more secured creditors divide the assets of the company. The working people are left holding the bag and left wanting.

We look forward to debating the issue and voting on it in the House of Commons on behalf of all workers who are negatively impacted by bankruptcies.

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

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move:

That the membership of the Standing Committee on Procedure and House Affairs be modified as follows:

Gary Breitzkreuz for Richard Harris,
Randy White for John Reynolds

and that Richard Harris and John Reynolds be added to the list of associate members.

(Motion agreed to)

* * *

PETITIONS

VIA RAIL

Mr. Paul Harold Macklin (Northumberland, Lib.): Mr. Speaker, it is a pleasure to rise today to present a petition on behalf of some of the constituents in my riding concerning VIA Rail.

They wish to bring to the attention of Parliament the fact that there is a review going on within the area of the Port Hope station. They are extremely concerned about the future of the station and the services it provides. As a result they have taken up a petition to ask parliament to continue to maintain the VIA stop in Port Hope.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 90, 91, 93, 96 and 98.

[*Text*]

Question No. 90—**Ms. Libby Davies:**

With regard to an agreement between the Vancouver Port Commission and the City of Vancouver and 326754BC (Lafarge) to construct a concrete batch plant and subsequent arrangements to build the project on another site, the Sterling site, made by the Vancouver Port Authority: (a) was the Minister of Transport made aware of possible liabilities arising out of the subsequent changes; and (b) if not, what steps will the Minister take so as to be informed, not only as to potential liabilities, but also as to why the Minister was not informed?

Hon. David Collenette (Minister of Transport, Lib.): Transport Canada: The Vancouver Port Authority, VPA, was established in 1999, under the Canada Marine Act, to manage the port of Vancouver. The port authority is required to comply with the act and its letters patent.

Routine Proceedings

As part of the management arrangements that have been established between Canada Port Authorities and the federal government, the VPA is responsible for the day-to-day operations of the port and for making commercial decisions that are in the best interest of the port authority.

With regard to an agreement between the Vancouver Port Authority, the City of Vancouver and Lafarge, and subsequent changes to that agreement, the port authority has advised that there are no liabilities to the VPA or the federal government.

Question No. 91—Ms. Libby Davies:

With regard to a site acquired by the Vancouver Port Authority (VPA), the Sterling site, on which it proposes to construct a concrete batch plant: (a) what assurances has the Minister of Transport obtained that the project review process will fairly and independently review the application to build a concrete batch plant on this site; (b) what steps will the Minister take to ensure that the VPA adheres to both federal and provincial environmental legislation; and (c) what action will the Minister take to require the VPA to remediate the contaminated site in the spirit of the Canada Marine Act?

Hon. David Collette (Minister of Transport, Lib.): Transport Canada: The Vancouver Port Authority, VPA, is required to comply with its letters patent, regulations and bylaws, as well as all other applicable statutes and regulations.

The VPA has indicated that the application by Lafarge to construct a ready mix concrete plant on land held in the name of the Vancouver Port Authority remains under review by the port authority and that no determination has yet been made with regard to this.

The VPA has indicated that it is conducting an open and comprehensive process that involves input from VPA staff, independent expert consultants, external environmental agencies, the City of Vancouver and the general public. Under the management arrangements that have been established with Canada Port Authorities, the VPA's board of directors has the obligation to properly discharge its responsibility for the management of the application process.

The VPA, its directors and officers, are mandated to properly discharge their responsibilities to comply with applicable federal and provincial environmental legislation.

Under the Canada Marine Act, remediation of the land is not required, although section 61 requires the VPA to take appropriate measures for the maintenance of safety within the port, and the VPA's directors and officers are to comply with applicable federal and provincial regulations when warranted.

Question No. 93—Ms. Libby Davies:

With regard to the Sterling site on which the Vancouver Port Authority (VPA) proposes to construct a concrete batch plant: (a) is the site exempt from provincial legislation; (b) has the VPA or the Minister sought a legal opinion for that exemption; and (c) is the Minister aware of any legal basis under which the VPA may allow construction of a concrete batch plant on "Other Real Property", as defined by the Federal Real Property Act, owned by the VPA?

Hon. David Collette (Minister of Transport, Lib.): Transport Canada: The site in question is non-federal land held by the Vancouver Port Authority VPA, rather than the federal crown, and, as such, it is possible that provincial and municipal legislation applies to some extent. Whether there is an exemption depends on the nature of the specific activity and whether the activity is being

conducted by the VPA or a private sector entity. If the VPA is conducting the activity, it depends on whether or not the VPA is acting as an agent of the crown in respect of the activity. It also depends on the nature of the use and the nature of the provincial or municipal legislation and its impact on the use.

Transport Canada is not aware of the VPA requesting a legal opinion on this issue, and while appropriate officials, including those of the Department of Justice have been consulted on this matter, the department has not requested an opinion on this issue.

The Federal Real Property and Immovables Act does not define "Other Real Property", but the Canada Marine Act does permit the VPA to hold property other than federal real property, provided that property is set out in the VPA's letters patent. There are several provisions of the letters patent which suggest that the VPA is authorized to construct the proposed plant.

Question No. 96—Mr. Gerald Keddy:

With regard to audits performed by the Canada Customs and Revenue Agency (CCRA): (a) how many audits are performed yearly on: (i) personal income tax returns, (ii) small business tax returns; (b) of these audits, for each of the said items, how many find money owing to CCRA as a result of the audit; (c) what percentage of these audits is appealed; and (d) what is the total number of audits performed annually by CCRA?

Hon. Elinor Caplan (Minister of National Revenue, Lib.): The following information from the Canada Customs and Revenue Agency, CCRA, is for the year 2000-01.

(a)	(i) Personal Income Tax Returns	(ii) Small Business Tax Returns	Totals
Number of Audits Please see note 1	207,316	74,108	
(b) Number of Audits Finding Money Owing to the CCRA Please see note 2	78,242	42,876	
(c) Percentage of Audits Appealed Please see note 3	6.5%	7.8%	
(d) Total Number of Audits Please see note 4			288,107

Explanatory Notes:

1. With respect to question (a) (i) and (ii): (A) Personal Income Tax Returns: The data includes audit actions by Compliance Programs Branch on T1 returns only. See (C) below for a list of included programs. A T1 return is an Income tax Return for Individuals. Income to be included on T1 returns includes, but is not limited to: employment income, self-employed income, professional income, commission income, farming income, fishing income, rental income, partnership income and taxable capital gains.

Routine Proceedings

(B) Small Business Tax Returns: The data includes audit actions by Compliance Programs Branch on T2 returns only, excluding audit actions performed on the large and basic Corporations. Small Business tax returns also includes all GST audit actions whether the GST registrant is a corporation or a self-employed individual. See (C) below for a list of included programs. A T2 return is an Income tax return for corporations. All incorporated businesses are required to complete a T2 income tax return detailing their taxable income for the taxation year.

(C) Number of audits: The data indicates the count of files audited/reviewed in the following Program areas:

Business audit—Tax and goods and services tax, GST; Tax avoidance; Office audit; International audits; Non-resident audits; Competent authority; Tax incentive audits; Benefit employment income audits, BEIA; Post review; Refund examination.

2. With respect to question (b):

Number of audits finding money owing to the CCRA: The data includes audits where federal tax payable has been increased or tax refunds have been reduced as a result of CCRA's audit presence.

3. With respect to question (c):

Percentage of audits appealed: This data was provided by the Appeals Branch. It represents the number of audit files appealed from April 1, 2000 to March 31, 2001. These numbers do not take into consideration any timing differences that may occur as a result of a 90 day appeal period. A taxpayer has 90 days from the date of notification of CCRA's audit adjustment(s) to file an appeal. Therefore, some appeals relating to audits completed in the year ending 2001, may not be received until 2002. Conversely, some appeals received in 2001 may relate to audits completed in 2000.

4. With respect to question (d):

Total number of audits: The total number of audits includes all audit actions reported in the Canada Customs and Revenue Agency's 2000-2001 Annual Report. It includes the programs listed in note 1 (C) above. In addition, it includes return types associated with the large file program and other tax returns audited aside from personal and business returns, such as trusts, charities, et cetera.

Excluded from this count are the number of files reviewed and/or processed in the following areas:

Non-filers; GST domestic rebates processed; non-resident returns processed; International tax other; Investigations.

Question No. 98—Mr. Garry Breitkreuz:

Concerning the implementation of the Canadian Firearms Program: (a) what is the projected cost to fully implement and operate the program and enforce the legislation; and (b) what is the cost to the Canadian economy including the projected impact on: (1) the number of firearms owners; (2) the number of hunters; (3) the number of visitors to Canada; (4) tourism and outfitting operations; (5) wildlife populations; (6) aboriginal people, communities, business and employment; (7) international trade; (8) shooting sports; (9) Olympic and international shooting competitions; (10) firearms and ammunition manufacturing, sales and service; (11) sporting goods sales and manufacturing; (12) recreational vehicle sales and manufacturing; (13) gun shows; (14) gun clubs and shooting ranges; (15) firearms collectors and museums; (16) movie and television production; (17) heritage and historical re-enactments; (18) employment in all impacted industries and activities?

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): I am informed by the Departments of Foreign Affairs and International Trade and Justice as follows:

(a) The firearms program is a national investment in public safety that is supported by the vast majority of Canadians. Over the first six years of operation, \$487 million was invested in this program. Even when adding in the estimated investment of \$139 million for this year, the total for seven years would still represent less than \$3 per Canadian, per year of operation.

This investment comes with the public safety benefits of a licensing and registration system that helps keep firearms from those who should not have them. Since December 1, 1998, over 4,000 firearms licences have been refused or revoked by public safety officials. To date, there have been 32 times more revocations than over the last five years under the old program.

(b) As to the projected impact of this program on the economy:

(1) While certain members of the recreational firearms community suggest that active firearms owners are leaving the shooting sports as a consequence of the individual licensing and firearms registration requirements included in the Firearms Act, there is no indication that this is true.

There are some indications that individuals who owned firearms but no longer use them have chosen to dispose of their unused firearms rather than apply for a licence and register firearms they no longer want, use or need.

(2) Nothing in the Firearms Act precludes Canadians or non-residents from hunting in Canada. Any decline in hunting participation rates may reflect changing Canadian demographics and increased opportunities for Canadians to actively participate in other recreational activities that were not broadly available in the past.

Many hunting and outdoor organizations understand that cultural attitudes towards hunting and the shooting sports have changed significantly and are expending significant resources to attempt to bring new entrants into the hunting and shooting sports.

(3)-(5) This question is not in the purview of the Department of Justice and should be directed to tourism and natural resources authorities. Nothing in the Firearms Act precludes law abiding Canadians or non-residents from participating in hunting and shooting sports in Canada.

(6) Nothing in the Firearms Act precludes aboriginal Canadians from participating in their traditional lifestyles. Nothing in the Firearms Act, other than licensing requirements to meet public safety requirements, limits the business opportunities for any Canadian to offer any service to any hunter or shooter in Canada.

The Budget

(7) The Department of Foreign Affairs and International Trade presently controls the export and import of firearms and ammunition. When the export and import provisions of the Firearms Act come into force DFAIT export permits will be deemed as authorizations to export under the Firearms Act, while authorizations to import will subsume DFAIT import permits. There should therefore be no extra cost to international trade arising from implementation of the Firearms Act.

(8)-(9) Nothing in the Firearms Act precludes Canadians or non-residents from participating in shooting sports in Canada. Any decline in shooting sport participation rates may reflect changing Canadian demographics and increased opportunities for Canadians to actively participate in other recreational activities that were not broadly available in the past.

(10) The Firearms Act provides for the licensing of firearms businesses. Nothing in the Act precludes a business from operating within the terms of its licence.

(11)-(12) The Firearms Act does not regulate the sales of such materials in any manner.

(13) The Firearms Act gun show regulations are not yet in force. The changing demographics of firearms ownership may be reflected in the participation rate at gun shows. However, it should be noted that these changes may just reflect the result of other recreational opportunities being available to all Canadians in all seasons.

(14) The changing demographics of firearm ownership may be reflected in the participation rate at gun clubs and shooting ranges. However, it should be noted that these changes may just reflect the result of other recreational opportunities being available to all Canadians in all seasons.

Nothing in the Firearms Act prevents Canadians from participating in the shooting sports. In fact, the Firearms Act requires that long gun ranges be inspected and certified by a chief firearms officer to ensure that they meet safety standards. This is the first time that long gun ranges have had to meet any safety standard whatsoever.

(15) The Firearms Act provides that Canadians can continue to maintain their firearms collections and that new entrants may begin firearms collecting. Museums may be licensed to maintain firearms in their collection.

(16) The Firearms Act provides a framework to regulate movie supply companies. Nothing in the Firearms Act prevents licensed production supply houses from providing materials to productions.

(17) Nothing in the Firearms Act precludes Canadians or non-residents from participating in historical re-enactments.

(18) Nothing in the Firearms Act precludes Canadians from participating in activities in which they participated in before the coming into force of the Firearms Act. While the forces of demographic change and the free choice of other recreational activities may have resulted in a decline in active participation in hunting and shooting sports, there is nothing to indicate that any decrease was the direct result of the introduction, passage, coming into force or implementation of the Firearms Act.

[English]

Mr. Geoff Regan: Mr. Speaker, I ask that the remaining questions be allowed to stand.

• (1015)

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from January 28 consideration of the motion that this House approves in general the budgetary policy of the government.

Mr. Randy White (Langley—Abbotsford, CPC): Mr. Speaker, it is a pleasure to address the budget once again in the House. I congratulate my colleagues on this side of the House for articulating a number of issues we wanted changed in the budget. In many cases we did not achieve the changes but in any event we brought the issues to the focus of the nation.

I will talk a bit about a number of things that were not provided for in the budget. Tomorrow is the anniversary of the commitment of the Liberal government to a national sex offender registry, a commitment it did not undertake at all. It misled the whole country into believing we would have a national sex offender registry. A motion was placed before the House last May indicating unanimous consent by all opposition parties and the government that we would have a national sex offender registry. It is important for people to know that the government said it would complete a national sex offender registry by January 30, 2002. That is tomorrow.

The disheartening thing about this is that out of frustration with the federal government's failure to work on a national sex offender registry the government of Ontario implemented one of its own. Ontario is the first government with a 90% compliance rate on that. The other 10% consists of people who have left Ontario for other regions. The province almost has a virtual compliance rate. Some charges and convictions will occur for one or two people who have not complied.

Here we go once again with commitments. What does a commitment mean to a government that says it has all these things in the budget and will fix us up? That is not the case at all. The whole national sex offender registry was an important issue to the House last year. We have not said much about it because we thought it would be developed. However the government has reneged on its position.

The Budget

It takes legislation to implement such a registry. This government has neither drafted legislation nor talked about it in any of its committees. On May 12, knowing full well that all it had to do was lie to the country and to members of parliament and get away with it, that is exactly what the government did. Anyone who believes the things the government puts in the budget will actually happen is not facing reality. The government does not intend to fulfill its promises.

There have been things in the budget about immigration. The country's immigration problems go far beyond what the government is portraying to the people of Canada.

I have been involved with a number of deportations of criminals from Canada. Recently three individuals were a case in point for the failure of the government in its refugee system. One individual I had been trying to get out of the country was ordered removed from Canada on May 25, 1999. The government ordered him removed in 1999. He is still here. Another individual was denied refugee status by the Immigration and Refugee Board on September 25, 2000. He did not exercise his right to appeal but is still here in Canada. Another individual whose case I had been working on was denied refugee status by the Immigration and Refugee Board in Calgary in March 2000. It was his second attempt to get refugee status in Canada. The file has apparently been transferred back to Vancouver for enforcement.

• (1020)

Why do I bring these cases up? The three individuals are unwanted in the country. They have failed in their refugee claims but are still in Canada. I asked the Immigration and Refugee Board for information. I asked what it had done and when it would remove them. The board would not tell me even though I was an intervener in all three cases. The reason the government gives for not telling me about the three individuals is that there is no evidence that disclosure in the public interest outweighs the obligation to respect the privacy of clients. It says disclosure in cases of this nature could set an inappropriate precedent.

What is not mentioned in the budget about immigration and refugee issues is that the government gives much more standing to the privacy of undesirable individuals ordered out of the country than to an intervener's right to know whether they have been removed.

Let us think about that for a minute. I know more about these people than I think they know about themselves. Each of them is undesirable in the country. I have fought the cases by myself in refugee boards. All I get from the bureaucracy is that it cannot tell me what happens after I have fought a case. It can only tell me if someone has failed a claim. It says it cannot tell me if someone has been removed from the country because it would violate the individual's privacy.

I have never heard such an absurd bunch of rubbish in all my life. This is from a country that proposes to look after the security of the nation as one of its highest priorities. It is rubbish. These people should not be in Canada. All the information I have says they are in Canada but the department of immigration will not tell me because it sees it as a violation of the rights of individuals who do not deserve to be in the country anyway.

Not much has been said in the budget about the prison system. I have been speaking about the prison system for nine years to the point where I am getting sick and tired of it. It is boondoggle after boondoggle. It is high time we had a public inquiry about how to fix the system.

I could go on and talk about a litany of errors in the prison system. I will explain a few of them, many of which I have been involved with. They go back from the golf courses at Ferndale prison to bringing in Colin Thatcher's horse to prison so he can ride it. They go into the latest foolish and irresponsible move to satisfy prisoners in Saskatchewan on New Year's Eve by giving them pizza and porno movies. Letting inmates, sex offenders, in a prison in Saskatchewan—

An hon. member: What is wrong with pizza?

Mr. Randy White: What is wrong with pizza he says? What is wrong with porno he says?

An hon. member: I did not say that.

Mr. Randy White: What is wrong with these people? The problem is there are many sex offenders in prison. Here is a government and even a warden that sanctions showing porno movies to inmates on New Year's Eve. Can hon. members tell me how that in any way, shape or form is called rehabilitation of our prison system?

I have run out of time but I will be back in the House on this issue and the issue of refugee determination until someone over there listens.

• (1025)

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, I will be splitting my time with my colleague from Winnipeg South.

Since taking office in 1993, the Liberal government, with the help of the Canadian people, worked hard to strengthen the fundamentals of the Canadian economy. With the 2001 budget we brought down our fifth balanced budget, a first in 50 years. We have had four consecutive surpluses including a record \$17.1 billion surplus in 2000-01.

These surpluses will allow us to reduce the national debt by almost \$36 billion, save \$2.5 billion per year in interest payments, and to make \$100 billion in broad based tax cuts over a five year period.

This prudent fiscal management will allow us to invest some \$23.4 billion into health care and early childhood development. It will also allow us to weather the storm that we began to experience prior to September 11, 2001.

Budget 2001 is a balanced budget. The government expects to balance the next two budgets. However, because of the exceptional fiscal pressures our economy is faced with today, the government has decided to use part of the \$3 billion contingency reserve this year and the next two years to meet some of our commitments. Any surplus in the 2001-02 fiscal year will be used to support programs like the strategic infrastructure foundation that will invest in communities across Canada.

The Budget

The government's sound fiscal management has resulted in a falling debt to GDP ratio. Next year, for the first time in 17 years, it would fall below the 50% mark. At the same time the government increased program spending for 2001-02 with 75% of that program spending earmarked for health care, security, employment insurance and benefits for the elderly.

Prudent fiscal planning over the last eight years has prepared us to weather the current economic downturn and our long-term outlook is good. In fact we are faring better than any other G-8 nation at this time. Our economy would also benefit from the positive effect of the decline in interest rates announced by the Bank of Canada since the beginning of 2001. Canadians have taken advantage of low interest rates by buying cars and homes. In my riding, both the automotive and housing industries have benefited.

Budget 2001 would not only maintain existing programs and our \$23.4 billion commitment to health care and early childhood development, it would commit significant new resources to initiatives that would benefit all Canadians and would protect our personal security. These initiatives would include: \$6.5 billion over five years to enhance personal and economic security; \$1.2 billion to make our borders more fluid and secure; \$2 billion for strategic infrastructure projects; and \$1.1 billion over three years to support skills, learning and research.

Overall, our government's investments, combined with tax cuts already made, will provide \$26 billion economic stimulus equivalent to 2.4% of GDP. This will boost the economy and help Canadians get through these challenging times.

I would like to highlight some of the initiatives that will benefit our nation. Strong and sound infrastructure is an important foundation for any productive country. The maintenance and construction of bridges, highways and transit systems all contribute to a healthy and industrious economy.

• (1030)

Investments in infrastructure not only stimulate job creation and confidence in the short term but make our economy more productive and competitive. The Liberal government recognizes this and has announced \$3 billion in infrastructure investment in budget 2001. This investment will go to four major areas: strategic infrastructure, affordable housing, government capital and border infrastructure.

A significant investment will be made into the strategic infrastructure foundation. Two billion dollars will go to the foundation for the construction of large infrastructure projects like highways, urban transportation and convention centres. This is a cost share initiative between the foundation and provincial and municipal governments.

There is a serious shortage of affordable housing in many cities across Canada. As urban populations grow, vacancy rates drop. This drives up the cost of rental housing reaching levels out of reach for many Canadians. My own community of Cambridge is a prime example of how a growing city finds itself in desperate need of more affordable accommodation.

I am pleased that the government will address this problem with the contribution of \$680 million over the next five years to capital grants programs. Under this program funding for affordable housing

will be provided for provinces and territories that could match federal contributions.

Another \$256 million will help alleviate concerns about the health and safety of existing federal government infrastructure like government laboratories, veteran hospitals and fishing harbours.

Budget 2001 would allocate money for infrastructure projects along the longest undefended border in the world, the Canada-U.S. border. These projects would include processing centres that would speed up border clearance times and improving highway access to border crossings. These are very important measures for businesses in my riding that rely on cross border trade.

Budget 2001 would fully protect the government's tax reduction plan that would continue to unfold in 2002 and beyond. Corporate income tax installments for small, incorporated businesses would be deferred for six months, a measure that would impact significantly on the cashflows of many small businesses trying to ride out this current economic slowdown.

I am pleased that apprentice vehicle mechanics will now be able to deduct from their income the cost of new tools. My caucus colleagues and I have worked hard for several years to push for this change and I thank the finance minister for listening and acting on our recommendation.

Budget 2001 is a good budget. It is the budget to build confidence in our economy and personal security. It is a budget for a time when many of us are feeling anxious as a result of the events of September 11. The budget will help Canadians through the current slowdown and will position us to take full advantage of the recovery that is just around the corner. Had it not been for prudent fiscal management, we would be at a significant disadvantage.

Canadians remember the hard choices of the 1990s. The government will not play fast and loose with the finances of the nation but will ensure that all Canadians are taken care of.

• (1035)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I listened with interest to the hon. member give his point of view on how the budget affected him personally in his riding. I would like to share with him how the most recent budget impacted the riding of Winnipeg Centre and ask for his comments on whether he still maintains the same point of view in light of what I am about to tell him.

The Budget

Winnipeg Centre is the third poorest riding in all of Canada by whatever measurement. Nothing in the most recent budget did anything to alleviate the growing gap between rich and poor in this country. The most recent budget concentrated on many of the things that the hon. member quite rightly cited, but it did nothing to alleviate or ameliorate the urgent social deficit as exemplified by a riding such as mine that is going through such hardship.

This budget failed to reach the objective on many levels. I understood that one objective was for equality. Equality in this country used to be the basic premise of the very reason that we came here. It was to make the country a better place to live, to elevate the standards of wages and living conditions of the people who needed it most and to narrow the gap between rich and poor. In that light this current budget has failed dismally.

I will deal with one specific area, the EI program, and I will ask the hon. member to comment on that. In 1990, 63% of unemployed people in my riding qualified for EI benefits. In 1999, 23% of unemployed people were eligible for EI benefits. The changes brought in by the Liberal government that were not altered in the current budget pulled \$20.8 million per year out of my riding.

The current budget tinkered with minor little details but did nothing to deal with the eligibility issue and the reduction in benefits issue. Would the hon. member not agree, seeing as the EI program is showing a surplus of \$750 million a month, making up a great deal of the surplus that the government enjoys, that the time was right to restore the former EI program which allowed better eligibility and qualification for people who desperately needed it in ridings like mine?

Mr. Janko Perić: Mr. Speaker, I thank the hon. member for Winnipeg Centre for his comments.

I believe that the hon. member for Winnipeg Centre would agree with me that we are a huge nation with a huge mass of land. The people of Winnipeg Centre are a part of the city of Winnipeg, the same as a person is a part of the city of Cambridge. The government is looking at a much bigger picture than only a small part of the city of Winnipeg or the city of Cambridge. My belief is that the budget is a balanced budget and the best budget that the finance minister could come up with.

If we are talking about unemployment we can go back to 1993. The unemployment rate was 11.1% and it dropped down. I believe that the hon. member from Winnipeg would agree with me that we dreamed just to reduce the unemployment rate to 9% which would have been a huge achievement. Today it is much lower than that.

All Canadians have helped the government to go through those bad times. We can thank the Minister of Finance and the government for putting our house in order so that we, and the next generation, could prosper in the future.

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, it is a pleasure to speak on the Christmas budget, the good news budget, a present from the government to all Canadians.

One thing on which people need to focus is the situation we were facing leading up to this budget: flattening revenues prior to 9/11; concern internationally about the slowdown of the global economy; and the terrible shock of 9/11 which at first threw everyone into no-

man's land. I do not think there was a country in the world that had a good grip on what would happen as a result of it.

People were understandably worried throughout the fall as to what it meant. The message just before Christmas was that although some tough decisions had to be made we were still able to balance the budget, implement the decisions made in prior budgets regarding infrastructure and tax cuts and keep a focus on innovation and the growth agenda. It was a good news budget. The Prime Minister, the Minister of Finance, all ministers and staff who worked on it and the thousands of Canadians who contributed to it should be congratulated.

I think people have not realized fully another part to the budget. It shows the fundamental wisdom of the finance minister, not just in this budget but in all his budgets. At a time when revenues are flattening and we are approaching what might be a recession, about which people in Canada are still wondering, what are the remedies? One of them is to cut taxes. The other is to increase investment.

A year ago we started down the road to a new round of infrastructure. We had infrastructure investments in place to provide some stimulus before we began to address the more serious concerns about the downturn so those projects could be up and running as unemployment began to rise. This was reinforced in this budget and we were able to put more money into infrastructure investment.

We also started down the course of tax cuts a couple of budgets ago and now we are into the implementation phase of that. Each year the tax burden is being reduced and the money in the pockets of people is growing.

The combination of the foresight of the finance minister and the government, as well as the ability to manage the finances, allowed us to continue to keep an eye on the larger agenda, which is helping Canada become one of the most innovative and creative countries in the world. I am one who thinks they have done a marvelous job.

As someone who has a great deal of interest in innovation, the fact that they were able to make investments in universities, assist the research councils and continue the path which had been established a while ago to enhance our capacity to create knowledge was important.

Having said all that, I still have concerns. I have concerns about the structure of the innovation programs in Canada. We are too heavily skewed to a few government institutions in Ottawa that suck up far too much of the resources. The way the Canadian Foundation for Innovation functions is wrong. The models used by NSERC need review.

Like any large organization there are still problems which is why we need the innovation agenda and why we need to see the white paper and get on with the work of building a comprehensive strategy for innovation which includes not just the five large universities in Canada but also all parts of the country.

The Budget

I want to talk about something else in the budget. It is something in which members will know I have a deep interest. It is one of those areas that is tempting to cut when times get tough; that is the progress toward enhanced use of information and communication technologies by government.

There are several flavours of that. In the window right now is something that goes by the name of Government On-Line. Essentially it is the placing online of more and more information that citizens can access about government services and how government functions. It shares the information available in government, but also transacts business with government online in a fast, efficient and secure environment and accesses services quickly when they are needed.

• (1040)

However there is no democratic government in the world that has succeeded in doing this. Canada is at the front of the pack in making these attempts and it is progressing. In fact, in some ways we were very smart when we started to connect Canadians in the last decade. Canada is far more connected than some other countries. In some other countries the digital divide arguments are all about how they get connected. Canada has done that. It is now heavily into the systems design and the systems change issues.

When we look at the basket of issues that members deal with in the House, I would ask members to spend some time to get up to speed on these issues because they are at the heart of the change agenda that will affect every member of the House over the next decade.

As I started to talk about accessing information online, someone made a comment about the current concerns regarding freedom of information. I share the concerns of the member. There are serious flaws in the way the current freedom of information system operates and some of the recent decisions make those flaws worse.

However there is another aspect to that, which is the culture of secrecy that exists within all governments, but particularly within the Canadian government. We do not share shareable information in an efficient or effective way. At the end of the day, what is one of the big functions of this Chamber? It is to hold the government accountable. How do we hold the government accountable if we do not understand what it is doing and if we do not have comprehensive and complete information on the activities of government?

A lot of work has to take place in the next while to get both the access to information and the privacy legislation right, privacy being the companion legislation. The government collects involuntarily information about individuals and holds it. People have the right not to have that information shared publicly. Having a balance between privacy and access is important.

Also, we need to follow an investment curve. I am pleased that the finance minister saw fit to continue with the progress in GOL by giving departments the capacity to build competent online systems. It is time for the House to begin focusing on the issues around how the created information is used and how to turn government into a learning organization. How do we build an information infrastructure for this House that allows us to be part of the knowledge economy?

A friend of mine has suggested a title for one paper we have been writing, which is: In the knowledge economy is it possible to have a smart government? Is it possible for government to get up to speed and start to function at the same rate that the external community is?

I would argue that one reason there are concerns about the functioning of this Chamber is that the instruments of parliament have not been modernized. I am not talking about tinkering with a few rules. Rather how do members get themselves ahead in the information flow? How do they and the Chamber become informed about issues before they come crashing in on us with a very short deadline?

Members know the world has changed dramatically but we in the House have not. As a colleague of mine suggested, the decision making structures in the House are ones with which Sir John A. Macdonald would be very comfortable. We are taking the first step down a road that will change all that, but if it is to be done right it needs leadership and guidance from the members of the House. I encourage members to take some time to get themselves up to speed on these issues because they will be the leadership issues of the next decade.

With that I will take any questions, including the one from the member for Winnipeg Centre, if he wishes to get back to his discussion about the enormous amount of support the federal government is giving his riding.

• (1045)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank the member for Winnipeg South for an interesting speech. While I do not share his views nor his boosterism about the current budget, I am reluctantly compelled to acknowledge the work that he has done in the area of e-government and information technology and his efforts to bring that to the attention of the House of Commons, the subject of which occupied the bulk of his speech.

I would like to ask the hon. member one question dealing with an issue that he raised on information technology, privacy and access, and I will tie it to the budget.

The issue deals with the wrestling match that we have between information stored by government, a person's right to access to it and another person's right to privacy. The context in which I wish to raise it is the guaranteed income supplement.

Another issue in my low income riding of Winnipeg Centre is that we now know there are many senior citizens who are eligible for the guaranteed income supplement, have never applied for it and are who not getting it. As many as 10,000 people are being shortchanged in this way.

The Budget

The government knows who these people are by virtue of their income tax returns. It knows their income levels and that they are eligible for the guaranteed income supplement. We have challenged the minister of HRDC and the minister of revenue. We have asked these questions. If one minister knows who these people and the other minister is responsible to get these low income seniors the benefits they deserve, why does one department not tell the other department and share that information? The answer has been it would be a violation of the senior citizen's privacy for the revenue minister to tell the HRDC minister.

Does the hon. member think that is a bastardization of the interpretation of the Privacy Act? Does he think that would be a fair thing to do, in terms of juggling privacy and access to information?

• (1050)

Mr. Reg Alcock: Mr. Speaker, the member raises a critically important issue. On the narrow question of putting information together today to solve an important problem today, the answer the member has received is absolutely right. Prohibitions in the current Privacy Act prevent that.

Some of the prohibitions were written at a time that predated the existing Privacy Act. If we look back at legislation through the last half of the last century, it is literally peppered with prohibitions on sharing information because of people's inherent fear of the combining of information. The image the public has about government's use of information technology is a frightening one. It is "big brother". It is the malevolent, all controlling government.

I was in the state of Texas last week talking to the e-government folks there. Texas has 529 separate statutes preventing the sharing of information. That is an attack that has to be made, not to reduce people's right to privacy but to restructure it in light of what the tools enable.

I have said publicly in many venues that our current privacy commissioner is wrong. His approach to the privacy legislation is wrong. He does a disservice to our government and to Canadians in his approach to the delivery of privacy protection. It is outmoded.

We think of these tools as providing a bit of fast exchange. However what the knowledge economy is about is by assembling information it creates new understandings of how things work by bringing information together.

The big changes that drove the big movements in large private structure organizations were based on an ability to all of a sudden see the organization in ways they could not before. They could now assemble information about the organization and extract knowledge from it.

Government prohibits the assembling of the knowledge. How the heck can we build a comprehensive view of what government is all about to enable change? It is a huge problem, and the member is absolutely right.

Do I think that kind of combining should take place when it is in the best interest of citizens? Absolutely, but the minister is quite right. It is prohibited under the Privacy Act, which is why the House has to get its head around the changes that are necessary in that legislation.

[*Translation*]

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, I would like to indicate that I will be sharing my time with the member for Jonquière.

First, the example that I will use affects the people in my riding of Châteauguay, in the Montérégie and in greater Montreal. However, this example, which may appear to focus on the issue of highway 30, will nonetheless have an impact on all Quebecers and on all Canadians.

Let us not be fooled. A budget is about more than just numbers, much more than numbers. I will touch on infrastructure in particular, on this strategic infrastructure foundation which was mentioned and which will likely be set up during this session, this spring.

I am surprised that there has not been much talk in parliament about the importance of this foundation, yet another foundation that will be created. This is one more scheme to chip away at the powers of all of us sitting here today, of members of parliament. What is happening to democracy in this parliament?

When I rise to speak to the Liberal government bills, and this is not just coincidence, on almost every occasion, for every debate or speech, I have to intervene and warn the House that democracy is being threatened.

Each time that I stand, I imagine what it would be like if the 301 members, maybe a few less, because the ministers or the executive have given themselves more powers, were to stand. How can it be that members of the House, not only those in the opposition benches, be they members of the official opposition, the Bloc Québécois, the New Democratic Party, the Conservative Party, or the Progressive Conservative/Democratic Representative Coalition, but also members from the Liberal Party, how can it be that we are being told that this budget is good? I heard this being said earlier: "one of the best budgets that could have been brought down for Canadians and Quebecers". I simply do not understand.

The problem is as follows: by quoting figures, they believe they will stop comments by our fellow citizens, our constituents. They say that they have "invested two billion dollars in the foundation", which is, of course, most welcome. "If there is a surplus at the end of the fiscal period ending in March, if there is a surplus, some of it will be invested". Invested in a foundation that is controlled by whom? By a board, once again by people who have not been elected.

Instead, they are prime ministerial or government appointees, but we know very well that the one behind it is the Prime Minister of Canada and that he will keep on making partisan appointments. We have no inkling of who these people will be, or how they will be chosen. We have some suspicions, however, that they will be cronies once again.

The Budget

Imagine. Take the example of highway 30. There were promises right from the start, during the campaign for the November elections, about building two bridges to access highway 30, along with a 14 km stretch of road. I have risen in the House on a number of occasions to ask the government what progress it has made on this promise concerning highway 30, and the memorandum of agreement the Quebec minister of transport was asking it to sign.

There has never been an answer of “Yes, we are going to sign it and yes, we are going to finally respect our promise and commitment on highway 30. The work will be done”. All that we heard at first was “Oh yes, we are progressing. We are at the request for information stage”.

That was what we kept on hearing until December. So even without a budget, we would still be hearing the same thing today. They are at the request for information stage with the private sector, to find out whether it might be involved in the undertaking.

• (1055)

From the outset, what we were not told was that the goal was not to sign this cost-sharing memorandum of agreement and provide funding for the completion of highway 30, because the government knew that it would set up a foundation, I think this is the eleventh, to make it hard for MPs and the auditor general to find out what they are doing with taxpayer money.

This approach creates a second, unelected parliament, which will be run by unelected officials, by people who have been appointed. This is serious. Each time, I am forced to speak about the erosion of democracy.

This erosion has been taking place since the September 11 attacks. We thought that bin Laden had not been successful. No one can locate him, but he has still been successful to the extent that even in our parliament we have seen an unbelievable loss of democracy. We asked this government to hold a debate on the deployment of troops so that the House could hold a vote. This was rejected out of hand. Worse yet, the public is being led to believe, through the take note debate held last night, that something is being done, when the decision had already been taken to send our troops to Afghanistan or a bordering nation.

These troops will capture prisoners and hand them over to the United States, which will enforce the law as it sees fit with respect to those prisoners, whether or not it complies with the laws of Canada or the Geneva convention. We will have no control.

This government talks about Canadian sovereignty. I do not think it understands why Quebecers want to be sovereign. It is handing over to the Americans its sovereign right to decide what is to be done with the prisoners.

I now go back to the foundation. When the government talks about \$2 billion, it is of course over a three year period, provided there is a surplus. For Quebec, over a three year period, this means from \$400 million to \$500 million. In Quebec, during the election campaign, the government made promises totalling in excess of \$3 billion for highways alone.

This foundation will not only deal with highways, but also with construction projects, convention centres and all kinds of infra-

structures. What is worrisome is that the government is killing two birds with one stone. Parliament will no longer have any control over how these public funds are used. The federal government will even be able to bypass the provinces, and Quebec in particular, to negotiate directly with municipalities.

Again, I am convinced that this is either a lack of vision or a lack of honesty, not only intellectual honesty, because we know about the surpluses that they took from the employment insurance fund. They have taken over \$40 billion, and the amount for this year is said to be in excess of \$13 billion.

Earlier, I heard a member say during his speech that the government was giving us a present. What present? This is not a present, it is money that comes from our taxes. People who are in precarious jobs are deprived of over \$40 billion in the employment insurance fund. I just figured out what they mean by a present. They take the money and, instead of giving it to those who contributed in order to eventually get benefits, they give that money to cronies, they put it in other areas instead of reinvesting the available money directly in the infrastructure.

• (1100)

I want to tell my fellow citizens from Châteauguay, the Montérégie or the greater Montreal region that I will force this government to respect its commitment regarding highway 30. I will also see that this foundation is set up as quickly as possible and that audits are conducted, even though the auditor general will not be able to look into what the board of directors is doing.

Mr. André Harvey (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Speaker, when Bloc Quebecois and Parti Quebecois members are angered by the federal government's attitude, it surely means we are on the right track, does it not?

They should at least wait for the details on the foundation to be tabled here in the House, so they will know its basic components, its goals and how it will work. When I hear their comments, I am convinced they are very angry. They are happy only when things go wrong. They would rather see the project fail. What they want is for us to simply transfer funds to Quebec. However, we will not simply transfer funds, because we know that the regions receive very poor services in most areas.

So we have decided to create a foundation and a fund that will allow us to identify the important projects in all resource areas of the country, particularly those of Quebec. I understand that they are angry, because we will have some legal authority and the possibility to choose the projects we want to invest in. The only thing members of the Bloc and the Parti Quebecois approve is when Canada transfers funds to Quebec and lets the province choose the projects and the implementation schedule. The days are gone when things were done this way.

I am asking the member if he would rather, instead of having the foundation has been set up, see the Government of Canada simply transfer funds to the Parti Quebecois and let it do as it pleases and choose the projects it wants. Those days are gone.

The Budget

●(1105)

Mr. Robert Lanctôt: Mr. Speaker, I thank the hon. member for his question. He is asking me whether Quebec should be in charge and make decisions about which roads to build, where and when. Let me tell the parliamentary secretary that is the way it should be, because it is up to us, and to the members of the National Assembly in particular, to decide where and how Quebec will develop.

It certainly should not be up to a board already appointed by you or the Prime Minister to decide—

Some hon. members: Oh, oh!

The Deputy Speaker: Order, please. I hesitate to interrupt such an interesting exchange, but we should never forget that remarks should be made through the Chair, and not directly to another member.

The hon. member for Châteauguay.

Mr. Robert Lanctôt: Mr. Speaker, I will continue my remarks, but I will tone down a little, because, when a remark is made by the Chair, we should listen.

I want to mention that when we are asked whether this government or the Quebec government should decide where and when our infrastructure or road projects should be carried out, I hope that your remarks about the respect we should have for this House will be heeded by the member opposite.

Let me explain what the rules should be. In matters of road construction and development in our country, in Quebec for example, our National Assembly and our government should decide where and how we want roads built.

The hon. member said that this is simply handing out money to get the work done as we want it done, but I say that we should be the prime contractor. Yes, we can do it and we have the expertise to do it. The hon. member wondered if we should hand out these funds. The government had the opportunity to have its say, to negotiate as an equal partner when the federal Minister of Transport met Quebec's transport minister. He negotiated and he led us on the wrong track when he said "We will call for tenders in the private sector to see if they will get on board". We have to wait for a budget tabled by the Minister of Finance instead of getting the real picture from the Minister of Transport, who would say "No, we will not do it. We are creating a foundation and we want to keep all this secret because I am afraid to negotiate with your minister". I do not know why this is so.

Let the federal government give us the money. We specifically asked that it be invested in infrastructures, so that Quebec's transport minister would have money available to complete this highway 30. He would have no choice but to go ahead with the construction. We are now being told that they are backing up, that a foundation is being established and that we are to negotiate with people who are appointed because they are good friends of the Liberals. These people will not be accountable to our fellow citizens. Who will decide? Creating a foundation is nonsense. We want the money so that we, as prime contractor, can make the decisions.

●(1110)

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I am pleased to rise today to address the budgetary policy which we are debating today, following the budget tabled last December by the Liberal government.

First of all, I wish to take this opportunity to wish all those who are listening, and to you Mr. Speaker, health, happiness and most of all prosperity in this new year 2002.

I noticed that in December, the Finance Minister did not talk about prosperity for Canadians and Quebecers. He only referred to security, following the events of September 11. He forgot to tell us about the scope of the economic crisis we are presently facing. In such cases, people have to be put back to work.

My father, a plant worker and a very wise man with the good common sense of people living in the regions, used to say "In the past, when governments saw a recession coming, they would invest money in various projects in order to put people back to work".

During the holiday season, people in my riding of Jonquière kept asking me "Jocelyne, what does the finance minister have in mind to help us move forward, and get jobs?" As we know, the regions are always the first to suffer the consequences of a recession. I looked at the budget summary with them and I saw that there was not much for the regions.

The Minister of Finance of Quebec, Ms. Marois, who tabled her budget just days before the federal finance minister did, had a vision. She invested new money to allow jobs creation immediately, by the spring, in February or March, she did not wait until May, so that people can finally see light at the end of the tunnel.

Many people in my region have lost their jobs in the lumber industry. There were also plant closures. These people are waiting. The Minister of Finance of Quebec took action. The federal finance minister could have done the same. What has he done?

Today, January 29, 2002, is a great day for me, because I now understand why, and I have been asking myself the question since the tabling of the budget, the federal minister finally wants to create a foundation. I was wondering why. As the Bloc's critic in the House of Commons, I am responsible for regional and rural development, as well as for infrastructures. I was wondering why he had not responded to the expectations.

A federal-provincial infrastructure program was created, but it is in dire need of funding. In Quebec alone, an estimated \$1 billion would be required to implement projects that municipalities tabled with the Quebec government so that each municipality could move forward.

For the first issue, there is a \$690 million envelope and projects are valued at \$1.4 billion. This means that there is a \$700 million shortfall just for this.

For the second issue, concerning sewers, bridges and so on, 1,146 projects valued at \$978 million were tabled, but there is only \$690 million in the envelope. This is a \$200 million shortfall.

The Budget

For the third issue, dealing with cultural, recreational and tourist infrastructures, 405 projects valued at \$1.4 billion were tabled and there is only \$306 million in the envelope.

If one can do the math, this adds up to a \$2 billion shortfall, that is \$700 million, plus \$200 million, plus \$1 billion, for a total of \$2 billion in Quebec alone.

• (1115)

The federal government knew what was at stake, but it preferred to say “No, no, no, we will not listen to the municipalities”. It snubbed not only Quebec, but also the municipalities. It was the municipalities that tabled their projects. It was the municipalities that said “These are our priorities, based on the resolutions passed by our municipal councils, for the development of our economy, of our municipality”.

The member for Chicoutimi—Le Fjord said so: “We want the opportunity of increasing our visibility throughout Quebec”. They want to be able to say: “We are the ones with the money”.

Let us not forget about this foundation. Let us talk about it. It will be created if there is money and it will not come into effect until April 1, 2002. A bill will be introduced at that time, after which, all of the friends of the government, the Liberal friends, will be appointed to the board. They will meet to define their priorities and the criteria of this foundation. I expect this will take a year, or a year and a half.

Does anyone really think that the people in my region, in the Saguenay—Lac-Saint-Jean, have time to wait? They are currently unemployed. And are members aware of what has happened to their employment insurance benefits? They only receive 55% of their income. Is it really possible for a man supporting a family to live decently with 55% of what he normally earns? They do not have time to wait around for 18 months, because in 18 months time, they will no longer be receiving EI benefits. What will they be getting? They will be forced to receive social assistance, but only on the condition that they sell their house, their car, all of their furniture and possessions in order to be able to receive social assistance benefits.

Is this what the federal government wants? I think that is the case, I am proud to be a Quebecer, I am proud to belong to Quebec society and I say to this government that what it is doing is serious. It is going to let people starve so that it can have some visibility. That is the word the member for Chicoutimi—Le Fjord used. He said that the government wanted to have some visibility.

This is not the way to run a country. This is not the way to be accountable to taxpayers. This is not the way to allow people to earn a decent living.

Highway 30 runs through the riding of Châteauguay. In my riding, it is highway 175, which has become an urban legend in the riding of Jonquière. The construction of this four-lane divided highway can be delayed no longer. Such a highway would enable our region to move into 2002, to promote economic development, to stop the exodus by our young people, and to get things back to normal.

The Quebec minister of transport has submitted a memorandum of agreement, and has laid \$260 million on the table, telling Canada “Follow suit, and do it before March 31, 2002”. After that date, as

the hon. member himself has said, along with the hon. member for Hull-Aylmer, who heads the Quebec Liberal caucus, “It is true, we will no longer have any control over it. We will not be able to respect the promises that have been made”.

Let the government do it. It has the money. There is a budget surplus this year. There is money. Let them stop misleading us with talk of whether there is money, or whether there is not. There is. Let them put some money into meeting my region's expectations. Two billion dollars have been invested into this foundation, but that is for all of Canada. Quebec's demographic weight in Canada is 25% of the whole. So, 25 % of \$2 billion makes \$500 million. But that is for all of Quebec's roads, and there is not just roads. There are also sewer and water infrastructures.

I am going to use some rough language here this morning: they are taking the public for fools. That is what this government is doing. I think that the people of Quebec and of Canada are no longer fooled; they know that the tax money belongs to them. We pay taxes so that the needs we have identified can be met, not to raise the profile of the government. To meet our needs. As far as the highway in my area is concerned, I want to see the \$260 million by March 31, 2002.

• (1120)

Mr. André Harvey (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Speaker, when I meet people from Jonquière, they tell me that they cannot wait for the next federal election. The outcome will be similar to the result of the provincial byelection that was held in the riding of Jonquière. It will be the same all across Quebec. Quebecers will take charge of themselves and they will take the place that is theirs.

Right now, when the PQ and the BQ criticize the federal government, they always say that it is to blame for everything that happens. Yet, the Canadian government is taking initiatives in our region. These initiatives will benefit the riding of Jonquière and all the ridings in the region, in Quebec and even across the country. In the spring, we will, among other things, build the Canadian centre on aluminum processing technologies.

Instead of doing like the PQ and creating committees that control all the regions of Quebec, we would rather create research laboratories. We will do so in the aluminum sector. We will also do so in the tourism sector, with the Canadian centre for the conservation of boreal biodiversity, formerly known as the Saint-Félicien zoo, which the PQ government was in process of shutting down. This will be done thanks to the Canadian government. We will also promote genome research in our regions, again thanks to the Canadian government.

With regard to the issue of highways, the PQ and the BQ have always said no to the construction of highway 175 between Quebec City and the Saguenay—Lac-Saint-Jean region. Only very recently did they agree to go ahead with this project. They got such a scare from the results of the byelection in the riding of Jonquière that they are prepared to agree to anything.

The Budget

They should at least have the decency to wait until the bill that will create the foundation is drafted and tabled. Then they can express their views. But we will have a tool that will allow us, as representatives of the Canadian government, to make choices jointly with the Quebec government and the other provincial governments, and say “Yes, we think this is an important project”.

Ms. Jocelyne Girard-Bujold: Mr. Speaker, I am not going to descend to the level of the member for Chicoutimi—Le-Fjord. What we are talking about this morning is important. It is important to tell our constituents that this is our money, that we are not asking for charity.

The federal government has always sent crumbs to the regions of Quebec. Next to nothing. The member for Chicoutimi—Le Fjord has told us about the crumbs sent by the government. We have been asking for help for ages. I still say that I want all my taxes back.

In the Saguenay—Lac-Saint-Jean region alone, we are paying close to \$800 million a year in federal taxes. I want it back. All the crumbs, all the scraps the government sends are my money and I will take it. I am not going to go begging the federal government for help. I am asking, but I am not asking the member for Chicoutimi—Le Fjord, because he is engaging in petty politics, and I will not stoop to that.

I was elected by a population respectful of the needs people define as their priorities in committees which they form for that purpose. I respect this form of democracy. I am a very democratic person.

The Saguenay—Lac-St-Jean region identified as a priority a divided four lane highway in the Parc des Laurentides, and sought federal funding of \$260 million before March 31, 2002. The federal government has allowed this uncertainty to go on for too long. For Quebec's highways alone, it promised \$3.5 billion during the last election campaign. Enough of promises. People are fed up; everyone is ready to get down to work.

I say that we should all put our shoulder to the wheel. We should work with their money to give people their due. I ask for nothing more.

[*English*]

Mr. Paul Harold Macklin (Northumberland, Lib.): Mr. Speaker, I will be dividing my time with the member for Algoma—Manitoulin.

Indeed, it is a pleasure today to rise and speak on the budget. At times, I suppose, we sit here and listen to the debate back and forth and wonder if money alone could solve all of these problems. I think it is clear that each one of us has our own priorities. As parties, of course, we establish these priorities as part of the party system, and as we look at what we would like to see they obviously reflect the priorities we have established from our party base.

The values and vision espoused in the budget have in fact been significantly impacted as a result of September 11, but I think the budget properly adjusts to those events and proceeds in a way that I think is showing a good and solid future vision for the government.

Like the member for Winnipeg South, I want to look at some of the infrastructure that the budget affects and how it may affect us in the future. I would like to address this matter by looking at my riding

as a microcosm. I would like to focus on an area that is research, innovation and technology, which was an interest of mine when I was elected in November 2000 and has continued to be since then.

When I first appeared in the House and made my maiden speech about a year ago, I announced as part of it that I was starting a research, innovation and technology committee to give me advice on how we should chart the course for the technology related sector within my riding. In its conclusions and recommendations to me, the research, innovation and technology committee indicated that there was a great and significant need for technological infrastructure within my riding. Urban areas even within my riding are far ahead of the rural neighbours, and of course they are absolutely miles behind the major metropolitan areas.

In the new economy that we are already entering upon, we have come to rely on the broadband communications for everything from banking to health care. It is vital that the Government of Canada show its commitment to ensuring that all areas of our country have adequate access to this fundamental resource. Broadband sources such as fibre optic cabling can be compared to our quest to link this country with the railroad. Then, of course, we required the ability to transfer goods efficiently across this great country. Now, in our global economy of today, we require that same ability, but instead of the rails and ties of yesterday we have the bits and bytes of today.

In the last election we went to the people of the country and made a pledge to them that we would focus on creating a smart Canada, a country that has innovation and education as part of its primary resources. We pledged to make Canada a top five leader in research and innovation by the year 2010.

To this end, we must harness the power of the information age. We must provide access to the Internet and all of its associated information technologies. The information age does not apply just to those who live in major urban centres. Canadians from coast to coast need that access. If we are to truly promote knowledge and reward innovation, then we must take steps to foster growth within this important sector of our economy to ensure the long term viability of our country in this new economy.

My committee also acknowledged that as long as rural Canada does not have adequate access to broadband communications and those assorted tools that go with it, we will have great difficulty in attracting new business to our regions. Even for things so simple as the promotion of our regions through online databases of our economic resources, such as the availability of land or space for new location of facilities, these have all been compiled and are conveyed through our online resources.

● (1125)

This technology infrastructure is a must if we intend to compete in that new economy. The Internet of today is not just another research tool.

The Budget

As I look at my rural riding I see health care as a primary example of where broadband communications are needed so desperately. In Northumberland, we have access to numerous health care facilities, fine health care facilities. However, they are not yet able to reach their full potential of information sharing. With the electronic files now being produced by the CAT scan and the MRI, doctors have the ability to view and manipulate the various files that are produced, but in fact without the proper means of transmission of those files from place to place, really they have to find a physical way to attend at these various facilities in order to properly diagnose and give advice.

This is a classic case of a bottleneck in the system. The specialist has to physically travel to view those files at the various hospitals. With a shortage of those people who read those files, broadband communications is something that could be very helpful, not only to the health and welfare of those rural Canadians but to allow us to get proper service to our health care system in an efficient way.

I am pleased to see that in this budget there is a continuing commitment from the Government of Canada in the area of strategic infrastructure. With the Strategic Infrastructure Foundation, we should have the ability to look at this for some of these major infrastructure projects. I do not think we can look at this as simply being available only for highways, urban transport and sewage treatment. I think we can look at it in the broader context of all our technological infrastructure needs.

At this point so many communities in rural Canada are starting to have some fibre optic cable running through them, but the catch is to try to figure out a way to connect to that fibre optic cable. The government is now looking at private and public sector partnerships to ensure that these rural communities will have the ability to harness this power inherent within the Internet and broadband communications.

So how do rural areas like my riding move forward? How do we push down these barriers? How do we get ready for this new economy and promote ourselves for this new investment? On the local level, of course, we have a strategy that is used for attracting and sustaining diverse businesses, but I think we have to use technology and work more with technology to enhance and improve our way of life in rural areas, particularly as it applies to health care, continuing education and other key sectors.

It is important that the views of the rural communities such as mine in Northumberland are brought forward and heard. The guidance and leadership from our government as demonstrated by this budget is an imperative for rural Canada. There is only so much time for rural communities to become competitive in the new economy and our government must continue to expand our ability to assist communities in getting up to speed.

With this budget, I believe we are taking another step forward with the creation of this Strategic Infrastructure Foundation. Within our government we always have to be looking forward. I call upon our government to take another positive step by putting together working groups within our communities to examine the issues of broadband technology, not only in the cities but in the rural areas, for I think it is through this means that we will be able to interconnect this country and reap the benefits therefrom.

People in rural communities such as my riding are looking forward to leadership from us. This is an important issue. The budget has given us the vision and has given support but we need to do more. I look forward to working with my colleagues in the House in the coming months to continue to advance this issue, to work with the stakeholders in ensuring that the needs of rural Canadians will be met as we look at creating a more innovative country.

• (1130)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I would like to thank the hon. member for an interesting speech full of nothing short of boosterism for the most recent budget. I am rising to say that I disagree with the hon. member's optimism that the most recent budget in fact will meet the goals he states.

The reason I stand today is to ask him just what the measurement is that the Liberal government uses in trying to determine if the budget in fact is meeting the goals and objectives, or what is the yardstick it uses to measure progress by? By any realistic evaluation of the real social problems facing the country, it has failed to move the debate along that yardstick one iota. The current budget again ignores the huge compiled social deficit that has developed over a decade of cutbacks to social spending.

I would ask him, given the promises made in the throne speech, the promises made in the red book and given the business plan that is the most recent budget, because a budget is in fact a business plan, by what yardstick does he measure the progress he has so proudly spoken of in the country today? What meaningful impact has it had in trying to elevate the standards and to flatten out the gaps between the rich and poor?

Also, the ultimate question is, how can he stand and say that we are meeting these goals when in fact there is no empirical evidence at all to show that we have done anything to move forward what is rapidly becoming a permanent socioeconomic underclass of low income, very marginalized people in the economy?

• (1135)

Mr. Paul Harold Macklin: Mr. Speaker, I thank the hon. member for his question. I think it goes back to my initial opening statement, that is, each of us has a series of priorities we have to address every time there is a budget put forward. We work with those priorities. In this budget there was a priority that was obviously a reflection of September 11. There is no doubt that as a member of the government I would always like to see more in every area as well, but I think the reality is that we take our priorities, balance them and pick and choose those areas in which we will go forward.

In terms of this budget, I believe we have indicated where we are going. I do believe that there have been a great number of strides in the Internet and broadband areas. I can see that the schools are now becoming interconnected. It is clearly being advanced step by step so that we will be able to achieve our connectivity goals.

However, I do say that from my perspective it is a question of priorities. We are doing our best to try to meet the priorities as we, as a caring and sharing government, see them. Therefore I am looking forward to seeing the budget fully implemented and seeing the results thereof.

The Budget

Mr. Jay Hill (Prince George—Peace River, PC/DR): Mr. Speaker, I know there is limited time remaining to offer a question to the hon. member who just spoke. A big part of his presentation dealt with rural Canada. One of the big issues in rural Canada ever since the Liberal government passed the gun registry has been exactly that, and furthermore, the need for secrecy and confidentiality in the compilation of the list of gun owners.

I wonder, given the hon. member's obvious attachment and professed concern for rural Canadians in particular, how he feels about what we have learned, that is, the Liberal government intends to contract out the gun registry to private contractors. How does his government intend to ensure confidentiality of that information?

Mr. Paul Harold Macklin: Mr. Speaker, when I express my interest in rural Canada it is a very sincere interest in seeing rural Canada develop. As part of my interest in rural Canada, on the Prime Minister's task force on the future of agriculture in the country I have travelled from coast to coast in the last six months and talked to farmers about their interests in agriculture.

Quite frankly, for the most part their interests in those rural areas have to do not with guns but more to do with how they can seek and maintain a good standard of living. I think that is where we will be putting our efforts and our energy and therefore I am of the belief that this budget will carry us forward to reach that goal.

• (1140)

Mr. Brent St. Denis (Algoma—Manitoulin, Lib.): Mr. Speaker, it is a pleasure to share my time with the member for Northumberland whose speech I enjoyed greatly. We share a common bond in being representatives of rural areas, his in southern Ontario and mine in northern Ontario. We also share another bond in that even though there is a fairly large geographic distance between our rural areas, it is heartening to know that the challenges and opportunities we each face in our areas are not that uncommon and not that dissimilar.

In his remarks the member spent quite a bit of time talking about the broadband initiative and the need for a connectedness. I fully support the remarks he made. While we have had to make some adjustments because of September 11, I am very confident that the commitment made in the fall 2000 election will be met in due course.

We want to be sure that our rural areas share in the wealth and the opportunities of the country. I can hardly point to any government other than this one which has committed itself so greatly to ensuring that rural Canada meets its full expectations, that its young people achieve the objectives they have set for themselves, that families have the access to health care and the prosperity they fully deserve as Canadian citizens.

I would like to also mention in passing that the member for Northumberland and I share something else. His uncle was the chief architect in the design of Elliot Lake, the city in which I live in northern Ontario. We are very pleased to have had the influence of his family on our community.

My riding of Algoma—Manitoulin is large. It takes about nine hours to drive across it. It contains about 50 communities. About one-third of them are first nations communities. Like Canadians everywhere, they are resilient. They are prepared to face challenges

with optimism and vigour. They are certainly prepared to ask tough questions of me and the government from time to time, as any Canadian should be prepared to do. At all times they are prepared to dig in hard to make sure their communities and their families achieve the very best that is possible in this great country of ours.

Like many other rural ridings, my riding faces challenges such as the unfortunate problem we have with our American friends on the softwood lumber agreement. I am hopeful that in the weeks ahead we will see a settlement of that issue in a way in which our American neighbours recognize that we are fair traders in lumber products, that we are efficient at producing quality lumber. If they look at the facts, they will be pleased to agree with us that allowing Canadian lumber manufacturers fair and open access to their markets is the right thing that should be done in these circumstances.

This winter something else is facing us. My area is heavily involved in winter tourism. The lack of snow has been a real hardship for many of our tourist operators and those who depend on our snow trails and so on. We hope that will be resolved fairly soon.

The budget the finance minister presented on December 10 has, as has all past budgets of this government since 1993, evoked a sense of confidence and a willingness by the government to listen to all corners of the country. While having to deal with the consequences of the tragic events of September 11, the budget also made sure that we stayed on track as far as meeting our throne speech and election commitments. It also ensured that we did not again return to deficits such as we saw under the last administration which ended in 1993.

In the budget the finance minister was able to announce that we are the only G-7 nation to balance its books this year.

• (1145)

I had the opportunity to be on the finance committee in my first parliament, from 1993 to 1997. During that parliament the government, with the help of the finance committee and stakeholders across the country, had to tackle the problem of what to do with the deficit we had inherited, which was over \$40 billion a year.

Those were very interesting years as we listened to Canadians from coast to coast. We tried to provide whatever advice we could to the government on what should be done to deal with the government's books.

Working together with Canadians, we have now had five surplus budgets in a row, something which has not been seen for 50 years in this country. While Canadians might be concerned from time to time about specific issues, I believe that fundamentally they want the country to be managed well. I believe they agree that we have been doing that consistently year in and year out. Things are not always perfect, but overall we have managed our affairs in such a way that confidence can be achieved in all sectors of the economy.

The Budget

When the finance minister presented his budget, he had to set aside considerable sums to deal with the need for increased air security and security of our borders, including our ocean borders. These do not come without great expense. Because of that it was necessary to reprofile and reschedule certain government initiatives without lessening our commitment to those initiatives. The broadband initiative is one of them.

I strongly believe in the broadband initiative. I had the opportunity to discuss this initiative with a number of my constituents at three broadband round tables I helped host in Little Current, Blind River and Wawa in my riding last fall. As my colleague from Northumberland said in his remarks a few minutes ago, keeping Canadians connected and improving the degree of connectedness is absolutely essential to ensure that all Canadians from coast to coast share in the wealth of this country.

Let me touch on a few topical subjects. Notwithstanding the tragic events of last fall, health care is an issue at the top of the minds of Canadians. We recently saw the results of the premiers meeting, who met mainly to discuss health care. I agreed with them and their recommitment to the five principles of the Canada Health Act. They took the opportunity and recommitted themselves to remind all of us that we have one of the best health care systems in the world.

Most Canadians when polled will agree that while our health care system may need a bit of fixing and in some areas may need some major tinkering, it is one of the best systems in the world. We must at all costs not compromise the public nature of our system by moving in the wrong direction at this time. I would counsel my opposition colleagues, who speak about the need for a two tier system, that we must at all costs not move in that direction.

I remind my friends opposite that in the fall of 2000 the Prime Minister made an agreement with all the premiers that the federal government would invest an additional \$23 billion over the next five years in health care. This is on top of the many billions of dollars that are transferred each year under the current transfer programs for the purposes of health care.

When the premiers claim there is a diminishing financial stake in health care by the federal government, they fail to point out that it was only a few years ago, I believe 10 or 15 years ago, that the federal government gave up tax points to the provinces at their request so they could have extra tax room in their provincial taxation systems to raise funds for health care, education and so on. They asked for the transfer of tax points. In so doing the federal government gave up tax room and in fact reduced its tax revenue for the benefit of the provinces.

• (1150)

When we do the arithmetic, the federal share of health care is in excess of 30% of the total cost. Since we depend upon the provinces and territories to administer the system, we do not have any say in how it is managed day in, day out, year in, year out. We simply transfer the funds and only demand that they maintain the five principles of health care.

In conclusion, this budget has proven again that Canadians can have confidence in the ability of the government to manage the

finances on their behalf. I look forward to the support of our colleagues across the way when we vote on the budget later today.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I listened with interest to the speech of the hon. member for Algoma—Manitoulin. It strikes me that even though he represents a rural and northern riding and I represent an inner city riding, we have a great deal in common.

The hon. member mentioned he has 32 first nations communities within his riding. He would be interested to know that the riding of Winnipeg Centre has 11,000 first nations people living within the core area of the inner city of Winnipeg.

I would like to ask the hon. member to share some of his views on how the budget impacts the issues facing aboriginal people in both of our ridings. By way of introducing the idea, I point out to him that aboriginal people all across the country had reasonable expectations in this era of budgetary surpluses. As the member pointed out, we have had five balanced budgets and five budgetary surpluses. Therefore, surely this was the time to address some of the historic grievances and injustices facing aboriginal people.

Would he not agree that if we do not act promptly on these issues, we are in danger of creating a permanent underclass in our society and that the issue only compounds from year to year the longer the government puts off dealing realistically with the needs of aboriginal people?

Would the hon. member agree that society moves forward only when we all move forward together? This budget failed to bring along with us the 20% of people who are marginalized, many of whom are the aboriginal people living in his riding and mine.

Mr. Brent St. Denis: Mr. Speaker, while I disagree with quite a bit of what my colleague said, I agree with him that we both appreciate very well the tremendous wealth of spirit and creativity that resides within our aboriginal people in our aboriginal communities. Like myself, he represents thousands of aboriginal people. It is with great pleasure that I visit the first nations communities in my riding to share in their festivals, to share in their hopes, dreams and struggles.

I disagree with the member when he says that the budget has not responded to the needs of our aboriginal communities. If he were to look at the budgets for the Department of Indian Affairs and Northern Development since 1993, he would find that the department's budget increased every year, notwithstanding that in the fight against the deficit many departmental budgets, in fact most of them, had to be decreased.

The Budget

That notwithstanding, the last budget included \$100 million for child care and head start program enhancements for our first nations children. There was \$25 million over two years to help the adjustment of families and newborns affected by fetal alcohol syndrome. Also, there was \$60 million in support of children living on reserves who have special needs. These were among many other initiatives by the government to ensure that our first nations people fully share in the wealth and benefits of our society. Ultimately though, we count on the leadership of our first nations to ensure that the people they represent in that capacity are well served by all of Canada.

• (1155)

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I too would like to respond to the budget. It is interesting that the budget we just had in December was just days before the House recessed for the winter, and so we have had a bit of time to think about the implications of the budget and also, of course, the budget before it.

I would like to address, primarily, the need for tax reduction and the fact that the government in its budget documents, both the one prior to the election in the year 2000 and this one, talks about tax reductions but which we do not see in reality. As a result, it does not really affect the economy. As a result, we have a recession.

We can say that there is a worldwide recession. We can say that we are so closely attached to the Americans that because their economy has been reduced so has ours. Yet, over the last number of years, when things were going really well, where the Americans had a really robust economy and we had a spinoff from that, the finance minister was quite pleased to say that they did this, that they created jobs, that they have a budget surplus and that they have been able to pay down some debt. He took all the credit when things were going good but he seems to be somewhat reluctant to take the blame when things do not go as well. He should really make up his mind on which direction he wants to go and tell us outright whether he is responsible for Canada's budgetary process or not. I believe he is.

I want to talk about taxes. It is not plagiarism if it is acknowledged. I found an interesting poem and I will acknowledge where I got it. It actually comes from a constituent in Medicine Hat, so the member for Medicine Hat actually is the source of this poem, via a constituent. It is so good that I entered it into my computer. While I was thinking about what I was going to say, I tried to find that poem and here it is. Pardon me if I look down once in a while to see the screen as I read it. The poem is very appropriate because it shows how we are overwhelmed by taxes in this country. It reads:

Tax the farmer. Tax his dad,
Tax whate'er he ever had;
If he's broke, it's just too bad,
Tax him hard, till he looks sad.

Go ahead and tax the man.
Tax his dog and hired hand;
Tax his cow. Tax her milk,
Tax his bed, tax his quilt;

Tax his pig, tax his pen,
Tax his flocks, tax his hen;
Tax his corn, tax his wheat,
Tax his wagon, tax its squeak;

Tax his wife, tax his boy,
Tax whatever gives him joy;
Tax the man who works for him,
'Fore his paycheque gets too thin.

Tax his buildings, tax his chattels,
Tax his truck and all its rattles;
Tax his stock and tax his cash;
Tax him double if he's rash.

Tax his light, tax his power,
Tax his payroll by the hour;
If he's making more than rent,
Add another five percent;

Tax whate'er he has to sell,
If he hollers—tax his yell.

We make fun of this but taxes are on us all the time. I would like to give a simple example. I pulled up to the service station the other day and was very pleased to see that gasoline in my home town was finally under 50¢ a litre. It has been awhile since we had gasoline prices that low. I paid 49.5¢ a litre to fill up my vehicle. The service station had a little sticker showing the tax component. It was 10¢ for federal taxes; 9¢ for provincial taxes; and 7¢ for GST. I used my trusty calculator to work backward from that and discovered that what I was paying for gasoline was 27.26¢ because the rest was tax.

We make an error when we think about taxes. We say that half of our gas price is taxes. Everyone thinks we are being taxed at 50%, which is high but we can live with it, but that is not accurate.

• (1200)

When we go into a store and buy something for a dollar, the 7% tax is 7¢ because we take 7% of the dollar on the value of the purchase and then we take 8% of the dollar and add another 8¢ because it is 8% of the value of the purchase.

Because the pump price always shows the inclusive price with taxes, we do not see how much the tax is. The pump price should say 27¢ and then the till should add the taxes. We would then be able to see what we actually are paying in taxes. The number works out to be 27.26¢, which is the base price. Nine cents of 27¢ is about one-third, so 33% is provincial tax. We then add the federal tax which is 10¢ on 27¢, around 37%. Those two taxes together are 70%, not 50%, and then we add the 7% GST. Incredibly the GST is computed on the price of the fuel, plus the provincial sales tax and plus the federal sales tax. When we buy gasoline, the GST is added to the actual taxes. We are paying the GST tax on the other two taxes. That works out to around 12% of the value of gasoline because it is 7% of the total.

The total tax on gasoline is 82%. In other words, when I buy a litre of gasoline I am paying just about as much to the government as I am to the manufacturer and the explorer, the person who found the gas in the first place, all the processing, the hauling of it, the transportation, marketing and everything.

I contend that taxes in this country are killing our economy. The finance minister has consistently failed to recognize that high taxes kill jobs. Over and again it has been one of the main reasons for a recession.

The Budget

If I were to ask the finance minister that question, he would get up and say that he has reduced taxes and he would talk about all the tax reductions.

I will not repeat what has been said in the House so often already, I will simply refer to it. The \$100 billion that the finance minister claims he has given in tax relief is actually overstated by over 100%. We could again say that it should be 50% less but, as an amateur mathematician, the number should be around \$47 billion in actual tax relief. He has announced that but most Canadians have not felt it yet. If we take that amount, which he has overstated, it is pretty equal to that. He has overstated the amount by about 100%.

It just so happens that in the wonderful world of economics talking about something does not have any real effect. It has a small psychological effect but the fact is that we need to actually leave the money in the pockets of the people who earn it so they can spend it.

I often thought about whether it was better for me to send the money to Ottawa, or in my case, because I am an Albertan, to our capital, Edmonton, and let them spin it around. A little bit would spill over. A little would be given to welfare and to other benefits to other people. What would be better? Is it better to do that or, if my roof is leaking and I need to phone somebody to fix it, that I give the repairman the money? He has a job that not only provides for his family but also contributes to the tax base. I think it is way better to have people who are earning their own way.

My plea today is simple. Let us cut taxes in a real way, let us not just talk about it, so that our economy will get a boost and we will once again have a dollar that will be close to being equal to the American dollar and also a standard of living that stops eroding relative to our neighbours to the south. I reject that particular argument that the finance minister always uses.

●(1205)

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, I am thrilled that my hon. colleague was not asked any questions. Obviously, everyone was so enamored by what he said and recognized the importance of his message that they did not have any questions. I want to move on from that and talk about the budget.

First, I decry the fact that it took so long to get a budget last fall, two years away from when we had the last budget. A lot of things have changed that had to change. A lot of things could have been addressed and should have been addressed long before this budget came about.

I want to focus on a couple of the things that were not addressed in the budget. I think that is very significant. Sometimes it is what is not said and what is not in the budget that is more important than what is in the budget. I want to refer in particular to the lack of attention given to seniors' issues in this budget.

I think we all know there will be a major shift in the composition of our population. An increasing proportion of our population are seniors. What is happening these days is really interesting. This morning I picked up a number of news articles on seniors' issues. One of them mentioned the fact that old is cool is sort of the new

situation. It used two very good examples, which I think all of us know. It spoke, for example, of Regis Philbin, the *Who Wants To Be A Millionaire?* host, who is 69 years old. Barbara Walters, who is probably one of the world's great interviewers, is 70 years old and sought after by all the networks. Therefore, old is cool. It is a very interesting world that is out there. I think we are all getting there at exactly the same rate and this is what will happen.

The interesting thing about seniors is that they are a very knowledgeable group. It has been my responsibility for the last little while to concentrate on this issue. I have travelled across Canada and met with various constituents in various cities across Canada. I have discovered that seniors are very knowledgeable and very capable people. There is hardly anything that happens in our economy or in our society that they do not have an interest in or that they do not have considerable knowledge of and experience in.

I have made a list of some of the issues that they consider to be the most important. The way we conducted some of these meetings was simply to ask them what major issues were of concern to them. Health care came up right at the top.

What were some of the things that they were really concerned about? One was the portability of medicare between provinces. Another was the five principles of the Canada Health Act that the Minister of Health has just pontificated upon and assured us are all there. In every case where we met with these people they told us that although those principles are in the Canada Health Act they do not see them in operation. That is part of the big problem here.

I think it is like what my hon. colleague just had to say regarding tax cuts: we have not seen them yet and we have not experienced them.

This is what is happening. Health care is a major issue.

Another issue was taxes. The hon. member has talked already about the fact that taxes are too high. Also there is a cascading effect. A lot of these seniors are on fixed incomes. As a consequence, as the cost of these various articles and services they must buy increases, they are at an increasing disadvantage because of that.

Care facilities is another big issue that seniors are concerned about. They were talking about institutional care. There are a variety of institutions that look after our seniors. First, there is a shortage in the number of such available institutions. Then there is a problem developing the standards in these institutions and maintaining them. None of this even comes close to being addressed in the budget.

There was some talk about perhaps cutting some taxes a bit but not enough. Therefore, the seniors are still at a disadvantage. I will refer to a number of these a little later.

Home care is another issue. Seniors prefer to be looked after in their home if they are not well. It is less costly, more effective and more efficient. Yet that is not an issue that is a priority with the federal government.

Smart Houses are now getting to the point where they can actually monitor what is happening to those who are chronically ill and should not go to an active treatment place but could be monitored at home through Smart House installations.

The Budget

Those kinds of things ought to have been given attention but they were not.

●(1210)

Another issue is with regard to economic matters and that has a much broader scope. I want to talk a bit about interest rates. During the last little while we have seen interest rates drop and this has been a tremendous advantage to those individuals who are borrowing money. The cost of mortgages has gone down and interest rates are at a 41 year low. This however has also reduced the amount of interest paid on GICs.

In Ontario for example, senior tenants are being hit this year with a 3.9% rental increase. A five year GIC is currently paying a return of 3.65%. If this GIC was being held outside of an RRSP and taxed under the income tax regime, this 3.9% rental increase for seniors becomes a very serious issue. This is a major issue for people who are in the senior age bracket. The president of the 55 plus group says that many seniors are shorting themselves on the purchase of food in order to pay their rent.

I want to move on to the issue of the declining dollar and its effect on seniors. Our dollar does not allow them to buy as much as they would like to buy. I owe Michael Walker of the Fraser Institute a major debt of thanks because he capsulized this in a very significant way. He wrote the following in yesterday's *National Post*:

The level of the dollar only matters if Canadians want to travel outside Canada, purchase products from foreigners, ensure our capital assets are being sold at a price which reflects their value, avoid the pernicious dynamics of the peso effect, provide a stable environment for business and retirement planning and ensure our internal policy choices regarding taxation, labour market regulations and redistribution meet the test of international best practice. Otherwise, the value of the dollar doesn't matter.

What is not affected by the value of the Canadian dollar? He beautifully summarized the situation with our weak Canadian dollar. When the Prime Minister said that the Canadian dollar is good for Canadians, he was taking a very short sighted view of the situation. The governor of the Bank of Canada, the Minister of Finance and the Prime Minister have all said that the Canadian dollar should have a higher value than is being accorded to it in the marketplace. These are empty words. They talk about economics and use a lot of words, but where is the action? Yesterday the value of the dollar rose slightly but it is still on the downside. This is a blip which I am sure will reverse shortly.

I would like to move into the area of pensions. The budget did not deal with this in any appreciable way whatsoever. The guaranteed income supplement is available for those seniors who are particularly short of income. The department's own officials said that a minimum of 250,000 seniors qualify for the guaranteed income supplement but do not get it.

We need to make changes that provide those types of things to people who legitimately qualify. We must make changes that allow them easy access to these programs. We must do it in an economic climate that provides them with a standard of living that remains constant. However that is not the case. All of us have experienced a drop in our standard of living, but the standard of living for seniors has dropped to a greater degree than others. There was a grave deficiency in the budget and I wished to register that fact.

●(1215)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank the hon. member for raising the pertinent and timely issue of the guaranteed income supplement. He pointed out that there could be as many as 250,000 senior citizens who would be eligible for the guaranteed income supplement, but who have never applied for whatever reason. It could be due to literacy or mental competency, or if they are very senior perhaps they have no family member to advocate for them.

When Revenue Canada realizes by a person's income tax form that he or she is a senior citizen who is eligible for the guaranteed income supplement, why does the Government of Canada not automatically issue it, just like it does with the GST rebate when a person is of an income level that is so low, and a person has to be really poor to be eligible for the guaranteed income supplement? Why not just give it retroactively? Would the hon. member agree with that?

The excuse we get from the Government of Canada is that even though Revenue Canada is aware of the senior's income situation, it would be a breach of that person's privacy under the Privacy Act to share that information with HRDC.

The inverse is not true. If individuals collecting EI leave the country to go cross-border shopping, Customs Canada turns them in to EI upon their return. So it is not a breach of privacy to rat them out when they are cheating by leaving the country when they are on EI, but it is a breach of privacy to tell senior citizens about this wonderful benefit that they are eligible for. Would the hon. member agree that it should be automatic when the tax form reveals that they are eligible?

Mr. Werner Schmidt: Mr. Speaker, I thank the hon. member for that question. It is a good question because it epitomizes a lot of things that are happening. The Income Tax Act itself has another anomaly which the hon. member did not mention. I am sure he is aware that the income tax is taxed on an individual basis, yet when it comes to qualifying for the guaranteed income supplement it is done on a family income basis. There is an anomaly there which is very significant. It puts certain people in a position where they do not qualify, whereas otherwise they would. That is one anomaly.

The other anomaly is that approximately 250,000 people who are not getting the GIS may qualify. There are different estimates of that. One researcher out of Toronto who did this in a very serious way put the estimate at 330,000 people. There is a discrepancy, but we will stay with the 250,000 to be on the conservative side of the ledger.

The hon. member asked whether it should be automatic? I am not sure it should be automatic. However, I completely agree with the hon. member that the revenue people should share the information with HRDC. The application form should be automatically made available to seniors so that they know this is something they have received. After all, if they qualify for CPP or old age security those applications are given out six months before the 65th birthday. Why would this not be possible under the guaranteed income supplement? It makes no sense to me at all. Why not be consistent?

The Budget

The privacy commissioner appeared before the HRDC committee and assured us that it would not be an invasion of privacy. The real issue is why are we depriving people who are legitimately qualified from getting the income that should be theirs?

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I will be splitting my time with my colleague on this side. Today I want to talk about the budget brought into the House by our finance minister.

Some members opposite were a little disappointed they were not engaged in questions and comments in relation to their own remarks. We sometimes grow weary on this side of the House in hearing how the glass is always less than half empty and constantly being told that things are much worse off than they really are.

The hon. member indicated that we are in a recession, which I believe is not true. I know it is the career objective of most of the members in opposition to predict that we are all going to hell in a handcart, and doom and gloom is nigh, but the Canadian economy seems to have a bit of bounce left in it. With consumer spending and other initiatives including the fiscal initiatives of the government, we may actually avoid a recession even though our American neighbours may actually experience one. Even that is not 100% clear yet.

However, being that as it may, our fiscal initiatives on the government side, under the leadership of the Prime Minister and the finance minister, are placing Canada and our economy precisely where it should be for the benefit of all Canadians. We must remember that the budget and the debate we are having now is part of a larger financial piece that began a couple of years ago after all Canadians had succeeded in placing our government finances in order. In other words, by 1997 we had stopped spending more money than we were raising in tax revenue. That was a huge benchmark. We can all take some pride in having achieved that as Canadians.

There were careers, as you know Mr. Speaker, lost in this House as a result of the need to reduce government spending. Some areas of the country reacted negatively to that. That was perhaps expected but there was no easy way to bring us back into a balanced or a surplus budget without reducing government spending.

There was an attempt to ensure that Canadians better off than others shared that spending reduction right across the country. Inevitably Canadians everywhere had to carry that. We in the House, no matter what side of the House we were on, voted in favour of those appropriations, those spending plans, those estimates and there were political implications for that.

In any event we have come out on the other side and Canadians feel good that we have. The budget is part of a larger piece. We have an ongoing program of conspicuously good fiscal management, tax relief, low inflation and low interest rates. These are all playing their part in the larger program of ensuring our Canadian economy is doing well.

We are succeeding as Canadians and we are on course. We are investing in health care, in research and in security measures, all of which were described in the budget speech.

I want to focus on the fiscal management side. We have not had a deficit in Canada since 1996-97 and for the past five years we have had a balanced budget or better. Our program spending has been reduced to 11.3% of GDP. That is the lowest level in over 50 years. Some people may say that is not a good thing. Some people say government should be spending more on different things. There are lots of things we can spend money on but as a measuring stick we have reduced that spending level as a percentage of the size of our economy to 11.3%. That is the lowest since 1949.

• (1220)

The reversal in Canada's fiscal balance, that is the amount of money we have above or below the line or whether we are in the red or the black, was the most dramatic of any country in the G-7. Since going into a surplus or balanced budget we have been able to pay down about \$35 billion in net public debt. That is significant.

Our debt to GDP ratio, the measuring stick used most often by economists, dropped from a high of 70% to 51.8% last year. As we speak the ratio may well be dropping below 50%. That is our target. It will continue to decline on a permanent track. The benchmark used in the European Economic Community for acceptable levels of debt is the 50% mark. We are now just going below that and heading downward. We can take pride in achieving that. It was not easy but we have all as Canadians gotten there.

I will focus a bit on trade. It is the lifeblood of the Canadian economy. Trade is a huge component of our GDP. It is something like 70% to 80% of our gross domestic product. It is our lifeblood. Our two way trade in goods and services with the United States exceeds \$2 billion a day. There is no trading relationship in the world of that size. Each country, Canada and the U.S., is the other's biggest customer.

We often take a lot of that for granted. That is one of the reasons it was a surprise to some people on both sides of the border that we had to take prompt measures to deal with border traffic during the security problems we have had over the last few months. The Canadian and American governments have responded extremely well. Measures are now in place and in progress to improve border passage and trade procedures to levels that are better than before the awful day of September 11.

Be that as it may, our global trade is improving. Our current account is in a positive balance. It has been for two to three years. It is running at an average of 2.1% of GDP. That is an extremely important indicator for our overall trade and current account health. Economists look at that. I am not so sure traders in Canadian dollars are looking at it directly these days, but if they did they would be more sanguine and positive about the value of our dollar relative to other currencies.

The Budget

I reiterate the importance of tax relief in the overall scheme of the budget. Tax relief is a stimulant to the economy, especially when it may be weakening. We are in the middle of a four or five year tax relief plan. I think the Minister of Finance is moving it up to four years from five years, but it is truly a \$100 billion tax relief initiative. It is huge. Proportionately speaking it is larger than the plan for the U.S. economy which is our largest trading partner. It will be spread over four years. As I say, we are in the middle of it. The opposition says there is not much in the current budget about tax relief, but the program was announced in the previous two budgets and it is in progress.

• (1225)

About all the Minister of Finance can say when he comes into the House is precisely that. It is in progress. Tax relief measured about \$17 billion last year and will be \$20 billion in the next fiscal year. Overall tax relief measured by percentage for individuals over the tax cut plan will be a 21% reduction. The average is higher for families with children. The average tax reduction for a family with children will be 27%.

There was plenty of stimulus in the government's fiscal position and in the budget if one takes the time to read it. I know members opposite and members around the House have done so. We have low interest rates and low inflation. The environment for business creation and expansion is there. The budget was exactly what the country needed.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I listened intently to the hon. member's speech. He did the same thing all Liberals seem to do: overstate the case on the plus side in the hope that people will believe it and trust they are running the financial ship in a correct way.

Some of the statements he made are not realizable by the average Canadian. He talked about tax cuts. The Canada pension plan has been mismanaged by the Liberals since it was instituted in 1966. The original rates were set too low and there was consequently a huge overrun on the liabilities of the fund. That is now being corrected and it is about time. However it has resulted in a huge increased payment for both employers and employees to try to make up the shortfall.

Actual money in the pocket for most Canadian wage earners is not significantly different from what it was three or four years ago. The actual tax reductions are mostly words. Sure, they have been reduced in some areas but in other areas they have increased. The net result is that there is no more money in the economy. There is no more money in the pockets of people trying to provide for their families.

I would like the hon. member to set the record straight. Let us deal honestly with the Canadian people.

• (1230)

Mr. Derek Lee: Mr. Speaker, it will not be a surprise to you to hear that I never thought for a moment I was not dealing honestly with Canadians. Nor was the finance minister ever in that position.

The hon. member raises the issue of the increase in Canada pension plan premiums. That is there. It was projected about three years ago that there would be a gradual increase in Canada pension plan contributions from employers and employees until they reached

a plateau where the pension plan would achieve and maintain its viability. It was voted on. The hon. member may have voted for or against it but the measure came through the House approximately three years ago and is in place.

I think he is suggesting that tax reductions going into place in the first half of this year and later this year will be absorbed in part by increased Canada pension plan contributions. That is in part true. However I ask the hon. member and all members to look at the reductions as part of a four year program. Over the four years the tax reductions will total \$100 billion. If the member wants to add them up differently and discount and leave things out he is welcome to do that. He has every opportunity to get out the calculator and do that in the House.

My speech is based on how the finance minister calculated this. This is how he calculated it for the whole country. He has been doing it well ever since he has been in the ministry. Canadians have confidence in how he operates his calculator and how he is bringing the country forward.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, my hon. colleague on the other side of the House spoke about security, including security at the borders. He should also be aware of the security in airports. Members opposite surely heard this morning that security guards are complaining about having had no training.

Could the hon. member let us know what the government's position is in this regard? Would he support a request to provide training to security guards, the men and women working in airports or other locations, appropriate and standardized training for everyone, so that they are not put to work with a uniform on and told after two hours "You are now a security guard". I am sure they heard about that this morning.

Especially in view of the new budget, I would like to know if the hon. member would agree that we should have more security in airports and elsewhere.

[*English*]

Mr. Derek Lee: Mr. Speaker, the united steelworkers are in Ottawa to make a contribution to the debate on the generation of new infrastructure for security measures at airports and in other places. The hon. member is quite right. We need to look at the federal role in this and at upgrading the training infrastructure of security guards across the country. The debate is ongoing. The transport minister has an eye on the issue as well.

• (1235)

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased today to have the chance to speak to the government's fifth consecutive balanced budget. Let us think about that for a moment. It has had five consecutive balanced budgets.

The Budget

During or before the 1993 election who would have believed we would come to the point in such a short time, eight years, of being able to talk about surpluses and five consecutive balanced budgets? During and before the 1993 election people said to me they would not see the end of deficits in their lifetimes. They said we would never have a balanced budget because things were so bad, deficits were so large and the problems were so great that we would never get there.

It took a lot of sacrifice. Canadians all shared the pain of that sacrifice but amazingly enough we got through it. We are better off for it. The economy became stronger because of it. Because the government was no longer constantly borrowing new and greater sums of money each year the governor of the Bank of Canada was able to lower interest rates to a point where they are now around 2%. This should help us through what is now a time of economic uncertainty. If we still had huge deficits every year the government would still be borrowing huge amounts of money every year.

When the government borrows enormous amounts of money on the money markets it means there is less available elsewhere or it must raise interest rates to attract investment in those dollars and get people to buy its bonds. This causes interest rates to rise. Having our finances in order is a huge improvement. It has helped a great deal in improving our economy and is getting us through what is now a difficult time.

Let us talk about that time. Let us talk about the budget of December 2001 and put it in context.

As we all know, last year on September 11 we saw an awful and horrendous event. It had human repercussions and took a terrible human toll on New York and on families around the world whose members were killed. However let us also remember that it had an economic impact. In bringing forth its budget in December it was the responsibility of the government to deal with both the economic impact of the events and the economic climate that was already occurring. Last summer we saw somewhat of an economic softening and the beginning of concerns about our economy. This was added to a great deal by the events of September 11.

When we look at what was done in the budget we must remember we were in a time of great uncertainty. There was great concern in Canada about the possibility of further attacks. Can we be absolutely certain there will be no attack of any sort today, tomorrow or the next day? Of course not. However it is important for the government to take the best steps it can to prevent such attacks by investing in the equipment and measures that will make air travel and our borders more secure.

What did the government do in the budget? First, it provided a timely and necessary boost to our economy. It invested in Canada. The government announced in the finance minister's budget that we would have a strategic infrastructure foundation. The foundation will boost the economy and respond to the needs of communities across the country such as my own community of Halifax, Nova Scotia.

During much of last year I spoke of the need for the Government of Canada to help out and invest in the cleanup of Halifax harbour by way of the Halifax harbour solutions project. For 250 years or so untreated sewage has been flowing into Halifax harbour. It is a

disgrace and an embarrassment for Halifax. It has also become an important environmental problem for the nation. Problems like it need to be addressed across the country, especially in major centres. They need a new kind of flexibility which the foundation provides.

In the past the infrastructure program required that each level of government contribute equally. One-third, one-third, one-third was the typical shared funding approach in each case. The great thing about the new foundation is that it is more flexible.

● (1240)

For instance, in the case of Nova Scotia and the Halifax harbour solutions project, the province has said it will not take part in or support it. That is alarming to me and very disappointing. I hope the province will reconsider and come to realize that it is important to invest in the Halifax area, not just in the rest of the province, which I recognize is also important.

However the Nova Scotia provincial government is rurally based. Most of its members are in the rural areas. It is important that the government also pay attention to the problems in Halifax. One of the big ones is the need to clean up the harbour. I hope it reconsiders its view on this and comes to the table and shares in the investment in that project.

However the great thing about the Strategic Infrastructure Foundation is that it provides more flexibility. It does not insist on a one-third, one-third, one-third sharing. There may be opportunities to do things a little differently directly with the municipality, the city itself, to solve this enormous and very important environmental problem.

The budget also builds personal economic security by keeping us safe as Canadians, by keeping terrorists out and by keeping our borders open and efficient. Some may ask why are we so worried about investing in keeping our borders efficient. Let us consider that something like \$2 billion a day in trade crosses the Canada-U.S. border. More important, consider the millions of Canadian families whose incomes are reliant upon our products being sold to the U.S. Maybe then we can begin to understand how important it is to keep the border open and maintain the free movement of goods from Canada to the U.S.

It is not just a question of pure economics. It is a question that can hit home to families all across our country. My province of Nova Scotia has Michelin Tires, a company that exports a great deal to the U.S., as well as many of the fish companies.

I do not want to give the impression that our economy is commodity based. This raises the question of the dollar these days. In fact, in Nova Scotia resource industries are much less a proportion of our economy than they used to be. What is a much larger part of our economy right now is the offshore industry, which is a resource industry, but more important it is the fabrication of oil and gas platforms and the building of offshore supply ships. A whole sector of the Atlantic economy now is beginning to boom and has a great opportunity to take off in the next few years.

The Budget

It is of great concern to me that the government may be looking at negotiations with the EFTA countries, members of the European free trade association who are not in the EU. That includes Iceland, Norway, Switzerland and Liechtenstein. My concern is that as part of this deal we potentially could see a removal of the present tariff on ships and marine structures coming into Canada.

At the moment it is preserving for Canada the benefits of our offshore industry. This extends across the country because suppliers in other provinces are supplying these companies. Companies in our regions that are building these platforms and supplying goods to the offshore industry are doing a tremendous business. It is just beginning and it is creating a great economic boom in Halifax, Saint John and it is spreading across the region.

It is important that we maintain that. I hope the government will ensure that in any negotiations with the EFTA countries it preserves that tariff and the industry to ensure that Canadians will benefit from the development of our offshore. That is a major concern in my area. I am looking forward to the government responding to that concern as I am sure it will.

Another aspect of the budget is that it keeps our finances healthy. I talked about the fact that it is the fifth consecutive balanced budget in the history of the government. How long had it been before that? It had been something like 25 years since there had been a balanced budget. That is a sad fact, but it is important understand the context of the accomplishment we have achieved in balancing the budget. We have a balanced budget again and another one next year. It is important that we keep balancing our budget in the future.

I hope hon. members will agree with me and will support the government's budget.

• (1245)

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, three things bother me a great deal. Perhaps he could help me out, being a member on that side.

Just before September 11, on both sides of the border, Americans and Canadians screened people and they were given cards whereby a 12 hour port could become a 24 hour port. The system has worked so effectively. There is an electronic device, they show their card and so on. That has been cancelled. However that action has cost Canadians hundreds of thousands of dollars. They can no longer cross there. They have to travel further to get to another port.

Why can I not get a response to that item because it could be solved. These people on both sides of the border are honest people.

Another thing I would like the hon. member to comment on is this. It is wrong to deduct EI from kids who work a two hour shift at a Dairy Queen. They know very well that they can never collect it. That is totally wrong.

Mr. Geoff Regan: Mr. Speaker, in relation to the question of the member for Souris—Moose Mountain with regard border and electronic cards, I think he would agree with me that it is important that we keep the border open. Obviously he recognizes that. It is important that the government continue to look for ways to do that. If electronic cards were being used in the past then they may be the answer. However it is important to keep looking for ways to

overcome any concerns the American government may have about the use of those cards or about how those cards are assigned.

That is one reason why the government has invested more dollars in security, including dollars for security clearances and for the RCMP and CSIS to look into not only people who are coming into the country but also to ensure that we find terrorists who might try to operate from our country.

On the question of employment insurance, it is important to understand that we have a system which encourages employers to hire part time. However, if we say to them that they will only have to pay premiums for someone who works more than 15 hours a week, then the incentive is there for them to only hire people part time. People need to have full time, regular, good jobs with good benefits. That is so important to people, and it is important to have an incentive for that.

He makes a good point about the students and the impact on them. Let us remember the overall impact of this is an important and positive one.

[*Translation*]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, I know the hon. member's commitment to his area and his province. I was somewhat surprised to hear him commend the finance minister for having succeeded in balancing the budget. He could also have talked about the surpluses.

I would like him to comment on the fact that \$40 billion was saved during the same period through cuts to employment insurance; that \$35 billion was saved during the same period through cuts to transfer payments made by the Government of Canada to the provinces.

I know that his province, Nova Scotia, like other maritime provinces, is suffering as a result of the cuts to employment insurance; it is also suffering as a result of the cuts to transfer payments to provinces. How can someone like him, so committed to his province, commend the government and his party for having done that?

Mr. Geoff Regan: Mr. Speaker, I do not think that the people in my part of the world, the people of my province, see themselves as victims. I think they are proud to be Canadian, proud to be Nova Scotian.

They realize that some hard things had to be done to solve Canada's financial problems, that budget cuts had to be made, that changes were necessary. In my riding, there is considerable support for the changes to EI.

Certainly, there were some who were against it. At the same time, however, it needs to be understood that the changes were necessary. I think most people know that the system needed changing, needed some reforming, some transformation. People in the provinces, in Nova Scotia for instance, also know—

• (1250)

The Acting Speaker (Mr. Bélair): I am sorry to have to interrupt the hon. member, but his time is up. Resuming debate, the hon. member for Acadie—Bathurst.

The Budget

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I must begin by saying how pleased I am to be able to speak to the House of Commons on the budget of the Minister of Finance. I would also like to say how distressing it is to see my colleague over there, who comes from the maritimes, boasting about five surplus budgets since 1993.

This is not the first time I have said such a thing in this House, but this surplus has been created at the expense of workers who have lost their jobs. The Liberals say in this House that the people of Nova Scotia are pleased and understand there has to be some belt tightening. This is unacceptable, and what is more, it is not the truth.

I remember what happened in the 1997 election, when almost all of Nova Scotia elected not one Liberal to the House of Commons. They were not pleased with the Liberal government's cuts. In 1993, before being elected, the Liberal leader, now Prime Minister, said that the Progressive Conservatives ought not to have made the cuts they did to employment insurance.

The hon. member opposite, from Nova Scotia, should stay in the House to hear my speech and listen to what I have to say. During the last election, the Prime Minister said himself that EI needed changes because he had lost support in the Atlantic provinces. So how can the member stand in the House today and tell us that the people of Nova Scotia are happy?

I am sure that what goes for Nova Scotia goes for New Brunswick. Most of the time, people work seasonal jobs. Maybe it is because the member lives in Halifax that he is defending this position. He should go to Cape Breton and see if the folks are happy. He should go to Cape Breton, to the Gaspé Peninsula and to where I come from, the Acadian Peninsula.

On September 11, tragic events took place in the United States. Everyone was shaken by this. However, there are tragedies taking place every day here in Canada because of the Liberal government's cuts. People are committing suicide. Instead of planes slamming into buildings, bullets are being fired into peoples' heads because they are unable to provide food for their family.

The Liberal government itself turned around and went and bought boats to solve the problem of the aboriginal fishery. That is one thing that I agree with. It provided shipmasters in the crab fishery \$2.5 million. It gathered the fishers and those who worked on these boats, the deckmen, as they are known, and laid them off, forcing them onto welfare. That is what the Liberals did.

About 15 minutes before I was to give my speech, people from my riding called me to say that they were worried because they no longer qualified for EI.

The member from Nova Scotia has the nerve to rise in the House and say that the people of Nova Scotia are happy. It is disgraceful the way the Liberal government goes after workers who have lost their jobs and tells Canadians that they will have to tighten their belts. It is not Canadians who are tightening their belts, but the men and women who have lost their jobs. The Liberal government promised changes to the EI legislation.

During the 2000 election campaign, it promised amendments to Bill C-44 with Bill C-2. The Liberals said that we should pass the

bill quickly because other changes were in the works. All parties in the House of Commons made recommendations to the House and to the minister. The Liberals, who were elected on the strength of their promises to make further changes to the EI legislation, made recommendations as well.

The member for Madawaska—Restigouche was elected on the strength of this promise. The member for Beauséjour—Petitcodiac, the son of the former Governor General of Canada, said that if he were elected, he would make changes to the EI rules. He has not made even the tiniest change since being elected, nor has he said a word about it.

It is not enough that they have gone after EI recipients. Now they are sending out forms. As the member for Winnipeg Centre and the member for Halifax know, the government is now sending out forms to disabled individuals so that they no longer qualify for tax credits. Everything is done on the backs of the least fortunate.

Mr. Speaker, I neglected to mention that I would be sharing my time with the member for Winnipeg North Centre. I did not wish to forget this, nor do I wish to speak for 20 minutes. I think that ten minutes will be all the Liberals can take.

• (1255)

The Liberals have the nerve to say that they are happy that there have been five budget surpluses, which were obtained at taxpayers' expense, not to mention the cuts imposed on the provinces. They could have said "We will use this budget to start taking care of the economy. We will help the disadvantaged, we will help small and medium size businesses. We will help people find jobs, we will put them to work".

But no, they prefer to boast, as the Prime Minister did yesterday, about having a surplus, when people commit suicide, when families have no money, when there are no transfers to provinces. Social assistance benefits were not raised; no premier is willing to raise them to give money to the poor. Some 1.4 million children go hungry in Canada. Eight hundred thousand persons cannot get employment insurance benefits. Meanwhile, the Liberals are boasting. Shame on them.

Shame on those who come from the Atlantic provinces and praise the Liberal government. What the Liberals are doing today is shameful for Atlantic Canada, it is shameful for Canada. It is utterly shameful.

The issues that I mentioned are human realities. They are things that people are confronted with on a daily basis.

The Budget

Last week, I met fishers to whom the government said “Buy boats, to the tune of \$2.5 million, but we are not responsible for dockhands working on these boats. Get organized now. Contact the Department of Human Resources Development”. The fishers went to the Department of Human Resources Development and were told “This is no longer our responsibility. We have agreements with the province”. Then the province said “What do you want us to do with them? They have to do like the others and go on welfare”.

What a nice transfer. This is how the issue is solved. This is how they solve the dispute between the two peoples, the whites and the aboriginals. The Liberals truly did a great job there.

So I hope that, in their budgets and in their thoughts, they will begin to show greater sensitivity than they have done so far. They must stop boasting about having asked Canadians to tighten their belts. They did not ask Canadians to tighten their belts: they did it for them. They robbed the workers who lost their jobs. They even bragged about having surpluses. This is highway robbery. The biggest robbery in Canada's history was committed here in the House of Commons by the Liberals.

Some people leave their families behind to find work. They are forced to go out west. Children are crying, because they want their daddies back home. When they do go home after six months, the federal government sends inspectors and investigators who make them lose their employment insurance benefits. It is despicable for the Liberals to do this instead of doing what they said they would.

Prior to 1993, before they were elected, the Liberals were telling Brian Mulroney “That is not the way to solve economic problems. It is not done by picking on the little guy who has lost his job, it is done by boosting the economy and putting people to work”. That is where the Liberals did not meet their responsibilities when they did get elected. Today they are boasting “Yes, but we have won elections”. Still, they have a human responsibility. That responsibility is to get people working. When people do not have work, the Liberals have a responsibility to help them meet their needs, as they said they would while campaigning.

Thirty-five days before the election, they were prepared to give Canadians anything. The day after the election, they were prepared to take everything away from them, and they have continued to do so for three and a half years. It is shameful to see the suffering and discord they have caused for families. In my opinion, what is going on in Canada under the Liberal government is worse than the events of September 11. It is shameful. I could never repeat this enough.

The Minister of Finance knew there had been a recommendation from all parties. My colleague from Madawaska—Restigouche has been on the committee. So has the Parliamentary Secretary to the Minister of Human Resources Development. They have all made recommendations, including the Liberals. They knew that a change was needed to help Canadians out.

Hopefully, my colleague opposite, who comes from Nova Scotia, will rework his speech and next time, will not praise the Liberals, who deserve no praise for making Canadians suffer.

• (1300)

[English]

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I listened very intently to the hon. member's comments. It seemed that we were in question period with such riled up puffed up anger being displayed. I am not sure it was actually sincere but that is for him to determine.

He asked about EI. He said first of all that I was claiming that everyone was happy with EI. That is not what I said at all. People were concerned about the changes to employment insurance. That is why last year changes were brought in by the government, as the member knows but wants to conveniently ignore right now.

Let us talk about the fact that he wants the government to spend, spend, spend. He does not think that the government needed to do any of those fiscal changes to bring our budget into balance, to get our finances in order, to get our debt down a little bit, which is saving \$200 million every year for our taxpayers. The NDP would sooner have us have huge deficits, a huge growing debt, less ability to pay for health care, education, transfers to provinces, et cetera, and enormously high interest rates. What would that do to families in his riding, in my riding and all across the country? What would that do?

Mr. Yvon Godin: Mr. Speaker, what happened to the Liberals of 1988 to 1993? When they were on this side of the House they made the same speech that I made today.

What happened to Doug Young when he said they had to fight against changes to employment insurance because it would be a disaster for New Brunswick? He knew at that time we had seasonal work. I have said that many times in the House of Commons. It is the same thing for Nova Scotia. We cannot get codfish under Sainte-Catherine Street in Montreal. We cannot cut trees in the middle of Yonge Street in Toronto. This work is done at home by the seasonal workers. The Liberals said that they would not cut EI, that they would not do it.

I am not saying the government should go to a big expense, but I am saying stop scaring the working people. It is fair to say that. The Liberals when they were in opposition made the same speech as the one I made today. The Prime Minister made the same speech too.

Do not take it out on the small people. Work on the economy and put people back to work. That is what will create a good environment for Canadians. That is what was said.

[Translation]

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, what we are witnessing here is a plea straight from the heart. The member needs to catch his breath, his face is so red that he is worrying me. I know that his appeal comes from the heart, and I respect that.

The Budget

I do not want to make him repeat it, but in the case of a series of broken promises or a government that does an about face once it has been elected, particularly when it can be proven, would the member support a parliamentary measure that would require those responsible to appear before a special committee?

Mr. Yvon Godin: Mr. Speaker, I think that is a good idea. There are parliamentary committees.

I would like to come back to this and say how despicable it is. There was a parliamentary committee and everyone agreed to changes to be made to EI that would help Canadian families, and the Liberals refused to act on them. They even voted against them. They went against them when they themselves knew that these changes were needed.

The problem is we need to get the Minister of Finance to stop bragging. He tells us all we need to do is tighten our belts in Canada, yet he himself does not even pay taxes in Canada. How can he boast? How can he ask us to tighten our belts when his own companies are not able to pay their taxes? He should find the money from the pockets of the rich and help ordinary people. That is what would help Canadians.

I think that such a committee would be a good idea. At least Canadians would get to hear the truth. We could expose the people who really abuse the system. I say that the real abusers are across from us here in the House.

• (1305)

[English]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, first I want to thank the hon. member for Acadie—Bathurst for being a consistent champion on behalf of people on the issue of EI. No one in this place knows the issue better than he does and no one is more passionate in their advocacy than he is.

I would ask him one thing. The changes to EI pulled \$20 million a year out of my riding of Winnipeg Centre alone. What is the impact, the dollar figure per year, of the changes to EI in the riding of Acadie—Bathurst?

Mr. Yvon Godin: Mr. Speaker, I thank my colleague for his question. In his riding it is \$20 million a year. In my riding it is \$69 million a year. It is \$69 million a year that the small and medium sized businesses are losing. These statistics are done by Statistics Canada. I hope the government will agree with Statistics Canada because most of what they get done is through Statistics Canada. With a loss of \$69 million can you imagine how many businesses went under?

It is \$42 billion across the country. It is \$69 million for only my riding, but \$42 billion—

[Translation]

The Acting Speaker (Mr. Réginald Bélair): I am sorry to interrupt the member, but I must now give the floor to the member for Winnipeg North Centre.

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am honoured to take part in this debate, particularly following the speech made by my colleague, the member for Acadie—Bathurst who spoke with so much passion on issues affecting the human condition.

He truly does speak the truth regarding the federal government's inaction and the negligence of the Liberals, who are not prepared to deal with Canadians' needs as soon as possible.

[English]

My colleague from Acadie—Bathurst has addressed very clearly the fundamental issues dealing with Canadians that oblige the federal government, those members across the way, to act in response to those needs.

We are talking about institutions, programs and ideas that bind the country together and give us our identity as Canadians and that respect our values of caring, sharing, compassion and co-operation. We heard today from a member who is absolutely immersed in the issues facing unemployed Canadians today, those who have depended upon a sense of decency and morality from our government in terms of protection during times of unemployment for which they are not responsible. We have seen how the government has turned a blind eye and has refused to address those concerns and to ensure sufficient funds in the budget to protect workers and to deal with growing unemployment and economic insecurity.

Just as important as the question of a national unemployment insurance program, which is part of who we are as Canadians, is the question of medicare. What can be more important in terms of defining who we are and what is important to Canadians, and what begs for more attention from the government than the issue of health care?

How can those Liberals sit here today given what has happened on the health care front over the last few days and weeks? It threatens medicare and creates looming dangers for our most treasured national program. How can we sit here, how can they sit there, and not address those concerns? We are at the crossroads for medicare. Do the members opposite not get it? Do they not see the need to leap up and address those concerns?

We are in for the fight of our lives. It is time that the government recognized its role and responsibility in preserving Canada's most treasured national social program and in ensuring that every Canadian has access to quality health care services no matter where they live in the country or how much money they earn.

The budget we are dealing with basically ignored the number one issue in Canada. What did we get from the Minister of Finance's address last November on the budget? Two minutes for health care. Two minutes for the number one issue of Canadians. How much money did he promise Canadians in that budget for health care? It was a measly, crummy 2% of the increases that were introduced in that budget. What a shameful position for the number one issue in Canada and for a program that is on its deathbed unless the government gets off its butt and starts to act.

The Budget

It is time to act. It is not too late. If the government did not get the message before it should have this past weekend, when the premiers of the country, the first ministers of provincial and territorial governments, got together with one voice to say to the Liberal government that it has shortchanged them, that it has not done its fair share and that the government owes it to the people of the country to at least restore the money it grabbed out of health care in 1995 and start to put us back on a co-operative footing in dealing with this very important issue.

Funding obviously is not the whole answer, but it is certainly one part of it. It is certainly key in terms of the very unstable footing that medicare is on today. The budget was an opportunity to correct the funding slippage that underlies much of the provincial discontent we are seeing all around us. It was a way of signalling to all Canadians that the federal government takes seriously their concerns over health care. It was a way to tell the provinces and territories that the federal government is listening, is willing to work as a partner in establishing a new foundation for the future of public health care, and that it merits a national leadership role in discussions of how financial resources ought to be allocated.

•(1310)

It was, for goodness' sake, an opportunity to strengthen our ailing acute care system and to flag a federal commitment to address a broken promise to put in place much needed national home care and pharmacare programs, initiatives that could be developed in good faith with the provinces. The provinces have just sent a clear signal to the government that they want a national approach. They want the government to act and they are taking action into their own hands because of the abdication of leadership by the government and the complete abandonment of health care to Canadians and provincial and territorial governments.

It goes without saying that we cannot change the way we deliver health care without paying the movers, without financing the costs of change. That is what we expected in the budget: a way to move our costs for the health care system into a more innovative, cost efficient method of delivering health care. That takes federal leadership and vision. There is none coming from the federal benches across the way that is apparent to us.

Goodness gracious, we know about the finance minister's brief, almost insulting mention of health care in the budget address last November. We know that the former Minister of Health basically abandoned this field and will go down in history as the minister of unfinished business. Now we have a new health minister who has the audacity to mutter out loud, to speculate out loud, about the advantages of opening up the Canada Health Act and about the benefits of private delivery models.

Today Senator Kirby comes down with another report, Senator Kirby, who is in a direct conflict of interest position because of his ties to private health care businesses like Extencicare and who has no business heading up any kind of discussion and dialogue about health care in the country. Today of all days we need the government to stand up and say "We are absolutely committed to the principles of medicare". It should not just stand there and say it is joining the hallelujah chorus. We need more than hallelujahs from the Prime Minister. We need some action. We need some programs behind

those words. We need some leadership. We cannot just sit back and let it drift and let the situation unfold, because that is when private forces mobilize. That is when right wing provinces will want to use this time of weakness of the federal government to advance their right wing agendas. We cannot let that happen.

That is why it is so important, today of all days, for the government to address the question of budgeting and of moving toward at least a 25% share in health care. The provinces have asked for at least 18%. My goodness, whatever way we look at it we are a long way from the 50:50 partnership that built health care in the country and we are a long way from doing what Canadians want us to do.

We have a \$12 billion surplus today. Do they mean to tell me that the government cannot come up with \$7 billion to the provinces and the territories to ensure that we are at least able to meet the looming crisis and guarantee adequate access for Canadians right across the country? Do they mean to say that with this kind of budgetary surplus the government does not have the commitment, the wherewithal, the vision and the determination to address the number one issue of Canadians?

The challenge for the government today is to get off its high horse, get out of its confined position and say "We can turn this around today. We will address our wrongdoing of the past and this budget will see supplementary money allocated for health care and will see transitional funds put in place to help provinces deal with the kinds of difficult situations they presently have while we wait for the Roy Romanow commission".

The government has no business saying it will put everything on hold until November 2002. We cannot wait. The crisis is almost upon us. The clouds are looming around us. We must act. The federal government owes it to Canadians to put the money on the table to ensure that medicare is sustained, preserved and protected for today, for tomorrow and for all future generations.

•(1315)

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, the member is quite right. Ever since I have been a member of parliament health care has been the number one priority of Canadians.

It is important to get away from the provincial rhetoric, particularly that of Ontario, suggesting that somehow we put in only 14 cents on the dollar. The fact is, and I want the member to acknowledge the fact, that the federal government and the provinces did meet and did agree upon a funding formula and that in fact, even though the budget did not specifically identify any additional money over and above that five year agreement, there was significant new money in the last year for health care.

On top of that, as an example, in the province of Ontario last year, of the additional \$1.2 billion spent on health care, \$1 billion of that spending was as a result of additional moneys coming from the federal government. The provincial government did not pay its fair share into health care.

The Budget

The member should, first, acknowledge, I hope, that there was an agreement between the provinces and the federal government for funding, and second, that it is very clear some of the provinces are not doing their share and that mismanagement of the health system is the responsibility of the provinces and the target is the provinces.

Ms. Judy Wasylycia-Leis: Mr. Speaker, the member is wrong. He has been spoon-fed a line by the finance minister and other cabinet front benchers who have not told him the truth.

The truth is that the last increase was in September 2000. That money did not even make up the difference between the 1995 cuts and the previous federal share.

In the last budget we saw a tiny bit of money allocated for a few specific projects but there was nothing for the base of health care. There were no changes to the transfer payments. That is precisely why the premiers have been asking over and over again for the federal government to restore federal health funding through the CHST to at least 18% and introduce an escalator clause. If that does not set the record straight, I do not know what does. That is precisely what the government needs to do. It needs to recognize that its 11% or 12% share of health care funding is absolute peanuts. It is ridiculous, crummy, lousy. This has to be addressed.

The member is quite right in pointing to some provinces that have mismanaged the health care system and may be giving away health dollars in tax cuts that primarily benefit the rich. Starving all the provinces into submission with sick and ailing Canadians as the victims in this war of finance ministers and this jurisdictional dispute is not the solution. The solution is to ensure that the federal government plays its role by providing its proper share of funding for our health care system and showing that kind of leadership to build for the future.

• (1320)

Mr. Paul Szabo: Mr. Speaker, the member has to acknowledge that if she is dealing just with cash, she may be able to come up with a number such as 14 ¢, 18 ¢ or whatever she thinks it is. She fails to recognize that we transfer taxing authority to the provinces to make up the additional amounts. As well, the federal government is directly responsible for aboriginal health care. It is also directly responsible for prevention programs dealing with tobacco, et cetera. When we add the federal government's contribution to the total cost of health care in Canada, its contribution is 45 ¢ on the dollar.

The member should acknowledge that she is playing games with numbers. She should admit it right now.

Ms. Judy Wasylycia-Leis: Mr. Speaker, I am certainly not playing games. I am presenting the facts. If the member does not want to take my word for it, he only has to listen to the words of every first minister of every provincial and territorial government in Canada. They all said with one voice that the cash portion is critical. It is the key one, the glue which holds our system together. It is the basis upon which our medicare model is sustained. That cash portion has dropped to a dangerously low level. The government has only injected funds to bring it almost back to 1995 levels.

A lot has happened in seven years. Health care needs have changed. The provinces have dealt with more and more of the burden. The real share of the federal government is about 11% or 12%. That is the record. That is what has to be changed.

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, I am splitting my time with the member for Kitchener—Waterloo.

I would like to mention that the members for Kitchener—Waterloo and Cambridge are my counterparts and we work on many issues together. I want to publicly thank them for all the good work they do to help me on a continuing basis. We all know that we cannot do this job alone. We need some co-operation. Members of parliament need to help each other.

I am proud of the budget. Having said that, it was not a budget that was planned. Nobody foresaw the events of September 11. Nobody wanted them but we as a government had to respond to those events. There is no doubt about it.

All of us have to be responsible to the country and to our constituents, the people who elect us. The bulk of the budget addresses security issues. There are many other things in the budget. It is not a budget we wanted to have at this time; nobody will say that it was. Nobody wanted to have to spend these kinds of dollars on security. However, there is no doubt that when there is terrorism, the number one issue is to have a safe and secure country to the very best of our ability. Our responsibility as members of parliament is to do so for the country.

In the budget we have allotted \$6.5 billion for security. A number of things concern air transport, which is so very important right now. That is what was used in the attacks. Nobody ever thought that airplanes would be used in such a manner but sadly they were. We have new airport security authorities and air marshals. These are good. I supported air marshals right from the beginning. I and every other colleague here travel mostly on planes. I believe in air marshals. They are important. They will make the public feel better as there will be a sense of security.

In order for people to be confident about aircraft, they have to feel they will be safe. Locked cockpit doors, which we have not had until now, are very important. We might ask why. That seems to be a reasonable thing, but having said that, we all thought we were safe. We all thought it would not have to come to this, but it has and we have responded. As a government we have looked at the issues and we have responded to them.

There is better equipment for screening passengers and luggage. I boarded a plane at a small airport, as do many of the members here. I was asked about my luggage. The bags are now matched with the customer which is good. Those are good things which have happened throughout all this.

For us, airport security has been a priority. Immediately the government responded and acted on the wishes of the people. We have tried to do that consistently.

The Budget

For safer communities, there is \$1 billion to improve the screening of immigrants, refugee claimants and visitors. There are better and more accurate screening procedures and more resources for detention and removals.

Recently the member for Cambridge, the member for Dufferin—Peel—Wellington—Grey and I wrote a letter to the Minister of Citizenship and Immigration regarding the Guelph Correctional Centre. We have gone to see the minister. We want the facility in Guelph turned into a detention centre. It is a good facility and perhaps it can be turned into one without being too costly.

• (1325)

The right-wing Harris government closed down this good facility. The Harris government came along, disposed of jobs and hurt our community in order to give tax cuts. I can tell the House right now that I do not think any of those unemployed people really care about a \$10 tax cut.

In the budget there is \$1.6 billion toward emergencies and the military. That is very important. Many constituents have talked about the military. They want us to be prepared. In fairness to that, I ran in the 1993 election, as did you, Mr. Speaker, and many of our colleagues here. I went from door to door. Many people mentioned that any cutbacks should be in the area of the military. Was that a good thing?

In these circumstances we have to ask, should that have been done? At that time cuts were required. That is how we put the country on a sound fiscal platform. Had we not done that, the events of September 11 would have driven the country into a very deep recession. The country was starting to slide. Make no mistake, the economy was starting to slow down before September 11. The events that happened hit the U.S. but they also hit us because we are very dependent on and work with the U.S. Of course we felt the repercussions. However, because of the sound fiscal footing we were able to put the country in, Canada has been relatively stable.

The unemployment rate has risen a bit. Make no mistake that we have lost some jobs. I certainly acknowledge that and I am very worried about it. Having said that, there has been a buffer.

Let me remind everyone that when we ran in the 1993 election, the unemployment rate coming from the Brian Mulroney Conservatives was almost 12%. Right now it is at seven point something per cent nationally. It was much better nationally but it has risen from where it was. That is not a good thing.

As long as there is one Canadian who wants to work but cannot find a job for whatever reason, perhaps because of illiteracy or improper training, it is important that as a government we strive to ensure there are jobs for everyone, that everyone can qualify and that everyone who wants in is in. That is important.

A lot of the budget, but not all of it focused on security. One of the things it included was apprenticeships. We in the Liberal government have long believed in and supported apprenticeships. My colleague across the way talked about EI. There is now a shorter qualification time. People must only wait two weeks and that is it. Someone who is on a five year apprenticeship would only have one qualification time. That is good.

Mr. Pat Martin: Just give them what you owe them.

Mrs. Brenda Chamberlain: An NDP colleague is trying to shout me out for some reason. The NDP's philosophy is that we can give everything. Let us make no mistake that we cannot give everything. As a government we know that.

The government has strived for a balanced approach. That balanced approach has worked. The government has honoured its commitments with \$23 billion allotted to health care and \$600 million for affordable housing. There is money for universities, with much of it going to the University of Guelph.

As a government, we will continue to strive for balance and for the protection of all Canadians. We must do this because it is what we were elected to do.

• (1330)

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Mr. Speaker, I listened with great interest to the Liberal who just spoke and couple of things came to mind.

First, I just realized that she felt compelled to get into talking about provincial politics to try to make a point about the federal government. I could not quite figure that out.

Let us talk about the federal government. The federal government, in the area of EI funds, "I" standing for insurance, has generated an absolutely humongous surplus: \$20 billion, \$30 billion, \$40 billion. I think we have lost track. The finance minister himself has said that the EI fund, which is way oversubscribed, in the billions of dollars, has gone into general revenue, that there is no surplus in the EI fund. In fact, employment insurance is not correctly called. It is an employment tax.

I would particularly like to draw her attention to the fact that with the \$24 fee that she was touting about making our skies safer, it not only makes the smaller aircraft and the shorter runs far less competitive, literally driving those airline companies out of the sky because it makes them uncompetitive, that money also, like with the employment insurance fund, will be going into general revenue.

How can she say that there have been tax decreases and proper management of the finances of Canada when in fact we have the history of the finance minister putting the money into the general fund?

Mrs. Brenda Chamberlain: Mr. Speaker, I would like to thank my hon. colleague for bringing up the EI fund. I wanted to talk about that but I ran out of time.

There is no separate fund for EI. I know, he knows that, the Speaker knows that and the whole Chamber knows that.

The Budget

We also know that one of the reasons we have that is that it is an insurance program to help us in down times. Surely my colleague would admit that after the terrible tragedies of September 11 we have had some dislocation of employment. Thank goodness the government had the foresight and was smart enough to have a buffer. I know my colleague would like us to simply spend all the money or tax cut it away but we do not operate like that as Liberals.

Let me tell the member that the amount of contribution people paid into EI in 1993 under the Conservatives was \$3.07. Today they pay \$2.20. That is a huge reduction.

I am very glad my friend mentioned EI because the fact is that there has been a huge tax decrease there, and I know he really loves that.

It is also important to mention that increased programs through EI, such as the apprenticeship program, are paramount. We have put money back into people not just tax cuts.

•(1335)

[*Translation*]

Mr. Ghislain Lebel (Chambly, Ind.): Mr. Speaker, I listened with great interest to the comments of the hon. member opposite. I find that a lot of things are being blamed on the events of September 11. Everything is being blamed on them. We talk a lot about security. People may live in a secure environment, but some will die of hunger, especially in the maritimes. There is some fear about this, but it is almost a certainty now.

What is there in this budget to help children living in poverty, for instance? In Quebec there are 500,000 children who go to school every morning without having eaten anything. They are not going to get hit by bin Laden's bombs, but will they survive? I wonder if the hon. member could comment on this and tell us about the efforts made to cut the fat in the departments, instead of telling us about what they grabbed from the employment insurance fund.

[*English*]

Mrs. Brenda Chamberlain: Mr. Speaker, I must comment on the statement made by my hon. colleague from Quebec. He has said that September 11 was used to invoke things like security.

My goodness, if we do not realize that after September 11 that was the number one priority across Canada, including Quebec, then we had better wake up.

As far as social programs, the budget continues to have infrastructure, something again with the balance that I believe has been here. The budget contains money for environment, for education and for universities. My own university, Guelph University, for instance, received \$5.3 million this year. We have put money into affordable housing, into health care and into aid for places such as Afghanistan.

We continue to operate in a balanced fashion.

Mr. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, it seems like only yesterday that I gave my first speech in the House back in 1994. There was a large collection of newly elected members who came to parliament representing our various constituencies.

I remember that our caucus and the House as a whole were fixated on the economic well-being and sovereignty of our nation. We faced the toughest fiscal challenges in our history. We went from a \$42 billion deficit, which represented 5.9% of the GDP, to a surplus in the last fiscal year of 1.6% of the GDP. In 1993-94 we had a debt to GDP ratio of 70%. Now it is down to 51%. We had an unemployment rate approaching 12%. Now it is under 8% across Canada and is at 6.3% in my riding.

I remember that in the first throne speech the issue of post-secondary education was not mentioned. It was at that point in time that I, along with my former colleague, John English, from Kitchener and the member for Peterborough got together to start up the post-secondary education caucus.

By having effectively addressed our fiscal reality, we have struck the right balance of investing in health care, investing in families and children, investing in protection of the environment and, most important, investing in research and innovation. We have also invested in our collective security.

As was mentioned by my colleague from Guelph, security requirements following 9/11 have driven much of this budget. One of the areas into which we have put money is immigration, \$1 billion to ensure better security of people coming into the country, not just as immigrants and refugees but also the many visitors.

My riding of Kitchener—Waterloo is part of Canada's technology triangle of which the member from Guelph and the member from Cambridge are part. Among us we have three of Canada's top universities and Ontario's number one community college; the University of Guelph; Wilfrid Laurier University; the University of Waterloo, which was designated as number one in the nation; and Conestoga College, the number one college in Ontario.

The economic profile of my riding is based upon insurance, higher education, high-tech companies, many medium sized businesses and the service sector. In the area of insurance we have the head office of Clarica, Equitable Life, Lutheran Life, Economical Mutual and the Canadian headquarters of Manulife.

Since my time is limited I will focus on the importance of post-secondary education and skills training, along with research and development from the perspective of my community and Canada's technology triangle.

I want to share with the House how education benefits my community at the local level and how it contributes to our national well-being. It is our post-secondary education institutions that are the engines of growth in our community and have contributed greatly to the economic output of our local community, the province and the nation.

Let me reflect upon the visionary pioneers who invested their time and effort in starting up our post-secondary institutions that have resulted in such a great contribution to our economic and social well-being.

The Budget

•(1340)

In 1957 the University of Waterloo started in a farmer's field. It became a book entitled *Of Mud and Dreams*. The first co-op engineering program was established. The pioneers who started that co-operative program were called heretics. Universities did not take a professional program such as engineering and debase it by introducing a blue collar component, such as a work term.

Co-op education which offers an academic term matched by a work term is now common practice throughout Canada and the world. The University of Waterloo, at its inception, also embraced computerization. It now has the biggest computer and mathematical faculties in the world and is world renowned.

Post-secondary education institutions are equipping Canadians with the cutting edge skills and learning that they will need to prosper. This will enable them to realize their unique potential and through a lifetime of learning to succeed in the new digital economy.

The government's record of supporting achievement in education is reflected in past budgets and in this budget. The investment in Canada education savings grants, the Canadian Foundation for Innovation and increasing the education tax credit will build upon the goal of having at least one million more adults being able to take advantage of learning opportunities.

The economic spinoff from our post-secondary institutions are the heart of our economic activity. I recall how in 1994 a group of high tech companies under the umbrella of the Atlas Group first came to Ottawa and was present in the gallery watching our debates. Over 200 of these companies have spun off from these educational institutions; names such as Research In Motion, Open Text, Virtek, MKS, GFI, Dalsa, Automatic Tooling System, Skyjack, Descartes and Mitron are a few of these companies.

I remember visiting a small company with the Minister of Industry in 1994 called Research In Motion. It had less than 50 employees. Under the TPC grants, we invested some \$40 million in that company. It did of course produce the world renowned BlackBerry that many members have.

The BlackBerry is carried by every member of the United States congress because it was found at the time of 9/11 that it was the only communication device that worked consistently. Today the company that we invested in through our education institutions and through our government programs has over 1,500 employees.

I mentioned RIM because obviously it is the most high profile of the success stories, but it also dramatically demonstrates how we as a nation can counter the brain drain by providing opportunities for our young people, and we do that through investment.

It is interesting that the more we invest in high tech institutions and the more we invest in education, the more we collectively secure our economic future as a nation. There is no better example than Canada's technology triangle.

As we wrap up with the budget, I would like to mention a further point that relates to immigration. We are investing a billion dollars into screening to ensure that the people who come to this country fit within the framework of our laws. This has to do with the new regulations. I know my colleagues in this caucus and in other

caucuses have strong feelings about making sure those regulations will allow people with skills, blue collar workers, to come into this country.

•(1345)

The Acting Speaker (Mr. Réginald Bélair): Before going to questions and comments, let me remind hon. members not to use props in the House.

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, I am interested in a couple of comments made by my colleague from the other side. First concerns the amount of money that is invested in immigration. It is not just the money that is the problem in immigration today. The government must look at the process of dealing with those who are ordered deported.

I spoke on that earlier. That is a major flaw in our system. It is not the individuals coming into the country who are screened, it is the individuals we do not want in this country that we seem to retain. That would be a better use of our time.

I want to ask a question regarding his comment about the right balance in investing in families and children. I note that one of the major problems in this country today is hard drugs like cocaine and heroin. No money has been dedicated toward that in the budget. It has been extremely difficult to get a commitment from the government on anything related to the drug problems in Canada, particularly drug rehabilitation, education and so on.

Where does the hon. member stand on the issue of drugs and where does he stand on the reason why the government has put no money toward the problem?

Mr. Andrew Telegdi: Mr. Speaker, let me say to my colleague across the way that there has always been a danger in terms of deportations. All too often we end up deporting the ones who are most likely to abide by the rules. That is always an ongoing source of debate. Certainly, with the new enforcement function and because of the new security portion in the budget, I am sure he will find that we will be more efficient in deportations down the road, particularly with some of the more undesirable people.

In terms of drugs, let me say to the member that the government, and I know because I played a role in it, started up crime prevention community safety councils right across the country where local communities are encouraged to participate in areas of crime prevention. Last year we added a drug component to that. The issue of drugs is a combination of criminality and addiction, the latter becoming a medical problem. This is one area that the government is trying to come to grips with through the provinces, which are responsible for health care.

•(1350)

[*Translation*]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, I listened carefully to the speech of the Liberal member.

The Budget

He told us about his riding and I say great. However, during his whole speech, I could not help but think that Quebec truly is a distinct society. As far as we are concerned, health and everything that concerns schools come under provincial jurisdiction. But the hon. member seems to think that these areas are under federal jurisdiction. I can see that we really are living in two different countries.

I would have liked to hear the hon. member talk about employment insurance. I would have liked to hear him talk about Canadians living in poverty, including children who are getting increasingly poorer. What did his government do? What should it have done to remedy the situation?

As we know, his government stole \$40 billion from the employment insurance fund. What did it do with this money, which belongs to workers? I wish I knew. His colleague, the hon. member for Guelph—Wellington, could not answer the question of my colleague, the hon. member for Chambly. I would like to know what his government did.

[*English*]

Mr. Andrew Telegdi: Mr. Speaker, I am not sure I have time to respond to all the points mentioned by my colleague from the Bloc. In the area of post-secondary education, we have a very important role to play in Canada student loans and in assisting research and development and innovation.

We recently announced in my community a contribution of almost \$14 million under the infrastructure program to have high tech research become part of the University of Waterloo. This is going to provide an incredible number of jobs to not only the local community but the national community as well.

I do not have time to address the whole issue of poverty but I know all about it because I lived in poverty. I came here as a refugee in 1957. Every dollar we invest in the young people of this country and in helping our post-secondary institutions is a great way to fight poverty. It is not the total answer, but it is part of the answer.

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, I will be dividing my time with the member for Brandon—Souris. I would remind the member opposite that when he talks about investing of whatever kind, whether health care, education, or business, it also means taxation. It means we must get that money from somewhere and there is only one place to get it and that is from the Canadian taxpayer. I urge him to be temperate in his ideas of investing and investing. While it all sounds good it means we must tax and tax in order to get that money.

It is a pleasure to speak to the budget well after the fact. The budget was presented last fall and we have had a couple of months to see the fallout. We have been able to see whether it had the desired impact and we have seen how people reacted. What the budget did not do in retrospect was to calm the markets and support the Canadian dollar.

Since the budget came in we have hit a new all time low for the Canadian dollar. Some people, including the Prime Minister, who seem to like the low dollar should be reminded that a low dollar means that Canadians will pay a price for that. They pay it in the form of higher costs for imported goods, for machinery, for holidays

abroad and many things. A lower dollar is a hit in the pocketbook for everyone. That is not good in the long term for the Canadian economy.

It is interesting that it has not only hit a record low since the budget came in but the government has presided over the actual demise of the Canadian dollar. When the government took power the dollar was 76 cents and since that time it has dropped 20% of its value against the American dollar. It would be one thing if it was just the American dollar but we have lost ground against the pound, the Australian dollar and the peso. Name it, we have paid the price.

It is interesting how the Minister of Finance always takes credit when things look good but the Liberals are running like rats from a ship for accepting the blame for a record Canadian dollar which lands squarely on the economic policies of the government. It has presided for eight and a half years over the economy and what we have as a result is a dollar that has never been weaker and shows no real signs of recuperation.

The budget did nothing to fix the mismanagement of taxpayers' funds. It did nothing to address the concerns of the new auditor general and the old auditor general. They both specified that there is no control system over there. The government consistently outspends the budgeted amounts in every department. It does not seem to have any plan on how to arrest what everyone agrees is widespread and rampant abuse of taxpayers' dollars. That is a major failing of the budget and it has been manifesting itself ever since.

Yesterday I brought to the attention of the House, as did others, the mismanagement of funds by Mr. Gagliano's department, the former minister who has now gone on to greater glory to a taxpayer funded haven across the way. Members will notice that before the scandal rocked the government for his mishandling of taxpayers' funds it got him out of town. The scandal continues. Funds were expended improperly, dollars were wasted and the taxpayer is always on the hook. That has not been addressed and it will not go away because the government shipped him overseas.

The problem remains because it is a systemic problem for the government. It does not seem to understand that a dollar held by it should be a dollar held in trust. It should be something that is used wisely and judiciously as every auditor general begs and demands. As we consistently see, from Mr. Gagliano through to other departments, it just does not get it. It cannot handle it.

We have today's revelation that the government perhaps somehow lost track of \$3.3 billion that was sent to the provinces. It is not sure what happened to it exactly but it says not to worry because it was a government to government transfer, not a big deal. The money just plucks off the money tree. No one has to pay for it, it comes like manna from heaven. The government does not know where \$3.3 billion has gone. It will do its best to find it but no one will take the blame.

● (1355)

The Speaker: I am always reluctant to interrupt the hon. member for Fraser Valley but unfortunately the rules compel this. However he will have a good five minutes remaining to him following question period later this day to conclude his remarks.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

SCIENCE AND TECHNOLOGY

M. Andrew Telegdi (Kitchener—Waterloo, Lib.): Mr. Speaker, the federal budget has allocated \$6 million in new funding to Shad International, a Waterloo based youth leadership organization.

Shad International is one of Canada's premier programs for youth in science, technology and entrepreneurship. It identifies some of Canada's top technology talent, matches them up with over 200 of Canada's leading organizations for a five week work term that gives participants a pivotal experience at leading universities across Canada.

This expanded funding will open more doors for Canada's young people who are leaders of tomorrow. The program assists its participants in realizing their potential and at the same time promotes networking among our country's IT, engineering and scientific community.

Shad Valley has 6,865 alumni to date, 12 of whom have gone on to become Rhodes scholars. It has established approximately 160 corporate partnerships. In 1997 Shad was honoured with the Nova Corporation Global Best Award and in 1996 won the Michael Smith Award for Science Promotion. I congratulate Shad International.

* * *

• (1400)

CURLING

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, today I am very pleased to congratulate the team of four young men from Manitoba that claimed the Canadian championship title in junior men's curling this Sunday.

Dave and Kevin Hamblin of Morris, Ross Derksen of Winkler and Ross McCannell of Dauphin beat out the Quebec team with a final score of five to four. The third member of the team from the Hamblin family, Lorne Hamblin, coached these boys to victory. I think it is important to note that the three Hamblins are from the great riding of Provencher in Manitoba.

The team will go on to represent Canada at the world junior curling championships at the end of March in Kelowna.

Manitoba is very proud of these dedicated young men who through many chilly hours of training and preparation persevered in their pursuit of excellence. To the team, I wish them the best of luck in the upcoming world championships. Canada is rooting for them.

* * *

FRANK SHUSTER

Mr. Tony Tirabassi (Niagara Centre, Lib.): Mr. Speaker, it is with regret that we learned of the death of Canada's pioneer comedian, Frank Shuster, at the age of 85 on Sunday, January 13.

Frank Shuster's stellar career in comedy spanned six decades, from high school in Toronto where he met his sidekick John Wayne to entertaining the troops during World War II and on to radio and television.

Who but the very young cannot recall watching a Wayne and Shuster special, laughing with delight as they gave us snippets of Shakespeare, tips on home management, literary slapstick, or that the world would end at midnight, half an hour later in Newfoundland?

Often scholarly, always zany, Frank Shuster and John Wayne paved the way for a uniquely Canadian brand of humour and a place for sketch comedy in radio and television. They celebrated their Canadian identity, received critical and popular acclaim and received many awards in Canada, the U.S. and abroad.

On behalf of the Government of Canada I thank Frank Shuster for helping to make the Canadian comedic genius known around the world. I offer my sincere condolences to his loved ones.

* * *

[*Translation*]

ALZHEIMER'S DISEASE

Mr. Jeannot Castonguay (Madawaska—Restigouche, Lib.): Mr. Speaker, it gives me pleasure to inform the House and all Canadians that January has been declared Alzheimer's Awareness Month.

Alzheimer's disease is a degenerative disease which destroys vital brain cells. It is one of the primary causes of death among seniors and affects over 300,000 Canadians. Although it strikes primarily seniors, younger people are becoming increasingly worried. Despite the research now being done, no cure has yet been found.

The Alzheimer Society of Canada is working to inform the public about this disease. It is improving the quality of life of all those affected by offering support, providing information about the disease, and funding research.

Please join with me in wishing the Alzheimer Society of Canada and its dedicated volunteers a month filled with success.

* * *

[*English*]

BALDUR STEFANSSON

Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.): Mr. Speaker, on January 3 last Manitoba lost an agricultural mastermind. Baldur Stefansson, otherwise known as the Father of Canola, passed away at the age of 84.

Mr. Stefansson, a plant breeder, developed canola oil, one of the most nutritious edible oils used in the world today, from rapeseed, an industrial oil. Before the invention of canola only a few hundred thousand acres of rapeseed was grown in Canada per year. Today thanks to Stefansson's genius approximately 10 million to 12 million acres of canola is grown annually in western Canada.

Stefansson's innovation created hundreds of jobs at processing plants on the prairies. Furthermore, his crop development is now the dominant crop traded by the Winnipeg Commodity Exchange. In fact, 85% of the exchange's trade consists of trade in canola.

S. O. 31

Mr. Stefansson never profited from his innovation which has provided much economic stimulus for western Canada, about \$2 billion worth annually, but he did however receive numerous awards including the Order of Canada, the Order of Manitoba and the Order of the Falcon.

* * *

• (1405)

JUSTICE

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, on Tuesday, January 22, Karl Toft, a convicted pedophile, was transferred from a psychiatric institution in Saskatoon to a minimum security facility in Edmonton. Already this year there have been successful escapes from this Edmonton facility. It is just blocks from a residential area of Edmonton yet absolutely no notice of his transfer was given to the families living in that area.

This is a man who has been convicted of numerous offences against young boys. Why does this government continue to put the rights of criminals ahead of the rights and safety of Canadians?

Mr. Toft's horrific crimes demand that he be placed in a maximum security facility where escape is less likely. The people of this country entrust their safety to government officials, departments and procedures. Their safety has been ignored in this situation.

Will the solicitor general take immediate steps to right this wrong, put the safety of Canadian children first, and place Karl Toft in a maximum security institution?

* * *

CURLING

Mr. Joe McGuire (Egmont, Lib.): Mr. Speaker, the Suzanne Gaudet curling team from the Silver Fox Club in Summerside, P.E.I. continues to amaze. Last year the Gaudet rink won the Canadian junior girls curling title and went on to win the world title in Salt Lake City, Utah.

Last week the Canadian juniors were played in Summerside before record crowds at the Cahill Stadium and Silver Fox Curling Club. The host city and its scores of volunteers are to be commended as they have set the bar of crowd support to the highest it has ever been for this event. The Gaudet rink also raised the bar of achievement in the junior girls curling as they are now repeat Canadian winners, only the second rink in the history of this event to win back to back victories. I predict they will repeat as world champions.

I congratulate Suzanne Gaudet, Robyn MacPhee, Kelly Higgins, Carol Webb and coach Paul Power and wish them good luck at the world event in Kelowna, B.C. in March. I congratulate the city of Summerside for a job well done.

* * *

[Translation]

GALA SPORTS-QUÉBEC

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, the Bloc Québécois is pleased to offer its congratulations to the Quebec

athletes who received the Maurice award at the January 24 Gala Sports-Québec ceremony, which I had the honour of attending.

We wish to congratulate skier Mélanie Turgeon and snowboarder Jasey-Jay Anderson, who won Maurice awards for female and male athletes of the year, and ice dance pair, Jamie Salé and David Pelletier, on their excellence in their category.

The award for team of the year went to the Sainte-Foy Gouverneurs, winners of the Air Canada Cup hockey tournament. I am particularly proud of hockey player Kim St-Pierre of Châteauguay, who was named team sport athlete of the year.

I would also like to mention diver Emmanuelle B. Dupuis and hockey player Pierre-Marc Bouchard, who were named best new athletes of the year. Quebec's athletes continue to distinguish themselves and show us in no uncertain terms that they are a force to reckon with on the sports scene.

Good luck and congratulations to all.

* * *

[English]

CURLING

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I too take the opportunity to congratulate the four talented junior curlers from Manitoba on being crowned national champions. Ross McCannell, Kevin Hamblin, Ross Derksen and their skip Dave Hamblin of Pembina Curling Club in Winnipeg claimed the Canadian junior curling title this past Sunday in Summerside, Prince Edward Island.

The rink, coached by Lorne Hamblin, father to half of the team, went 9-3 during the round robin play, earning them a second place finish. This put them into the semi-finals where they defeated a very capable northern Ontario team to earn a place against Quebec, the top team during the round robin. Steals in three straight ends against this difficult opponent helped Manitoba to a 5-4 victory and the title of national champion. Next is the world junior curling championship in Kelowna, B.C. where they will take on the best from around the world.

I wish them good luck. Most of all, I hope they are able to enjoy their sport as well as bring back the title of world junior champion to Manitoba.

* * *

HABITAT FOR HUMANITY

Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance): Mr. Speaker, in my riding of Kamloops, Thompson and Highland Valleys, Habitat for Humanity is building a duplex for two families. Volunteers have been working tirelessly and the families will be moving in soon. I myself look forward to doing my part by painting a room.

Using the talents and skills of volunteers, Habitat for Humanity builds homes for people who might otherwise be unable to purchase a home. Potential homeowners commit to 500 hours of sweat equity. This participation equals pride of ownership.

What makes Habitat for Humanity so special is that it depends on the creativity and generosity of individual citizens rather than grants from government. The habitat program also offers dignity because it offers a hand up rather than a handout.

* * *

• (1410)

HEALTH

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, after six months of consultations with my constituents which included two town hall meetings and a public survey, I am pleased to inform the House that I recently submitted a community health care report to the Romanow commission.

Our community report makes 13 recommendations aimed at improving our health care system across Canada. The report is available on my website at www.davidpratt.ca.

Without the active participation of our community this report would not have been possible. I thank everyone involved for their input and insights. Among other suggested reforms our report recommends placing a greater emphasis on home care, redefining the traditional roles of our medical staff, increased training, better funding for equipment and facilities, and a greater degree of accountability.

Through this exercise in participatory democracy one message came through loud and clear: The people of my community want us to reform our public health care system, not dismantle it.

* * *

[*Translation*]

MICHAEL BELLIVEAU

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, yesterday the media reported the sudden passing of Michael Belliveau, the executive secretary of the Maritime Fishermen's Union.

Mr. Belliveau had been involved in the MFU since 1986. His dealings with the fisheries industry earned him respect as a hardliner.

His unflagging efforts in certain areas had positive effects for the fishers he represented. His devotion earned him the respect of his peers, the fishers, and all those with whom he had contact.

Atlantic Canada and the fishing industry have lost a staunch defender and a great builder. He leaves an incomparable heritage of accomplishments that have benefited coastal communities and fishers.

On behalf of the NDP, my sincere condolences to his family and friends, and to the membership of the MFU.

* * *

MIDDLE EAST

Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, the situation in the Middle East is degenerating; the atmosphere is hardening and some people fear the situation is beyond remedy. Given the recent death of an elderly Israeli in an attack by a young Palestinian woman student, who also lost her life,

S. O. 31

the recent statement by the Speaker of the Israeli parliament is a real balm.

Avraham Burg warned his fellow citizens with this lucid comment "An occupying people, even if it was led into being an occupier against its will, ends up being harmed by the occupation and its stains, which change and disfigure it... The occupation corrupts."

At risk to his career, he agreed to go to Ramallah to meet with the Palestinian parliament. "I will go wherever there is a possibility of talking peace," he said.

According to him, only the creation of a Palestinian state, coupled with a Marshall plan for the Middle East, will do away with the prevailing despair and bring peace.

Last week, he sent a message to the international community with these words. "If the world ignores the Middle East as it goes up in flames, it will eventually have the same problems in Paris, London, New York and Washington".

Let us listen to this man of peace.

* * *

[*English*]

VETERANS AFFAIRS

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, today is the anniversary of the Victoria Cross, the highest and most prestigious award to honour gallantry in the face of the enemy. I ask the House to join me for a moment to honour all those brave Canadians who have been recipients of this award.

The Victoria Cross was established in 1856. It is awarded by royal assent to British citizens and citizens of the Commonwealth. There have been over 90 Canadians on whom this honour has been bestowed.

At this time, while Canadian troops are being involved in Afghanistan, I take this moment to ask the House to honour the bravery of every one of our wonderful soldiers.

* * *

[*Translation*]

HEALTH

Mr. André Bachand (Richmond—Arthabaska, PC/DR): Mr. Speaker, during their meeting last week in Vancouver, the premiers reiterated their call for a dispute settlement mechanism in the area of health care.

In response to this decision, the new federal Minister of Health was quick to agree, and made a commitment to create such a mechanism.

I would like to congratulate the minister for this new openness toward the concept of intergovernmental cooperation. The provinces have long been waiting for such a gesture by the federal government.

I would also like to remind her that the target date to assess the framework agreement on the social union is February 4. This would be an ideal context in which to broach this issue, which is so important.

Oral Questions

The minister's comments are welcome, particularly when compared to her predecessor's intransigence. We wish her success in convincing her cabinet colleagues. We will be following this.

* * *

• (1415)

[English]

CANADIAN AVALANCHE ASSOCIATION

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, every winter Canadians take to the slopes to enjoy skiing, snow boarding, snowshoeing and outdoor sports of all kind. While we love our mountain environments and all that they offer, we must also respect weather and snow conditions that can lead to avalanches.

I am therefore pleased that the Canadian Avalanche Association, a non-profit organization, is building public awareness about avalanche safety and prevention. The CAA provides a number of services, including a web based avalanche forecasting service for both industry and recreation.

In support of the important work of the CAA, Mr. Justin Trudeau is touring ski resorts this month to encourage people to take safety seriously in the back country and carry along proper equipment, including radio transceivers, snow probes and shovels. These simple precautions would save lives and enhance our enjoyment of Canada's great outdoors.

ORAL QUESTION PERIOD

[English]

CANADA CUSTOMS AND REVENUE AGENCY

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, today Canadians learned that the government has overpaid \$3.3 billion because of incompetent accounting in Revenue Canada. The Prime Minister says that this is no problem, that these kinds of accounting errors happen all the time.

If a \$1 billion HRDC boondoggle is no problem and a \$3 billion CCRA boondoggle is no problem, I would hate to see a real problem.

Could the Prime Minister explain how even this government could be incompetent enough to lose \$3 billion of taxpayer money?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this was reported to the press by the Minister of National Revenue and the Minister of Finance. We only were officially informed of that problem yesterday and we informed the provinces.

I have said that every year there are adjustments. This error was not picked up, for example, by the auditor general either. It was a problem that occurred a long time ago, which has very important consequences.

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, if the federal government wants to get this money back, it will have to come from somewhere else. The provinces are already facing a health crisis because of federal government funding cuts. Some of the provinces, especially Ontario and Manitoba, may face more cuts due to Liberal incompetence.

Will the government claw this money back from transfers for health care or will it put federal taxpayers on the hook for this \$3 billion mistake?

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, it is important for Canadians to know that an error was identified and action was taken to correct it. This does not have an impact on individual taxpayers. Nor does it affect mutual fund trusts. Nor does it affect the investors in mutual fund trusts.

It is premature for us, however, to speculate because we do not have all the information going back to 1972. We are gathering that and sharing it with the provinces and the auditor general. We will take appropriate action because we want to ensure that we are fair to all taxpayers in Canada and the provinces as well.

Mr. John Reynolds (Leader of the Opposition, Canadian Alliance): Mr. Speaker, getting a straight answer from the minister is almost as hard as getting a Liberal membership in Ontario. The previous human resources minister blew \$1 billion and got promoted to international trade. The revenue minister blows \$3 billion and gets promoted to justice.

My question for the Prime Minister is this. How will he reward a minister who blows \$5 billion; maybe appoint the minister Governor General?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, one thing I would like to say is that when we took over we had a deficit of \$42 billion. This is the fifth year in a row that we will have a surplus in Canada. It is something that even members of his party compliment me on when they talk to me in private.

* * *

FOREIGN AFFAIRS

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, yesterday the Prime Minister called the taking of prisoners in Afghanistan a hypothetical situation. However now we know it happened last week. The government has said that Canada would be following international law and the Geneva convention.

While the Canadian Alliance will always oppose torture and mistreatment, we do not believe that terrorists have exactly the same rights as legitimate soldiers do.

Could the Prime Minister confirm to Canadians that our soldiers were following international law by turning over captured fighters to U.S. forces?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Yes, Mr. Speaker.

Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance): Mr. Speaker, I would like to thank the Prime Minister for a clear answer for a change. I am shocked by that answer. I will be surprised if the answer to this question is that brief.

Oral Questions

How can Canadians believe that this Prime Minister did not know that our troops have been turning over captured al-Qaeda fighters to the U.S. for detention when their pictures are on the front page of the *Globe and Mail*? If the Prime Minister did not know, he is incompetent. If he did know, he has deliberately misled Canadians. Which is it?

Right Hon. Jean Chrétien (Prime Minister, Lib.): I learned about it this morning, Mr. Speaker.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, on Sunday, the Prime Minister said that if there were prisoners, Canadians, the government would take measures to ensure that Canadian and international laws were respected, that there were no prisoners and that the government would let us know when there were.

However, when the Prime Minister was making that comment on Sunday, it had been a few days since Afghans had been captured by Canadians and handed over to the Americans.

Either the Prime Minister misled the public, or else he did not know. Both possibilities are a cause for concern and unacceptable. Which one is true?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I told the media earlier that I learned about it this morning.

The Minister of National Defence decided to inform me this morning, because until then he could not confirm with absolute certainty the validity of that information.

When he was absolutely sure of this information, he informed me, this morning, and he also informed the other members of cabinet.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the hon. member who is appointed Minister of National Defence should normally be sufficiently qualified to be appointed.

Since when did he know that Afghans had been captured by Canadians and handed over to Americans? Why did he not inform the Prime Minister who, as recently as Sunday, stated that there were no such prisoners? Why did he not bother to tell him during yesterday's caucus meeting, before oral question period?

What is going on with this minister? Did he know or did he not?

[*English*]

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, I first became aware of the possibility on Friday. It required further examination to determine whether in fact Canadians were involved. I informed the Prime Minister and my colleagues in cabinet this morning to that effect.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister told us that there would be, or that there was, an agreement with the American authorities which respects Canadian law and international agreements, including the Geneva accords, before any prisoner was handed over to the Americans.

Was the agreement concluded before the prisoners were turned over to the Americans?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, my information is that, when we concluded an agreement with the Americans, they were going to respect all international laws, including the Geneva declaration.

That is the position we are taking. We will require that the Americans respect international laws, as they are obliged to do, as Canada is obliged to do. It is in this context that we handed over prisoners, as happens in many other circumstances.

Right now, for example, in the same country prisoners captured by the British in Kabul are being handed over, in the circumstances existing in Kabul, to Afghan authorities.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister said "We will require". In other words, it has not necessarily been required yet, nor was it necessarily required before the first prisoners were captured.

Speaking of agreements with the British and the French, those nations required that, if French or British nationals were among the prisoners captured, the laws of their countries be respected and the prisoners handed over to them.

Is there such a requirement in the agreements supposedly concluded by this government? And will they be tabled? This could have been done last night, during the special debate. Will it be done now?

• (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are not talking about Canadian prisoners here.

Obviously, if Canadian prisoners were to be captured, we would do what is necessary under Canadian law. We would have to take—That is what the U.S. did. The American who was with the Taliban, or al-Qaeda, was not sent to Cuba. He was taken to be tried before U.S. courts.

[*English*]

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, yesterday in the House the Minister of National Defence claimed that we are not about to outsource our moral obligations in dealing with prisoners in Afghanistan. It turns out that the defence minister has known since Friday that Canada has been doing exactly that.

Now that the government cannot pretend that these questions are hypothetical, will the Prime Minister come clean and tell Canadians how many prisoners have been turned over to the Americans? When were they taken into custody? On what terms were they turned over? Is there an agreement with the Americans about the treatment of captives in Kandahar and if so will he—

The Speaker: The right hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I can say to the hon. leader of the party that these prisoners will be treated according to international law. That is the agreement that we have with the American government.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, secret tribunals leading to the death penalty are not Canadian values. This government may choose to wear a moral blindfold, but Canadians care a great deal about what we stand for at home and abroad.

Oral Questions

Will the Prime Minister instruct his defence minister to ensure that Canadian values are not violated in the treatment of captives in Afghanistan?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as for our involvement with persons who are not Canadian citizens, Canada applies its values concerning the death penalty for people living on Canadian territory. Because of a judgment by the supreme court concerning extradition, we have to ensure they are not returning to a jurisdiction that has capital punishment.

In this case, these people are not covered by the Canadian charter of rights.

* * *

[Translation]

NATIONAL DEFENCE

Right Hon. Joe Clark (Calgary Centre, PC/DR): Mr. Speaker, yesterday, a committee from the other place heard evidence to the effect that the United States is considering a continental defence and security policy aimed at extending Norad's control to include Canada's land and marine defence.

Will the government make a comprehensive and detailed statement on what is currently being discussed with the Americans in this regard?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are always consulting with the U.S. government on any number of issues. For example, there is the NORAD agreement, which includes a joint Canada-U.S. command regarding Canada's air defence.

We are always consulting regarding the borders with Canada and also with Mexico, in the context of North American security.

It goes without saying that if agreements are reached, we will inform the House accordingly. Such agreements would trigger a debate in the House and perhaps require Canadian legislation. But at this time, we are merely discussing. Absolutely no decision has been made—

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

Right Hon. Joe Clark (Calgary Centre, PC/DR): Mr. Speaker, there always discussions with the Americans, but never with the Canadian parliament.

[English]

I want to return to the question of the answer given by the Minister of National Defence who said he first became aware on Friday that Canadian troops might have been taking prisoners in Afghanistan without there being clear rules of engagement.

Why in the world did he not tell his Prime Minister? Who is in charge of this bunch of Keystone Kops?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I heard that the leader of the fifth party said to the press that his prime minister was informed on an hourly basis of everything that was going on.

I have confidence in my ministers. However, I understand that Mr. Mulroney wanted to be briefed about foreign affairs because he

probably had no confidence in the leader when he was the minister of foreign affairs.

* * *

● (1430)

[Translation]

IMMIGRATION

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, according to an article in *La Presse*, a spokesperson for Immigration Canada confirms that we were right in doubting this government's commitment to improving our security.

This spokesperson admits that Tunisians posing as tourists arrived in Dorval and then vanished into thin air. We have learned that some Tunisian members of al-Qaeda were operating in Montreal.

How can the minister justify such sloppiness at Dorval?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, first of all, I too read the *La Presse* article this morning. At that time, I requested a report on this from the deputy minister, and I await that information.

[English]

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, we all want to give the rooky minister a chance to find his feet. We appreciate that he is taking time to look into this, but other officials have revealed that because Canada's immigration officials are tired and overworked, 150 Tunisians came in two years ago with tourist visas, only \$50 to \$100 cash and no hotel reservations. Now they have completely disappeared.

How can the minister reassure Canadians he is addressing this lax security at one of our biggest entry points?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, let me say to the rooky critic that before saying anything we have to look at the facts. We did not wait to act. After September 11 we gave more tools to our agents. We gave more resources in the last budget so we are doing our job, but I am not going to comment without having any facts.

* * *

[Translation]

FOREIGN AFFAIRS

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, we now know that Canadian soldiers handed over Afghan Taliban prisoners to American authorities without receiving any specific assurances that the Geneva convention would be respected.

Does the Prime Minister realize that if Canadian Forces hand over prisoners captured in Afghanistan without specific assurances, Canada winds up doing indirectly what it says it does not want to do, which is to contravene the Geneva convention?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, everything is being done pursuant to the Geneva convention, all international laws governing war, and Canada's domestic policies.

Oral Questions

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, both Human Rights Watch and Colin Powell agree that the fact that the conventions do not apply to this new war against terrorism and to terrorists is terribly dangerous. If conventions do not apply to them, they do not apply to our forces either.

Did the Prime Minister think about Canada's armed forces when he agreed that the Geneva convention would not apply?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, once again I repeat that the government's policy has been laid out very clearly and that we are requiring that the U.S. respect international laws and the Geneva convention.

* * *

THE ECONOMY

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, the Minister of Finance likes to blame others for the 62 cent Liberal "dollaretté". Yet he knows very well that it was his own policies that drove the dollar down. He knows that international markets are right when they say that our debt and our taxes are too high, and he knows that he must improve our productivity.

The "dollaretté" must be rescued. When is he going to lower taxes and pay down our debt?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, the member should stay on top of things. Not only did this government introduce the biggest tax cut in the history of Canada, right here in the House, but just last year, it reduced the debt by \$17 billion.

This is why Canada's currency is stronger than most others, such as the Swedish krona, the pound sterling and the euro. It is a very clear indication of how Canada and its economy are viewed in international markets.

[English]

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Once again, Mr. Speaker, he is not telling the truth. In fact the Bank of Canada reports that last year—

Some hon. members: Oh, oh.

• (1435)

The Speaker: The hon. member for Calgary Southeast knows that all hon. members tell the truth all the time in this Chamber. I know he would not want to disagree with that.

Mr. Jason Kenney: Mr. Speaker, I am sure he is just doing so inadvertently, but according to the Bank of Canada the Canadian dollar has dropped by 20% against a basket of six major currencies including the pound, the yen and the Swedish krona. We are losing money against the Mexican peso.

The finance minister said last year that the dollar was a reflection of our level of productivity. The Deputy Prime Minister said three years ago that Canada's productivity was lagging very seriously.

Does the Minister of Finance have any plans to improve our productivity concretely by paying down taxes and debt, or will he simply continue to blame—

The Speaker: The hon. Minister of Finance.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I have here the published numbers. Since it is obvious that the Alliance research department does not know where to find them, I would be quite happy to table these numbers which show since January 1 of this year, or if we want to go back five years, that the Canadian dollar has been stronger than the British pound, the euro, the Australian dollar and the Swedish krona; in fact the basket of currencies to which the hon. member referred.

* * *

[Translation]

FOREIGN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I would like to know whether Canada has handed prisoners over to the Americans without first determining their status, as required by the Geneva convention. Who determined this status, and on what basis?

[English]

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, this matter has been conducted entirely within international rules and Canadian law. We have transferred those detainees to the United States as is covered in international law. They are the ones who have to determine through a competent tribunal the status of the particular detainees. They are the ones who establish the military commissions.

All of this needs to and will be done in a fair and humane way. That has been understood right from the beginning.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): But Mr. Speaker, right from the beginning, from the time the detainees were captured, Mr. Rumsfeld was saying that they would not be respecting the Geneva convention and Mr. Powell was saying that they should. Saturday, what was said was that Mr. Bush would be the one to make the decision.

Am I to believe that, when the detainees were taken prisoner and handed over to the Americans, the Canadian soldiers knew, when Mr. Powell did not, nor Mr. Rumsfeld, and the decision had not been made by President Bush? Is that what we are meant to swallow?

[English]

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, that is not the case at all. The United States has made it clear from the beginning that it would follow international law.

There is a difference in terms of the classification of people who are prisoners of war versus those who in fact are unlawful combatants. That is to be determined by an appropriate tribunal. That is clearly the law, the law that Canada follows and the law that the United States will follow.

*Oral Questions***CROWN CORPORATIONS**

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, the minister of everything stated yesterday that crown corporations relied on their appraisers to establish the value of property. Then they liberally appraised and sold \$12 million worth of property for only \$4 million.

It is not hard to sell land for one-third of its value. It is kind of like selling \$100,000 homes for \$33,000. Why is the minister's office not investigating this creative Liberal fire sale?

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, if the member is interested, I have a bridge that he might like to purchase. Frankly on the property he is talking about, this property was advertised in many newspapers. Six proposals were received. The best one was negotiated up from \$3.3 million to \$4 million. The amounts were consistent with appraisals that were obtained.

As I said yesterday, it sounds like he expects us to have sold the property for more than the best offer.

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, yesterday the minister of all stated that he had reviewed the facts in the Canada Lands file and that the Liberal rules were followed.

Canada Lands sent to the minister answers to questions that I have requested under House rules of proceedings. The rule is that an answer be given within 45 days.

Why did the minister break this House of Commons rule, and what other House rules are being broken in order to hide this fact from the House?

• (1440)

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, perhaps they tried to find me in Kabul with the answers but failed to do so. If the documents were prepared I would have received them as soon as possible after the cabinet shuffle.

I am sure he can expect to get the response in an appropriate timeframe, but I can assure the House that there is no intention on my part to withhold any appropriate information from the hon. member.

* * *

AFGHANISTAN

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, even before the September 11 terrorist attacks the people of Afghanistan were facing a severe humanitarian crisis as a result of two decades of conflict, violations of human rights, poverty and drought.

Would the Minister for International Cooperation inform the House how her department and the Government of Canada will be involved in the reconstruction of Afghanistan?

Hon. Susan Whelan (Minister for International Cooperation, Lib.): Mr. Speaker, I was pleased to represent Canada at the Tokyo conference on the reconstruction of Afghanistan where I pledged on behalf of Canada \$100 million as part of the international effort to rebuild Afghanistan. This is in addition to the \$16.5 million we have provided in humanitarian assistance since September 11.

It will allow Canada to continue to build on its long history of support for the Afghani people in areas of health, child survival, gender equality, security and protection. We will be there to assist the people of Afghanistan.

* * *

NATIONAL SECURITY

Hon. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the Deputy Prime Minister in his capacity as the minister overseeing security matters.

I wonder if the Deputy Prime Minister is aware of the suggestion being made by United Steelworkers and others that there is a need for the federal government to show leadership in establishing a regulatory framework for security guards and the provision of security services in this country, for training and for standards.

I wonder if the minister could tell us whether he is willing to meet with stakeholders in that industry to discuss such a strategy and whether any of the money, that \$12 or \$24 a trip, will go to establishing that kind of regime with respect to security.

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, we shall shortly be introducing legislation to deal with the new security agency. It mandates a number of changes. There will be federally regulated employees discharging security rather than what is done now.

We believe that this allows airport authorities and various security regimes across the country the flexibility that is required to operate a very good and safe system but, more important, the security oversight, which we maintain has always been very good, of airport security will be enhanced by this new agency, financed by this new charge.

* * *

FOREIGN AFFAIRS

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, my supplementary question is for the Prime Minister. The government's position on prisoners in Afghanistan is not only legally indefensible but it is morally bankrupt.

If Canada is not prepared to allow prisoners that are captured to be executed, why is it that we are prepared to turn over those same prisoners to the United States to be tried before a military tribunal and by a majority vote to be sentenced to death? Is that not the ultimate in outsourcing of our moral obligations?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the government of the United States has the same obligation as Canada to respect the Geneva convention and other international laws.

*Oral Questions***PUBLIC WORKS AND GOVERNMENT SERVICES**

Mr. Jim Pankiw (Saskatoon—Humboldt, PC/DR): Mr. Speaker, when he was opposition critic the current minister of public works demanded that the RCMP investigate allegations of corruption, patronage and conflict of interest.

Similar allegations are now plaguing his government. Sweeping Alfonso out of cabinet and under the carpet does not hide the truth. Will the minister of public works take his own advice and request an RCMP investigation?

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I want to take this opportunity to tell the hon. member it was a pleasure having a conversation with him after I was appointed Minister of Public Works and Government Services.

I indicated to him, I believe, that it was my intention to do the best job possible as minister of public works. I believe my predecessor also did an excellent job as minister of public works and government services for our country.

Obviously all of us on this side of the House strive to always do better, unlike the hon. member and his party who are striving to do worse all the time.

Mr. Jim Pankiw (Saskatoon—Humboldt, PC/DR): Mr. Speaker, there are credible allegations of patronage and conflict of interest. There is no legitimate reason the government should refuse a proper investigation.

The Liberals have a clear double standard, demanding integrity and ethics when in opposition but scandal and cover-up when in government.

When he was opposition critic the current minister of public works also advised that allegations of improper political interference should be referred to a parliamentary committee. Why is he now ignoring his own advice?

• (1445)

Hon. Don Boudria (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am not ignoring my own advice. The hon. member across the way should know that even those like he and some of his colleagues who have made these accusations against my predecessor have never alleged criminal wrongdoing or anything like that.

Yes, that is an excellent example. I am glad the leader of the Conservative Party, and he is in a position to talk, should mention this.

I say to the hon. member that all of us on this side of the House are here to do the best possible for the taxpayers of Canada. We have and we will.

* * *

ACCESS TO INFORMATION

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, on a day when it looks like the government has lost track of \$3 billion, it is obvious that the need for openness and transparency is paramount.

John Grace, former access to information commissioner and privacy commissioner, says that Treasury Board's new reading of the Access to Information Act is an ill omen for the future of open government and certainly flies against everything that he thought the Access to Information Act stood for. He also accused the Prime Minister's Office of doing its best to block the Access to Information Act.

My question is for the President of the Treasury Board. Is she telling Canadians that a distinguished expert on access to information and privacy is wrong?

[*Translation*]

Hon. Lucienne Robillard (President of the Treasury Board, Lib.): Mr. Speaker, what is very clear is that the departments must respect both laws. There is the Access to Information Act, but there is also the Privacy Act, and both are very important and very dear to the hearts of Canadians.

All that we have done is clarify the supreme court decision that we must pay very particular attention to personal information belonging to the minister.

This was the purpose of making clarifications to assist departments in processing requests.

[*English*]

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, let me quote the words of the Liberals in opposition: "the Government has developed an extraordinary obsession for secrecy" and "Paranoia strikes Parliament Hill".

Paranoia is back, but it is the Liberals who are practising it. I have written to the information and privacy commissioners, asking them to enforce the act.

My question is for the President of the Treasury Board. Is she going to muzzle the access to information and privacy commissioners and demand that they support the government's new position of secrecy instead of access to information?

Hon. Lucienne Robillard (President of the Treasury Board, Lib.): Mr. Speaker, I think it is very clear that the information commissioner and the privacy commissioner could speak out and tell parliamentarians what they think about the system.

What I am telling the hon. member is that here we have two pieces of legislation. One is the Privacy Act and the other one is the Access to Information Act. We have to respect both. We have to consider personal information.

The supreme court decision is telling us that in cases of doubt, privacy should prevail. This is what we apply right now.

* * *

[*Translation*]

FOREIGN AFFAIRS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, how can we take the Minister of National Defence seriously when he says that he did not know whether prisoners were really in the hands of Canadian Forces personnel, and I assume that headquarters did not know either, when the picture appeared on the front page of the *Globe and Mail*?

Oral Questions

Will we have to call upon Canada's counterespionage services and ask them to read the newspapers and report to the Minister of National Defence? It does not make sense. Could the minister simply explain this to us?

[English]

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the Canadian forces operate under very clear rules of engagement.

The JTF2, which has been in Afghanistan for approximately two months, has very clear rules of engagement. It has been following Canadian law. It has been following international law. The particular arrest in question was done in accordance with those laws.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it is clear that we had an agreement with the United States. They had yet to agree on their own position, but we had an agreement.

The reality may be that Washington decides alone, while Ottawa obediently follows and executes orders, even though the Americans do not even take the time to inform the Minister of National Defence or the Prime Minister. They say "Listen and follow. We will tell you what to do. There is no need to inform you, you are not a key player".

[English]

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the rules were in effect when the JTF2 went over. The rules have always been in effect. They are longstanding in terms of following international law of conflict, following the Geneva conventions. That is something we are doing, that is something we expect the United States to do, that is something it is doing, and that is the policy of this government.

* * *

•(1450)

CANADA CUSTOMS AND REVENUE AGENCY

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, the minister of revenue did not answer the question as to how they are going to pay for the \$3.3 billion boondoggle.

Are they going to cut funding for health care in Ontario, Manitoba or B.C. or are Canadian taxpayers going to be left holding the bag for that \$3.3 billion? A straight answer, please.

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, clearly the member opposite needs to understand that we identified a problem. We had that verified by the auditor general, who for 15 years had certified the books of CCRA. We took action immediately on a go forward basis to ensure that there was no overpayment in years beyond 2000.

We are going back all the way to 1972 at the present time, working with the provinces, so that we can understand fully the implications of any of the payments that took place prior to this time.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, that is very interesting but it is completely irrelevant. That is not what I asked.

I want to know: is the government going to cut transfers to the provinces for health care or is it going to increase taxes? Which will it be?

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, I want to say that we take very seriously any suggestion of underpayment or overpayment. In this case it has been verified that there has been an overpayment, a significant one, to four provinces.

That money has been collected. What we have done is make sure that there will not be any future overpayments. That is the first step that we took and we took it immediately upon this verification.

The auditor general, the provinces and CCRA are now looking at what the facts are, gathering in all the information, so that we can make a determination of what action should be taken regarding the—

The Speaker: The hon. member for Portneuf.

* * *

[Translation]

INTERNATIONAL TRADE

Mr. Claude Duplain (Portneuf, Lib.): Mr. Speaker, my question is for the Minister for International Trade.

People often doubted that Canada was a prime location for direct foreign investments. The KPMG study released this morning compares costs for businesses in North America, Europe and Japan, and it ranks Canada in first place.

What are the impacts for Quebec and how will that study be useful to the cities that took part in it?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, Canada comes in first place, with a 14.5% cost advantage over the United States.

[English]

Edmonton got the very first rank in all the world in competitiveness.

[Translation]

Quebec City ranked second worldwide. In the case of large cities of over two million people, Montreal ranks first worldwide, followed by Toronto.

[English]

Cities like Halifax and Kelowna are first in their regions.

All Canadian cities did very well. This equips us well at the world economic forum to promote Canada from coast to coast.

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, the conflict between Canada and Brazil over regional jets took on new meaning when the trade minister described our loss at the WTO as really being a win. The minister scored a hat trick all in one day. He trivialized our loss, he needlessly offended the Brazilians and he undermined the WTO.

When is the minister going to stop playing politics, which have real consequences for Canadians?

Oral Questions

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, it is hard to take this question very seriously, because frankly if I had done all these things, I would be very embarrassed.

In our strategy I have been saving jobs in this country because four WTO decisions had not been recognized by Brazil. This was a mixed decision of the WTO and I am very pleased that on the basis of this mixed decision we will be embarking on negotiations with the Brazilians to put an end to this litigation between our two countries over aircraft.

* * *

[Translation]

YOUNG OFFENDERS

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, this morning the Minister of Justice said that he was prepared to meet with stakeholders from Quebec to discuss Bill C-7.

Will the minister tell us when he is going to meet with them, and promise not to bring Bill C-7 back to the House until he has had the chance to hear them, and more important, to understand the Quebec model? Otherwise, what is the point of this meeting?

I remind him that he has been Minister of Justice for only two weeks and that the coalition includes people who have dedicated their entire lives to creating the Quebec model.

• (1455)

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, indeed, as I mentioned this morning, I will have the opportunity to meet with stakeholders to discuss and explain the legislation, which will be debated in the House tomorrow.

It is important to understand that the source of law is exactly the same for all of the provinces. The exact same legislation applies to them. True, Quebec has taken a more generous, constructive approach, one that is more avant-garde.

Some hon. members: Oh, oh.

Hon. Martin Cauchon: Incidentally, much of what is contained in Bill C-7 is based on Quebec's approach, such as the declaration of principle in clause 3.

* * *

[English]

NATIONAL DEFENCE

Mrs. Elsie Wayne (Saint John, PC/DR): Mr. Speaker, my question is for the Minister of National Defence. The minister has admitted today that the JTF2 force has been involved in the capture of al-Qaeda prisoners. This is a combat operation.

Yet the minister told our joint committee of defence and foreign affairs two weeks ago that the rules of engagement for the Princess Pats battle group are still not finalized for combat operations.

What we want to know is, are there two sets of rules of engagement, one for the Princess Pats and another for JTF2 operations?

Hon. Art Eggleton (Minister of National Defence, Lib.): Mr. Speaker, the rules of engagement are quite similar for all Canadian forces, but they are also tailor made to the specific mission that each contingent has. Obviously the JTF2 as commandos have a different function than do the Princess Patricias, as a different set of circumstances exists for the navy out in the Arabian Sea. While they are very similar, while they are substantially the same from one mission to another, they nevertheless are tailor made. The one for the PPCLI is in the finalization stages and should be issued in the next 24 to 48 hours.

* * *

INTERNATIONAL TRADE

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, the minister is engaging in Pollyanna politics where everything is wonderful when in reality his strategy backfired for Canadians.

When we won earlier at the WTO Canada did not press its advantage. Then our industry minister, Brian Tobin, got into the subsidy act. Then we lose and the minister calls it a win.

Why is the minister undermining the WTO and putting Canadian jobs at risk?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I would invite the member to really look at that decision. There were seven complaints by the Brazilians. Out of seven of these complaints five have been rejected and have guaranteed that Canada can continue to use the Canada account, the corporate account, Investissement Québec and a number of our tools.

On the two complaints that were upheld for the Brazilians, I can tell the House it gives us exactly the kind of negotiating table that we need with the information where both governments will commit not to do state financing on aircraft. That is what this government has wanted to do from day one, but we need the Brazilians to abide by the same rules.

* * *

[Translation]

OFFICIAL LANGUAGES

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, last week the minister responsible for official languages stated, "I will not say which initiatives we have had to abandon for the current fiscal year in order to fund these bilingual tickets".

Is the minister trying to tell francophone minorities that their rights are subject to budgetary restrictions?

Hon. Stéphane Dion (President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, the member quoted one passage. Allow me to quote another. "Until governments themselves assume their constitutional and legal responsibilities for Canadian bilingualism, citizens and communities will be justified in turning to the courts. The government will continue to analyze carefully any situation and support linguistic minority communities when necessary."

Speaker's Ruling

● (1500)

[English]

FOREIGN AFFAIRS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, a Philippine congressman says that Placer Dome is giving Canada a black eye in his country. That is because a massive leak of toxic tailings has caused the biggest environmental disaster in that country's history, and a bigger spill is looming as we speak.

The president of the Philippines is in this country tonight for a state dinner. What will the Prime Minister tell President Arroyo to restore Canada's reputation in that country and what will he do to rein in this Canadian corporation whose polluting activities are embarrassing Canada?

Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.): Mr. Speaker, I had the opportunity to meet with the Philippine secretary for natural resources and the environment, where we discussed a number of issues, including mining related issues.

On this particular issue we have been informed that Placer Dome mine has spent \$50 million U.S. to help with the cleanup. It had 39% ownership. It has now sold this firm to a Philippine company and it has also fulfilled its agreement to make sure that it continues to work on the cleanup, but it is Marcopper that is responsible now.

We expect all Canadian companies to make sure that they take seriously their responsibilities for the environment and be good corporate citizens no matter where they are in the world.

* * *

WAYS AND MEANS

NOTICE OF MOTION

Mr. John McCallum (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, pursuant to Standing Order 83(1) I wish to table a notice of a ways and means motion respecting an act to implement certain provisions of the budget tabled in parliament on December 10, 2001, and I ask that an order of the day be designated to debate the motion.

* * *

PRIVILEGE

ALLEGED UNPARLIAMENTARY REMARKS—SPEAKER'S RULING

The Speaker: I am now prepared to rule on the question of privilege raised on Monday, December 10, 2001, by the hon. member for New Westminster—Coquitlam—Burnaby. I thank the hon. member for raising this matter and the then government House leader for his intervention.

[Translation]

In his presentation, the member referred to statements of the then Minister of Citizenship and Immigration quoted in a recent newspaper article, and argued that these statements constituted a personal attack on him and an offense against the dignity of parliament.

[English]

The Chair noted that during the oral question period just before the holidays the House heard some unusually strong language and forceful expression of opinion. On Monday, December 3, there was such an exchange between the hon. member and the then minister. I refer all hon. members to the *Debates* of December 3, 2001, at pages 7765 to 7766.

It is understandable that such exchanges should sometimes occur when there are strongly held views on either side on contentious issues. Therefore I thought it appropriate on Wednesday, December 5, to remind hon. members to use care in their choice of words both in answers and in questions. Again, I refer all hon. members to the *Debates* of December 5, 2001, at page 7896.

The situation before us at the moment is rather different for it concerns a statement made outside the House itself. I had the opportunity to review the newspaper article referred to by the hon. member for New Westminster—Coquitlam—Burnaby and to examine the relevant precedents. The cause for offense, as the hon. member described it, is the reporting of remarks made outside the House by the then minister and reflecting on the exchange during question period on December 3.

I refer hon. members to the following passage from page 522 of *House of Commons Procedure and Practice*:

Remarks directed specifically at another Member which question that Member's integrity, honesty or character are not in order.

In the case before us the comments were phrased generally and not directed at the member. Furthermore, Marleau and Montpetit in the same paragraph goes on to state:

The Speaker has no authority to rule on statements made outside the House by one Member against another.

After careful examination I have concluded that the case raised by the hon. member fails on two counts: the remarks in question were not clearly directed at the hon. member personally and the remarks were made outside the Chamber.

The Chair therefore rules that this is not a question of privilege though the hon. member may feel aggrieved by the remarks of the then minister.

That being said, I would like to reiterate my remarks of December 5 and encourage all hon. members to be careful in their choice of words in the Chamber during question period in both questions and answers and outside the House when responding to matters that arose in the House. I do not think I am being unrealistic here.

● (1505)

[Translation]

My predecessor, Mr. Speaker Fraser often said of the House of Commons that it was not and never had been a tea party.

On October 10, 1991, *Debates*, pages 3562-4 he said:

I do not think we need...to remind ourselves that there is often provocation in this place and it comes on both sides. There has to be, of course, some common sense in our approach because...strong-minded men and women who believe passionately in things are going to express that passion and conviction from time to time [but]...when decorum degenerates, it leads to further and further excess.

Privilege

[English]

It seems to the Chair that the sort of escalation in language complained of sheds more heat than light on important issues being debated. I would again ask for the co-operation of all hon. members in using more temperate language.

QUESTIONS ON THE ORDER PAPER

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, I rise on a question of privilege with regard to the very grave matter relating to information I requested through Question No. 94 on the order paper.

Events have led me to believe that there has been a deliberate attempt to deny me the information by the Deputy Prime Minister and his staff with respect to the question. Accordingly I charge the minister with contempt of the House.

On December 3, 2001, I used an order paper question to ask for details about all real estate sales by Canada Lands, a crown corporation that sells surplus federal properties which at the time reported to the minister of public works and now reports to the Deputy Prime Minister.

My question sought information about all land sales since the Liberals took power in 1993. I indicated my desire to receive this information within 45 days pursuant to Standing Order 39(5)(a). As you are aware, Mr. Speaker, the 45 day period has long lapsed and according to new procedures a committee investigation could be launched to look into this matter pursuant to Standing Order 39(5)(b).

Under normal circumstances I would await the outcome of such an investigation. However I am in possession of information that elevates this matter to privilege. This is not a case of mere negligence or incompetence but involves and requires the attention of the House and a resolution through its authority. As a result, I am duty bound to bring this matter to your attention, Mr. Speaker.

While we may have a new procedure to deal with late questions in committee, order paper questions are instruments of the House and contempt against such proceedings must be dealt with in the House itself.

Before I present my evidence regarding the withholding of the information, I would like to set the procedural stage for this question of privilege. I requested information from the government through Standing Order 39(1) which states:

Questions may be placed on the *Order Paper* seeking information from Ministers of the Crown relating to public affairs; and from other Members, relating to any bill, motion or other public matter connected with the business of the House, in which such Members may be concerned;—

On December 16, 1980, at page 5797 of *Hansard* the Speaker ruled:

While it is correct to say that the government is not required by our rules to answer written or oral questions, it would be bold to suggest that no circumstances could ever exist for a prima facie question of privilege to be made where there was a deliberate attempt to deny answers to an hon. member—

As I stated earlier, I requested information under the provisions of Standing Order 39 on December 3, 2001, and the deadline to answer my question pursuant to Standing Order 39(5) had lapsed.

Yesterday a *National Post* reporter called Canada Lands to find out why the information I requested through Q-94 had not yet been delivered to me. You may find this article, Mr. Speaker, in today's *National Post*.

The reporter, Andrew McIntosh, put his question to Gordon McIvor, a vice-president of communications for Canada Lands. Mr. McIvor replied that information was sent off to the minister's office several weeks ago. The *National Post* article reported Mr. McIvor as saying:

It's all been completed and it all went to the minister's office, two weeks ago, three weeks ago. There's absolutely no reason why it shouldn't have been passed on to—

And he mentions my name.

The information I sought has been available for some time. The government agency responsible, Canada Lands, has complied with my request but the Deputy Prime Minister and his staff acting as the middle agent have deliberately withheld information from parliament for several weeks now. This dismissive view of the House and its members is contemptuous.

As members of parliament it is our duty to scrutinize the government and to hold it to account. The order paper question is one of those tools that we as members use to seek information from the government. The order paper question is part of our rules and is considered a proceeding of parliament commanding respect from ministers and necessitating protection by the House.

I ask that you allow me to move the appropriate motion to secure that protection and to bring a swift resolution to this matter.

• (1510)

Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.): Mr. Speaker, I am very disappointed in this member who raises this issue and uses the time of the House today. Quite frankly his constituents would also be appalled to think that he missed the news about the cabinet shuffle. It is either that or he was not willing to give me at least a chance to return and review the matters that were pending and to sign them off.

As it happened, for very important state reasons I proceeded with a trip to India, Pakistan and Afghanistan immediately following the cabinet shuffle, which was an important trip for me to take. It was important in relation to our re-engaging with both India and Pakistan. It was an opportunity to restore our diplomatic relations with Afghanistan and meet with the new interim administration in Kabul.

Upon my return late Sunday night I returned to the House yesterday and received the prepared answer to his question, signed it off and sent it to the appropriate authorities. I understand that it may not have been tabled immediately. It is undoubtedly in the process. However, if he has a telephone and would use it, he could have determined that in no way were we attempting to try to withhold information from him, certainly not deliberately. The fact that he impugns my willingness to provide him with the information to which he is entitled is very regrettable.

The Budget

In the different portfolios I have held here I have worked quite well with opposition members in order to try to provide the best possible responsiveness to ensure that the people's interests are well represented and taken care of. I understand he has a job to do. I hope he understands I have a job to do. He will get his answer very quickly. To suggest that somehow or other we were deliberately withholding information is just scurrilous.

The Speaker: I think we can deal with this question of privilege. The hon. member for Edmonton Centre-East in his initial remarks indicated that Standing Order 39 was the governing standing order. He has quoted it, saying that questions may be placed on the order paper seeking information from ministers of the crown relating to public affairs and so on.

He also indicated that there are rules relating to the time that answers must be given. Standing Order 39(5)(a) states:

A Member may request that the Ministry respond to a specific question within forty-five days by so indicating when filing his or her question.

Standing Order 39(5)(b) states:

If such a question remains unanswered at the expiration of the said period of forty-five days, the matter of the failure of the Ministry to respond shall be deemed referred to the appropriate Standing Committee. Within five sitting days of such a referral the Chair of the committee shall convene a meeting of the committee to consider the matter of the failure of the Ministry to respond. The question shall be designated as referred to the committee on the order paper and, notwithstanding Standing Order 39(4), the Member may submit one further question for each question so designated.

I do not think I need read the rest of it. I note the fact that this question was unanswered yesterday and as appears at pages 966-7 of the *Journals* of yesterday the question was referred to the Standing Committee on Transport and Government Operations. It remains on the order paper as an unanswered question.

Some of the questions that were referred yesterday were in fact answered today during routine proceedings, but his was not one of them apparently. However it is before that committee and within five days the committee will be having a meeting to discuss the matter. I think the hon. member for Edmonton Centre-East, if he has a complaint, ought to raise the matter there.

I point out, as he pointed out in his remarks, that there is no requirement that answers be provided to questions which are tabled by members and placed on the order paper in accordance with Standing Order 39. There have been rules relating to the 45 day rule for some time. The change that was recently brought in allowed members to file additional ones and referred the matters to committees for study.

I believe in this case, the matter having been referred to the committee yesterday, it is entirely appropriate that the committee take the matter under advisement if the question is not answered within the five day period. The referral is still there in any event. If the member has a complaint, in my view it is reasonable that it be raised there.

• (1515)

[Translation]

I have considered the remarks made by the hon. Deputy Prime Minister in this regard, as well as those made by the hon. member for Edmonton Centre-East.

In my opinion, this does not constitute a prima facie case of privilege at this time. The approach adopted with respect to this question on the order paper is fair and equitable for the House and for all hon. members and, in my view, that concludes the matter.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government.

The Speaker: Before question period, the hon. member for Fraser Valley had the floor. He will have five minutes in which to conclude his remarks.

Mr. Chuck Strahl (Fraser Valley, PC/DR): Mr. Speaker, I look forward to completing an analysis of the budget. We are able to do that after several months of looking it over and seeing the impact on the Canadian economy and the issues that were touched on in the budget.

It is interesting to note that the budget has completely failed to address the issue of the dollar. The dollar has hit a record low. The budget has not dealt with the mismanagement of taxpayer funds. It has not addressed the concerns of the military. It has failed to mention agriculture in a meaningful way. It has completely ignored the health care crisis. The budget is a failure. It was and is a failure.

I will rattle off some quotes from the leader of the coalition that sits on this side of House about the budget. I would especially ask the members of the official opposition to compare them with their own position, which I think is very similar to the one I campaigned on in the last federal election.

On debt repayment, the quote is:

We must pay down our national mortgage. There should be a scheduled debt reduction plan that would force the government to pay down our debt.

I like that. I campaigned on that. It is a good policy.

On waste and mismanagement, the quote is:

The Minister of Canadian Heritage and the Minister of Human Resources Development are allowed to keep on wasting millions of dollars in their grants and contributions programs despite the clear and repeated criticisms of the auditor general.

In other words, they have ignored the auditor general. They continue to ignore the auditor general. The advice from the new AG is the same as the advice from the last AG, which is for the Liberals to get their act together over there. Learn how to spend our dollars properly. Quit wasting government money, which is tax dollars that come out of the hard-earned paycheques of Canadians. They should get with a system over there that looks after the waste concerns and addresses the auditor general's consistent demands.

On national defence, the quote from the member for Calgary Centre is:

The Budget

As part of the much vaunted security package, the budget gives the Department of National Defence \$629 million over five years for the Canadian forces. However, the department's own business plan states that it is \$1.3 billion short per year to fulfill the tasks already assigned to it.

The government adds more new tasks than money. Absolutely we have to rebuild the military. I totally agree with that statement. It is consistent with what I campaigned on. It is consistent with what the official opposition has said. I believe that it is the right way to go.

On health care:

The same goes for health care financing. The budget contains no new initiative for this issue of such great concern to Canadians.

Of course it is of great concern. We see problems from coast to coast. In fact, because of the abdication of leadership by the federal Liberal government, the provinces now are getting together. They are putting together plans. They are going it alone because of the lack of leadership and the lack of funding, the lack of direction, the lack of focus, the lack of concern for the number one issue in the country which is health care.

Even with the money in this budget, the health care funding package is less than when the government took office. Eight and one-half years later, it is still inadequate. Instead of transferring the money from wasteful spending over to the health care package, the government is happy to let it go. It sifts like sand through the Liberals' hands to be spent on every project under the sun including the ministers' pet projects.

On tax relief, in the analysis by the member for Calgary Centre, the right hon. former prime minister says that tax levels are too high. By the time we add the CPP premiums and the EI premiums, there is no tax break in the budget. In fact, the only major tax breaks are re-announcements of old tax breaks. Even they show that there is no real tax relief in the overall package. We are paying more taxes. Our tax as a percentage of our gross income continues to go up and the government seems unconcerned.

The position of the coalition on this side of the House is that EI premiums are too high. They are too high and the benefits do not match the amount of money going into the program. In other words, EI's own auditor says there is too much money in the package. We are being taxed at too high a rate. That money should either be reduced or given back to the workers in the form of benefits, one or the other. It is an insurance program. It belongs to the workers. Lower the premiums or allow people to draw on them, but the government does neither.

• (1520)

We could go on with other things we have in common, things that are not addressed in the budget but are firm policy commitments on this side of the House and on which there is a lot of agreement.

We are seeing again the fiasco of the government's handling of Bill C-68 and the amount of wasted money. Our coalition and the official opposition say to repeal it because it is not doing the job of increasing safety. It is increasing our tax load. Hundreds of millions of dollars that should go toward preventing crime and addressing the concerns of crime and violence against women instead are used in a registry.

We now see that the administration of the registry is being handed over to the private sector. I can hardly wait for the contract on that. No doubt some longtime associate of someone over there will be very happy to see it.

The point I am trying to make is that there is a broad consensus in a good part of the country that things need to change. There is a consensus on this side of the House that things need to change.

During the Alliance leadership race I would invite those members to examine how much commonality we have. We can agree there are things that should change. As we have been saying for some time, why do we not find ways to work together? The government obviously does not have its act together. If we had our act together, perhaps it would listen to the collective words of all of us.

Mr. Grant McNally (Dewdney—Alouette, PC/DR): Mr. Speaker, I appreciate my colleague's comments. He asked a question in the House yesterday having to do with a Liberal scandal and mismanagement in terms of grants and contributions. He pointed out that in 1997 there was a Liberal fundraiser by the name of Pierre Corbeil who was convicted of influence peddling. This is very serious. Over the last couple of years other things have sprung up. There was the Prime Minister's intervention with the Business Development Bank. The recently departed minister of public works, Alfonso Gagliano, was involved in similar kinds of things.

How is it that Canadians are to trust the government with their hard earned tax dollars when this kind of scandalous behaviour continues by the government? I would like my colleague to comment on that.

• (1525)

Mr. Chuck Strahl: Mr. Speaker, it seems that the more things change, the more they stay the same over on the Liberal side. The Liberals say the minister is no longer here. He has been transferred out of the country, far from probing microphones, noxious journalists and others who want to get to the truth of the matter. He is not just out of town, he is out of the country. He is an ambassador, so of course we cannot ask him those political questions any more. That is very convenient but it does not get away from the truth.

The truth is while he was the minister of public works, one body which answered to him was Canada Lands Company. The president of Canada Lands Company was handed a file which said he was to sell a specific piece of land in Montreal to one of the minister's former Liberal supporters for a certain sum of money. This was not up for negotiations. This was not left in the president's hands because the Canada Lands Company has an obligation to maximize the return for the taxpayers.

It was not open for serious bidding. A small little ad regarding a multimillion dollar property was run in a newspaper for one day. It is unbelievable.

The Budget

If I had a piece of property that expensive and that rare, I would make sure to advertise it well. Realtors would spend tens of thousands of dollars to increase and enhance the value of that property to sell it for the best dollar. Instead, although it had been appraised at over \$9 million during the slowest time in Montreal's economy, it sold for \$4 million. The day it was sold it was said to be worth \$12 million on the market. The purchaser subdivided it the next week because he had pre-approval by the city of Montreal. The realtors say he will make \$16 million off that property. That is not a bad deal.

The important thing is not what a person knows or what is the best deal for the taxpayers. A membership card in the Liberal Party makes the difference. It is scandalous.

Today we asked again why it is that in opposition the Liberals said that if there is so much scandal and so much stuff up in the air, to clear the air one way or the other, there should be an investigation.

I suggested an independent ethics commissioner, if the Liberals over there can figure out what that is. It is the one who reports to parliament, the one they promised in their red book and never delivered. That would be one solution.

What about the RCMP? When the cabinet minister in charge of public works was in opposition, he said that when there is this much of a cloud over an issue, there should be an investigation. When the president of Canada Lands Company says he has been neutered in his job, that he cannot do his job and maximize the benefit for the taxpayers, there should be an investigation.

The response from the Liberal side is to not talk about it. The minister is sent away, given a golden parachute to somewhere else with the hope he can learn the language in some other country because he does not know it and with the hope that he will do the job even if he does not have the qualifications. The main thing is to get him out of town before the scandal gets worse.

It is a pattern. If a minister gets into trouble, if there is a scandal or the auditor general says there is scandal, the Liberals will even switch the ministers around. I have seen that happen. The minister can then say he cannot answer a certain question because he is not the minister of that any more. My colleagues remember that. It is unfair and it sure flies in the face of what the Prime Minister said years ago before he became Prime Minister. He said "My cabinet ministers will have to answer for their actions and they will not be able to hide". Not only are they hiding, they have been ballooned to another country. They have disappeared from the country.

I do not know what more the Liberals can do to protect themselves. They use all the tools in the trade. Ministers are sent to the Senate or are given another portfolio or are sent out of the country if there is something to hide. They do not want to deal with the corruption that is evident in their own departments.

• (1530)

Mr. Rick Borotsik (Brandon—Souris, PC/DR): Mr. Speaker, it is indeed a pleasure to stand in the House on the last day of debate on the budget that was presented to the House in December. As it is now almost the end of January it tends to lose a little bit of its urgency. However it does give us an opportunity to look at what has happened over the last month with this particular budget.

I would like to thank the member for Fraser Valley. It is very difficult for me to walk in behind my newfound best friend and all the wonderful things that he had to say, certainly about this coalition and certainly against the government. I would agree with him on all of the points he made.

I have been in the House all day listening to the last day of the budget debate. I have to say that I cannot go forward until I respond particularly to the member for Guelph—Wellington. When the member spoke she effectively epitomized the Liberal pap that goes on on that side of the House that is regurgitated and supposedly sold to Canadians. I was embarrassed as a Canadian and as a thinking individual to think that she honestly believed that what she told me I would take as gospel.

I must respond to three things the hon. member said and then I will get into the budget debate and to what I feel is right and what is wrong with it.

The first thing the hon. member said was that this was not a budget that was planned for. Take that in context. The government had over two years to plan a budget. All of a sudden, with the September 11 scenario, the government comes forward with a budget that was not planned for. It was a reactive budget, not proactive. That in itself speaks to the kind of management by this government which is totally reactive, never proactive, does not have any vision and does not understand not only the economy of the country but what really is happening to the grassroots, to the people.

The second thing was that the member for Guelph—Wellington decided on a number of occasions to talk about 1993 and the pre-1993 era. She talked about the deficit and about the unemployment of the day, but she forgot, and I am sure it was just an oversight, to talk about the free trade agreement that her and her government decided they would get rid of when they formed the government. I did not see that happen.

I am sure it was an oversight but she forgot to talk about the GST and the dollars that were generated from that GST being put into the budget deficit. She did not talk about the interest rate policy that was put into place at that time and which her government right now is taking advantage of to balance the budget.

I find it unfortunate that she did not deal with those things.

The last thing she did talk about was the \$5 million that was going to her university in Guelph. That speaks to the mismanagement of the whole Liberal government. That speaks to the HRDC issue that we dealt with in the House. That deals with the way the government thinks, that in fact the budget and the economy are built around her riding and her university in Guelph.

We all have universities. We all have needs and desires. She did not decide that was important. She decided that only her needs were important.

In my opinion after the December budget the Liberal government is still in denial. We hear it in the House every day. We heard it today and we heard it yesterday. Let me say that this propaganda, this spin doctoring of what is happening in our community, will not sit well with the citizens of our country.

The Budget

Let me talk about the propaganda. Yesterday and today I heard that there has been no deficit for five years, that there is a huge trade surplus, that interest rates are low, that the inflation rate is low and that everybody should be happy.

• (1535)

What we heard was that there was nothing wrong with the economy and that the December budget satisfied all the needs.

Let me talk about reality. The reality is the unemployed. The member for Guelph—Wellington said that the unemployment rate was seven something. I remember that when the Tories were in power it was 11% but right now it is just seven something. Well the unemployment rate today is 8% and going up. As I stand here right now 80,000 Canadians have lost their full time jobs over the last few months. One million three hundred thousand Canadians are currently unemployed, but it is only seven something. It does not matter much to the Liberal government.

The jobless rate in Canada jumped from 7.5% to 8% in December, its highest level in almost three years according to Statistics Canada, but it is only seven something. It does not really matter because our government is doing such a wonderful job. By the way, the interest rates are low, there has been no deficit for five years and there is a huge trade surplus, but there is an 8% unemployment rate.

Let me talk about another reality. Today we heard that the currency basket, which we are being compare to, the krona and the pound, the Canadian dollar is doing just wonderful. It went below 62¢ yesterday. It is trading just above 62¢ today. The reality is that at that level the Canadian standard of living is falling like a rock. It has lost 20% of its value against the American dollar. The spin on that side is that it is strong against the yen and against the pound. Eighty-five percent of the trade that we do within the world goes to the United States. Thirty-five percent of what Canadians consume is imported from the U.S. That in itself translates into a 7% reduction in our standard of living since the Liberals took government.

The Liberals can spin all they want and tell Canadians they are doing really well but the fact of the matter is that we now have a 7% lower standard of living today than we did when this government came to power. That is reflected in the budget because nothing has changed and nothing in the budget will allow that to change.

There is another reality, the reality of Canadian personal disposable income. Since the government took power, Canadian disposable income has fallen 8%. Today, compared to 1993, Canadians now have 8% less disposable income. Why is that? Taxes usually come to mind.

At the same time, American personal disposable income rose 20%. Why is that? More productivity, a stronger economy and less taxes are the reasons. That is what the American government did as opposed to what the Canadian government has done for our Canadian consumers. We are poor.

Another reality is health care. We heard from that side today that we have the best health care in the world. Who says that? The people who have never accessed the health care system in this country say that. The people on that side say that we should not worry, that we should be happy because we have the best health care system. They say that health care does not need more money and that the money

taken out of it since 1993 does not really matter. I guess it also does not matter that we will never reach 1995 levels until 2004 because we have the best health care in the world. The only ones who think that way are the ones who have never accessed it. We could have some really good conversations about that.

Reality number six is the markets. They are reflective of what is happening in the country. Capital is fleeing from our markets in Canada. They are down substantially and the dollars are going to other places. That speaks specifically to the finance minister and the budget.

In a previous life I had the opportunity of doing a number of budgets. What we did was line by line zero based budgeting. With this particular government it is what it had last year and then add on top of that.

In the auditor general's last report she indicated there were 16 departments in the government that were out of control and could not control their spending. The auditor general also said that \$16 billion in grants and contributions put public funds at risk. I would have thought that in a budget that goes to zero based budgeting, it would have allowed the government to reduce costs in these departments because the auditor general said that it had the ability to do that.

• (1540)

No, the government did not do that. It simply kept those dollars in place, spent some money on some priority areas and did nothing for Canadians beyond that. The necessary dollars were not put into defence. The reason I mentioned the 16 departments and the \$16 billion is because we can find dollars from those areas of mismanagement and misappropriation and put them back into the areas of priority.

We know that the reason we have a budget today as opposed to perhaps next month is because of September 11, a reaction instead of being proactive. It was said so by the Liberal members. We should have put those dollars into defence a long time ago.

All I can say is that Canadians are smarter than the government gives them credit for. They recognize that this budget is not the budget they really deserve. Agriculture should have been—

The Acting Speaker (Ms. Bakopanos): The hon. member for St. John's West on questions and comments.

Mr. Loyola Hearn (St. John's West, PC/DR): Madam Speaker, I listened with interest to the points made so eloquently by my colleague. As he was sitting down he referred to agriculture. The beginning of his remarks centred on the unemployment rate.

We have abundant natural resources in this country, two of which are agriculture and fisheries. I could add many more but I will pick just those two. These two industries alone could eliminate unemployment but nothing is being done to develop these great resources. We are paying no attention to the efforts being made by those involved to try to create the type of employment that could be created from such resources.

The Budget

I would like the member's spin on that. Does he not think a properly developed agricultural industry and the proper use of the lucrative fishing resources would help to reduce the horrendous unemployment rate we presently have and help bring benefits to our country?

Mr. Rick Borotsik: Madam Speaker, my colleague from St. John's West is absolutely correct.

However the problem with the agricultural and fishing industries right now is that they are adding to the unemployment rate when it should be going in the opposite direction. It should in fact be helping. The last numbers I have indicate that there were approximately 347,500 people employed in agriculture in December 2000. In December 2001 there were 312,000, which is a net loss of 34,700 jobs. If we were able to compete on a level playing field with our competitors, the Americans and the Europeans, these jobs would be back into the sector. We would be adding to the job base because we would then have other markets to get into that would allow us to develop our agricultural industry.

Let me also say that nothing was said about agriculture in the budget. Only \$435.5 million was budgeted for 2000-01 and less than that for 2001-02.

Mr. Loyola Hearn: No mention of the fisheries at all.

Mr. Rick Borotsik: I do not know the fishing industry as well as I do the agricultural industry but my colleague can deal with that. He knows it inside out and backwards, but the fact of the matter is the same. If we had proper resource management, which the government has not shown, we could add people to the fishery, not take them away.

That is what the economy is all about but the budget does not speak to that. It speaks to absolutely none of this. All it does is speak to a leadership requirement from the Minister of Finance.

In contrast to the do not worry, be happy scenario put forward by the Liberals regarding the unemployment rate being only seven something, in the last little while we have lost 40,000 jobs from Nortel. JDS Uniphase has cut 7,000 jobs and Ford has cut 35,000 jobs worldwide, a lot of them here in Canada. Every day we read in the newspapers of new job losses. Those are not being reflected in the budget or in the government's vision for the country. That is a waste of Canadian talent and I am sorry for that.

• (1545)

[*Translation*]

Ms. Carole-Marie Allard (Laval East, Lib.): Mr. Speaker, it is with pleasure that I rise to speak in support of the Minister of Finance's November 2001 budget.

I particularly wish to congratulate him because, once again, he is offering Canadians a window of opportunity for the future and a balanced approach.

Without detracting from the progress made to date and the prospects for the future, the 2001 budget brings crucial aid at a critical time. I for one particularly wish to congratulate him on his openness to the large cities of this country.

My riding of Laval East is located on Île Jésus. It is part of Laval, which, before the amalgamation of greater Montreal, was the second largest city in Quebec.

Looking at the broader picture, Laval is now part of greater Montreal, and greater Montreal must be competitive internationally.

Yesterday I listened to opposition members telling us that the Government of Canada should leave the cities to the mercy of the provinces, with only property taxes for revenue.

This strikes me as lacking foresight and something to be deplored. Fortunately, we in government are thinking on behalf of the cities. It is a Canadian reality that 80% of our population is urban. Undeniably, life in the big city holds a certain attraction.

Not surprisingly, this influx of people to the cities means that they are having to deal with some very serious problems: transportation, housing, homelessness.

Every day, our major cities, such as those in my riding of Laval East and those in your riding of Ahuntsic, Madam Speaker, need to be on the alert.

Companies in the major centres need to offer an environment that encourages innovation. They have a duty to be constantly improving their productivity in order to improve their competitive edge.

Our researchers need an environment that stimulates their creativity. Our entrepreneurs need opportunities to be entrepreneurs. Our finance minister has realized that this requires investment in research. The research of today is what produces the jobs of tomorrow.

Our government is making a substantial investment to ensure that Canada is on the leading edge of knowledge, and to ensure that research outcomes become a source of employment and growth for Canada, not just a source of ideas for others.

Providing assistance to the universities, collaborating with the academic world, funding basic research, all these are the way of the future.

I am a member of the Liberal task force on urban affairs, and I can say that our cities, our major centres, have a multitude of needs and face a multitude of challenges. If our government does not lend an attentive ear, they are in danger of running in to serious trouble.

I am therefore proud to see that this government is including in its investments the allocation of a minimum \$2 billion for a new strategic infrastructure foundation, to finance major projects across Canada that exceed the capacity of existing programs.

As the member for Laval East, I cannot but applaud this, for how else could greater Montreal remain competitive, except with a decent highway system?

There are some examples. Is it normal for the people in my riding to still not have a bridge in the east of the island to get to their jobs in Montreal? Is it normal for the people in my riding to have to spend hours on the road to get to work? Is it normal for there to be no bypass in the northern part of the island? Is it normal for the western end of highway 440 not to be finished? Is it normal for the original plan for the work on highway 13 to still not be implemented?

The Budget

•(1550)

We are citizens who are tired of being confronted with all these problems on a daily basis. We, the residents of greater Montreal, are pleased with the openness of our government, which will allow for the construction of highway 30. At last, trucks and cars that come from Toronto will be able to bypass Montreal and go directly to the United States or to Quebec City without clogging up traffic on Montreal Island.

With this infrastructure foundation the government is saying “Let us set aside this money; let us use it to help our cities; let us set it aside and then we will see”. The real question is, what are the chances of seeing our cities truly play their role if we leave them at the mercy of the provincial governments?

Municipal authorities in major cities everywhere told us that they needed funding. They all said the same thing, whether it was in Vancouver, Calgary, Toronto, Montreal or Halifax. The cities are all urging us to help them.

It is somewhat sad to hear the opposition criticize the new infrastructure foundation, considering that the federal government sees it as the only means that will allow cities to be confident about the future.

I say to the members of this House, let us stop engaging in demagoguery and let us realize that this government knows how to manage and how to listen to Canadians. After the events of September 11, we showed how effective we were in our response. Our government invested \$2.2 billion to strengthen security for Canadians. We reviewed our legislation in record time.

I know the work that was done by the Standing Committee on Justice and Human Rights—I sit on that committee—to tighten the noose around terrorists. Today, Canadians are safer, again because this government took its responsibilities.

The nice thing is that all these investments were made while preserving our country's fiscal balance. We maintained the tax cuts that had been announced for all Canadians. Indeed, \$100 billion in tax cut will be maintained, because the Minister of Finance felt it was important to give some hope to Canadians by lowering taxes.

While the opposition meets with Mexican leaders to discuss globalization and monetary union, Liberal members are consulting with leaders in our major cities to try to find solutions to the plight of the homeless, to the housing issue and to the transportation problem. Given that attitude, it is no wonder that the Liberals were elected for a third consecutive term.

Mr. Gérard Asselin (Charlevoix, BQ): Madam Speaker, the Liberal member who spoke before me emphasized the infrastructure program, mostly for large cities.

In Quebec, there are outlying regions, rural regions in which there are small municipalities with very little infrastructure and not much tax revenue.

We did not just arrive here; we have been here since 1993. We would have been happy to leave earlier if the referendum had been won, but unfortunately, as long as we pay taxes to Ottawa, members of the Bloc Québécois will rise in this House to claim their due.

There has already been a Canada-Quebec infrastructure program, and it worked quite well. There was a department in Ottawa, headed, at the time by the President of the Treasury Board, now the Minister of Defence, and in Quebec, there was a ministry in charge of municipal infrastructure projects. It worked just fine.

Since 1994, we have been calling on the government to reach an agreement with the provinces regarding infrastructure programs funded equally by the three levels of government. Today, Quebec is forced to contribute two dollars for every one dollar given by Ottawa. It is a frenzy, because municipalities want to get in on it.

Montreal needs bridges. I cannot prevent the people of Montreal from demanding infrastructure projects, but folks living in the regions also need bridges. In my riding of Charlevoix, the bridge between Tadoussac and Baie-Sainte-Catherine is a project that those living on the North Shore and in the Charlevoix have been hoping for. The Government of Quebec has invested considerable amounts of money on a feasibility study.

Can the member reassure us that there is no danger that the federal government will spend pots of money to manage this foundation? There is always the danger of ending up with a department along the lines of Alfonso Gagliano's department, full of Liberal cronies and friends of the government.

I believe that members and ministers are elected to Ottawa to administer and manage; it is the same thing in Quebec City. Public servants are accountable to a minister. Personally, I do not like the idea of a foundation whose sole role is to manage. Is there not a danger, once again, of patronage plums and of spending lots of money on the administration of such a foundation? The minister will not be accountable before the House of Commons and members will not have any ability to advocate for municipalities in their regions. We will have to kowtow to a foundation and beg for our money.

We are now in the year 2002. It is important that both governments fulfill their responsibilities, particularly the federal government. There is no need for a foundation, it is a monumental waste of money.

•(1555)

Ms. Carole-Marie Allard: Mr. Speaker, once again, we see how out of the picture the members opposite are.

If they were to listen to what the people of Quebec were saying, what would they hear? They would hear mayors saying that they need federal government funding, that they need the Canadian infrastructure foundation. I simply cannot understand the member's question. I think that he has it all wrong. This shows, once again, that opposition members are not listening very hard to Quebecers.

Mr. Gérard Asselin: Madam Speaker, this is something we could debate anyway.

I ask the member to stop listening to herself speak. If she were to take the time to listen to what I am saying, she would understand that our problem is that the federal government decided to put money into the highway infrastructure program, to reach an agreement with the provinces. The problem arises when the Minister of Finance decides to create a foundation.

The Budget

We do not want foundations; we want results. Once again, I hope the question is clear for her. When she answers, I hope that she will stop listening to herself speak and answer my question.

Ms. Carole-Marie Allard: Madam Speaker, I think that our friends across the way are not making any sense. They are criticizing the infrastructure program. They are criticizing a vision for the future, the infrastructure program, for which \$2 billion has been earmarked.

Where should these \$2 billion have gone? They should talk to the mayors of cities in Quebec, who will tell them how badly they need it.

[*English*]

Mr. Irwin Cotler (Mount Royal, Lib.): Madam Speaker, it has become commonplace in the House to hear the words that on September 11 the world was changed. I do not know whether the world changed on September 11 or whether what we witnessed was the darker underside of evil, but it is clear that September 11 has had a transformative impact on our psyches, policies and purposes.

Prior to September 11 terrorism was not even on the parliamentary radar screen. Since September 11 it has dominated parliamentary debate, and security has been a central motif in budget 2001. However security does not only include components of counter-terrorism law and policy, however important it may be, and which has parallel budgetary expression.

Security also includes investing in people. It includes investment in early childhood education and development, in protecting and securing the most vulnerable among us, in securing and sustaining a healthy and holistic environment, and in sustaining a strategic investment in our schools, colleges, universities, the sciences and humanities, and lifelong learning.

In a word, it is investment in people across the full spectrum of education and science, in an environment of excellence and equity. That kind of investment is an investment as well in the security of Canada and Canadians.

Accordingly, I will confine my remarks to the promotion of security through education although I am not unmindful of the imperatives of health care, environment, child poverty, aboriginal justice and the like. I will focus on two themes: equity in education and excellence in education.

In the matter of equity in education, the budget builds on a number of initiatives taken in budgets 1999 and 2000. They include tax credits and scholarships to help defray the costs of education, contributing to provincial support for post-secondary education, making significant investments to encourage innovation, urging Canadians of all ages to engage in lifelong learning, and working to bring the Internet and e-education to all Canadians.

A number of express initiatives were undertaken which first found expression in budgets 1999 and 2000 and which have received widespread support. They include awarding a million scholarships worth a total of \$2.5 billion over 10 years through the Canada Millennium Scholarship Foundation; establishing and sustaining 2,000 new Canada university research chairs with \$900 million in federal support for five years; developing and providing increased

support for the Canadian Foundation for Innovation; and connecting individual classrooms across the country to the Internet.

Budget 2001 continues to build on these initiatives with the following new and specific démarches: First, \$10 million a year will be provided to improve support for persons with disabilities who pursue higher education. The maximum amount for assistance delivered through the Canada study grant will increase to \$8,000 from \$5,000. In addition, a supplementary grant of up to \$2,000 a year will be provided to students who require more money to meet their special needs.

Second, there will be \$5 million a year to exempt from income tax any tuition assistance for adult basic education provided under certain government programs including employment insurance.

Third, there will be \$20 million a year to extend the education tax credit to people who receive taxable assistance for post-secondary education under certain government programs including employment insurance. This will provide approximately 65,000 Canadians with significant tax relief to upgrade their skills.

Fourth, there will be \$5 million a year to promote linguistic exchanges and activities for young Canadians. This is part of a program for the protection of minority language rights.

Fifth, there will be support for early childhood development across Canada with a particular focus on first nations children on reserves. This will include initiatives such as the head start program.

Sixth, a further \$110 million will be invested to build the world's fastest all-optical Internet backbone to connect our major research universities and colleges.

Seventh, budget 2001 will make a number of targeted investments to help Canada stay ahead of the international competition in leading edge research. They include a one time \$200 million investment to help Canadian universities, particularly smaller ones, deal with the financial pressures associated with federally supported research activity. There will be a 7% increase in the annual budget of the granting councils. This represents \$36.5 million a year for the Natural Sciences and Engineering Research Council and \$9.5 million a year for the Social Sciences and Humanities Research Council.

● (1600)

Eighth, there will be a \$25 million investment over five years to sustain and enhance the research program of the internationally renowned Canadian Institute for Advanced Research. This will assist in the recruitment and retention of top researchers in Canada.

Ninth, \$110 million over three years will go to the National Research Council of Canada so it can acquire leading edge technologies and expand its regional innovation initiatives.

The Budget

Tenth, there will be continued support for and enhancement of the Networks of Centres of Excellence across the country which has promoted collaborative intellectual inquiry across disciplines and cultures.

Eleventh, there will be continued support for and enhancements of the Canada Research Chairs Program which has recruited the best talents including returning Canadians while retaining the best Canadian talent.

Twelfth, it will provide \$75 million a year to the Canadian Institutes of Health Research which includes the Institute of Gender and Health and the Institute of Aboriginal Peoples' Health. Apart from the transformative impact of focusing on prevention as well as treatment in matters of health care, this strategic investment will have a specific impact on groups such as women and aboriginal people.

Thirteenth, \$95 million in funding for a further four years will go to the Canadian Institute for Health Information. This is a preventive as well as a curative approach to medicine and health care.

These welcome investments in people, education, research and science do not mean there are no serious concerns in the matter of education, particularly education equity for which budgetary support is still required. There are concerns about differential access to higher education and the ongoing limited provincial funding of higher education in many jurisdictions. There are concerns that the allocation formula of granting councils and other agencies will result in some regions and institutions benefiting significantly less than others. There is a need for an infrastructure program to deal with our crumbling college and university campuses.

Research today is the source of new jobs and new ideas for tomorrow. Strategic investment in people will make Canada a leader in the knowledge economy and help protect human security for all Canadians.

• (1605)

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Madam Speaker, I thank my colleague from Westmount for his remarks. He exclusively emphasized the new spending initiatives announced in the budget but neglected to address the larger economic context in which we now find ourselves and which the budget failed to address. The budget did not address the fact that Canada is in a recession; that unemployment is going up; that our dollar has reached a record all time low; that our standard of living and labour productivity continue to significantly lag below the levels of our major economic competitors, particularly the United States; and that we continue to have the highest income tax burden and second highest debt burden in both the G-7 and the OECD.

Will the hon. member comment on whether he believes it is adequate for the government to simply increase spending and do nothing in the budget to address Canada's disproportionately large tax and debt burdens? Is he at all concerned about the judgment being passed by international currency markets on the economic policy of the government in the form of our 62 cent loonie?

Mr. Irwin Cotler: Madam Speaker, there are a number of initiatives in the budget which deal with what my hon. colleague has

referred to as disproportionately larger tax burdens and which provide express and specific tax relief.

I indicated at the outset of my remarks that for reasons of time constraints I would confine them to issues of research and of equity and excellence in education. The budget is part of a larger package of investing in people and programs, and we should not simply look at it from a spending dimension. These investments will promote and protect human security. That was the purpose and nature of the budget.

[*Translation*]

Mr. Gérard Asselin (Charlevoix, BQ): Madam Speaker, after hearing the comments made by the Liberal member opposite, I think that it is imperative that Quebec achieve its independence as soon as possible. The reason that I believe that Quebec needs its complete sovereignty is that the federal government is interfering more and more in areas under provincial jurisdiction, and Quebec's jurisdiction in particular, in matters of education and health.

I believe that it is important to note that if there are any two areas where the federal government has no right to intervene, it is most certainly in health and education, which fall exclusively under provincial jurisdiction.

Is the member aware, and does he agree with me, that the Liberal budget's \$42 billion deficit reduction has been to the detriment of transfer payments to the provinces for health and education, mainly to these two departments? Is he aware that it has also been paid for on the backs of the unemployed by cutting \$8 billion a year from the employment insurance fund, which is no longer available to seasonal workers in Charlevoix, on the North Shore, and across Quebec? Is he aware that it has been paid for by cutting funds for regional airports and ports, as the government is giving up its infrastructure, and also by cutting the guaranteed income supplement for seniors?

Eliminating the deficit is incredibly easy when the Liberal government takes money in, but does not give any back to anyone.

Mr. Irwin Cotler: Madam Speaker, as I said in my speech, I only referred to financial support provided to Canadians and Quebecers, to protect and promote the human security of all Canadians and Quebecers.

[*English*]

Mr. John Herron (Fundy—Royal, PC/DR): Madam Speaker, I will take a moment to address the content of the hon. member's speech. He spoke at length of the necessity to have access to post-secondary education.

Under the Liberal government tuition rates have skyrocketed 126% over the last 10 years. Student debt levels have quadrupled over the same period of time. More of our best and brightest are choosing not to seek post-secondary education because of the actions of the government and its lack of action on other initiatives.

The Budget

Does the hon. member feel it should be a paramount initiative of the government to ensure we can once again look every high school student square in the eye and say that if they have the intellectual means to seek post-secondary education they can? Will he team up with all members to ensure post-secondary education becomes accessible again and to address the heinous issue of student debt? Will he follow the Progressive Conservative initiative which would allow students to deduct up to 10% of their debt and interest—

• (1610)

The Acting Speaker (Ms. Bakopanos): I apologize to the hon. member but there is no time left for an answer from the hon. member.

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Madam Speaker, I am pleased to rise in the House on behalf of the people of Surrey Central to take part in the debate on the budget. As members can hear from my voice, I am not feeling well. The misplaced priorities of the government have made me sick.

Budget is just another word for financial plan. When I say this is a non-budget what I am really saying is that the government has no plan for the country's finances. Its priorities have been totally misplaced. It would rather give the heritage minister \$160 million for cultural programming than buy appropriate uniforms for our troops in Afghanistan, increase transfer payments to the provinces for health care or set its priorities right.

I do not know how the government can say it has responded to the needs of Canadians when an overwhelming majority say health care is the number one issue. The recent increase—

The Acting Speaker (Ms. Bakopanos): I am sorry to interrupt the hon. member but I need to know if he is splitting his time. It has to be on the record. There have been certain members who have forgotten to mention that they are splitting their 20 minutes. Is the hon. member splitting his 20 minutes?

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Madam Speaker, I am splitting my time with the member for Edmonton—Strathcona.

The priorities of the government have been completely misplaced and this is what I have been talking about. Health care has been the number one issue and we do not see any improvement in it. Recent increases did not even come close to restoring health care funding to where it was before the Liberals came to power in 1993.

There is no contradiction between being fiscally prudent and increasing funding to priority areas like the armed forces, the RCMP, CSIS, health care and so on. However it can only be done if wasteful spending is eliminated.

As it stands now, none of these vital institutions had their funding increased to 1993 levels. The solicitor general did not mention that the recent increases do not even begin to make up for the damages to these organization which have been caused by the government since it took charge in 1993.

The Liberals are like arsonists who set fire to a building and then join others to douse the flames with a bucket of water, but they hide the fact that they set the fire in the first place. They caused the problem in the first place. They are the root cause of the problem, particularly in health care. How can we call them the saviours?

Another example of where the government has fallen short is in transportation infrastructure programs. The government rakes in about \$4.3 billion from gasoline taxes and invests only less than 4% in transportation and infrastructure programs. In contrast, the United States of America invests 95% of the revenue generated from gasoline taxes on transportation and infrastructure programs.

The condition of our freeways and roads is bad. The Liberals have included \$2 billion for the strategic infrastructure program, but the word strategic sounds a little suspicious to me. Based on the track record of the government, it probably means that the money will be used for political purposes to win strategic ridings. There will be no fair allocation of this funding based on the needs in various provinces and constituencies.

I have been to a few countries in the recent past. The leaders of these countries, such as Hong Kong and China, realize that transportation infrastructure is vital to their continued economic well-being. They make spending in this area a top priority. We do not see that in Canada.

The Liberals talk about trade promotion, but in practice they do not make significant enough investments to ensure Canada's place as a truly global player.

One reason behind the misplaced priorities of the budget is probably the political ambitions of certain ministers of the crown. The underground leadership race to succeed the Prime Minister is nothing new. Some people have said that departmental budget allocations are a good way of telling which ministers are favoured by the Prime Minister. Obviously our former industry minister saw the shortfall in funding for his broadband "hinternet" scheme to be a signal that he did not have the support of the Prime Minister for his leadership ambitions, and he quit.

Due to the wrong priorities of this government, many doctors, nurses, teachers and computer engineers are moving south to the United States of America where job opportunities are more and taxes are lower. That is brain drain, but we do not have as much brain gain in this country.

Any government truly committed to immigrants and economic growth would realize that recognizing foreign credentials is vital to our ability to attract world class talent from abroad. In this budget another missed opportunity is in the area of recognizing foreign credentials. Even though I lobbied for and raised the issue, the government mentioned only one line in the last throne speech. However it has done nothing to implement what it said in the throne speech. Why would a computer engineers or a scientists from abroad bring their skills to Canada if their credentials are not recognized once they get here?

The Budget

•(1615)

I had a motion in the House some time ago but the government did not support it. I wanted a nationalized system to standardize education within the country and use that standard to recognize foreign credentials. In the U.S.A. if people apply for recognition of their credentials it takes less than 24 hours. It takes more than three months in Canada. We are again missing an opportunity to turn the brain drain into a brain gain.

Bill C-11 shows quite well the attitude of the government toward security. The government tabled a bill before September 11 and then tried to say that it met security needs after adding some ridiculous regulations.

Under the new point system of the Liberals, independent immigrants are penalized, meaning it will be harder for them to come to this country and contribute their skills to the country's economic welfare.

Also, the government is allowing Canada's reputation to slip by refusing to invest in our military and foreign missions, which is the first line of defence. This is shameful for a G-8 country.

Statehood means a country must be able to defend itself and make a contribution to the international community. There have been many allegations of corruption in foreign missions. The locally hired employees accept bribes and allow unscrupulous people through the system to come to Canada. Nothing has been done to address that issue.

One way the government could honour our country's historical record in the area of foreign affairs would be to shift its foreign policy focus toward preventive diplomacy. At one time Canada used to enjoy the reputation of a leading country in preventive diplomacy. Now we have slipped way beyond many countries like Bangladesh and even smaller countries like Nepal. The priorities of the government are wrong. It has given Canada a black eye.

Again, this would involve shifting resources from low priority areas, such as corporate welfare for Liberal supporters, to high priority areas such as deeper tax cuts, security, larger payments to the provinces for health care and paying down our debt which is the root cause for the low loonie. This would require the government to re-examine its strategy, something it has been unwilling to do.

The Liberals claim their budget is about security, but security only works when there are no gaps in the fence. One gapping hole I have brought to the attention of the government many times is the problem of corruption of our foreign missions, as I mentioned earlier. The government has done nothing to patch the big hole of corruption in foreign missions. More often they involve locally engaged staff and nothing has been done to deal with that issue.

According to the government, current economic uncertainties are causing problems for governments around the world. However other governments are making investments to mediate and prevent any conflicts so that there is not too much expense to deal with the damages caused later on.

My province of British Columbia has been completely ignored by the government. There are many issues which have been ignored in British Columbia which I will talk about at some other time.

In conclusion, the priorities of the government are wrong. It has not significantly reduced taxes. It has not paid anything significant on the debt. Those priorities should have been first so we could have made a better country for all of us.

•(1620)

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, I thank the hon. member for pointing out many of the shortcomings in the most recent budget. On a number of points I find it easy to agree with him.

He mentioned many of the government cutbacks since the Liberal government took over in 1993 and that we had not even really caught up in terms of government spending. I think he was speaking specifically of the Canada health and social transfer, money which is transferred to the provinces. With modest increases in the current budget and over the last year or so we have not even reached the level of spending that we were at in 1993 when the Canadian people kicked out the Tory government in the hope and optimism that a Liberal government would listen to their plea and to their needs.

I would like to ask the hon. member about one issue that I am sure affects his riding as much as it affects mine. That is the fact that in low income ridings, especially like in the inner cities of Edmonton or Winnipeg, a great number of senior citizens are actually the poorest people in the population. Senior citizens, especially senior women living alone, statistically are of the lowest of the low income people. We have now learned that many of these people are eligible for the guaranteed income supplement but are not in receipt of it. Many have never applied for it.

It is our contention that the government, in the interests of addressing this segment of the population which is serious in need, should automatically grant the guaranteed income supplement to these people as soon as they learn that the person is eligible by virtue of their income tax return, and that it should be retroactive.

Would the hon. member agree that, in the interests of helping people meet their basic needs in this era of cutbacks in federal government spending, the guaranteed income supplement should automatically be given to eligible seniors as soon as the federal government is made aware that such eligibility exists?

Mr. Gurmant Grewal: Madam Speaker, this is an issue which is bothering many of the seniors in almost every constituency. Senior citizens live on fixed incomes. The GIS is one tool which can facilitate their standard of living.

A few days ago I attended a seminar organized by Surrey's Social Futures. It highlighted some of the problems seniors are facing in various communities. The federal priorities of the government are not right. It should set its priorities so it takes care of special groups such as seniors who are living on fixed incomes. Issues such as RRSP, CPP and GIS need to be reformed and prioritized.

The Budget

Mr. Roy Cullen (Etobicoke North, Lib.): Madam Speaker, the member for Surrey Central made some pretty serious allegations. I think it had to do with corruption or bribery in our missions abroad. I think that was the general thrust of what he had to say. Does he have any evidence of that. Have people talked to him about this type of activity? I am sure if they had he would have forwarded that information to the relevant authorities.

Is he aware of a study or are there individual cases? Would he want to table the evidence of a very serious allegation that he has put forward in the House today?

• (1625)

Mr. Gurmant Grewal: Madam Speaker, there have been so many serious allegations. The Department of Foreign Affairs is continuing with 36 inquiries involving corruption in various foreign missions abroad.

In Hong Kong a few years ago 766 computer files were deleted from the CAIPS system, Canada's computer aided immigration processing System. These files pertained to organized criminals, probably terrorists, who were unscrupulously trying to come to Canada. Also, 2,200 blank visa forms were stolen from Hong Kong at one period of time.

There was a lengthy report written by a former whistleblowers and a former employee of the immigration department, called "Side-winder". Due to political pressure, that report was completely abandoned, put on a shelf, destroyed or shredded.

There are so many allegations. In Morocco a few years ago there was some corruption. Also, in California money was stolen from the consulate. A series of issues relate to corruption within foreign affairs.

Finally, I raised this issue with the immigration minister the last time. She sent an RCMP team to New Delhi and Islamabad. Based on the information I provided, three locally hired employees in Islamabad and four in New Delhi were fired.

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Madam Speaker, I commend my colleague from Surrey Central on an excellent speech and an excellent response to the question he threw back in the face of the Liberal member on the other side. I was happy he did so. There are a lot of problems in our foreign missions and he should take note of some of the examples my colleague raised.

It always gives me great pleasure to rise in the House to speak for and represent the constituents of Edmonton—Strathcona but I do so with a heavy heart today dealing with the budget. The budget was a disappointment to Canadians across the country. They expected much more from the government and in fact got far less.

There is a host of areas about which my colleagues have spoken during their addresses to the budget speech, especially in the areas of security, tax relief and debt payment. There is a host of areas where we as Canadians were hoping to see some vision and leadership from the government but in fact there was absolutely none.

In my remarks today I will especially focus on a few issues when it comes to the Canadian currency and the symptoms of the Liberal government decade of drift. There is a lineage of missed

opportunities, misplaced priorities and mismanaged resources which has led Canadians to the brink of recession. We are in a recession.

Another point I would like to focus on is the opportunity to review the ethical standards of the Liberal government and how it has led to the erosion of confidence in our national institution, a very serious problem that Canadians across the country talk to me about.

The government's statement of priorities in the Liberal 2001 budget, especially once we remove the glossy cover and flowery hyperbole, is a great disappointment. That disappointment is clearly illustrated in the value of our currency. On the open market a product is only as valuable as the demand for it. Demand for a currency is determined by the competitiveness of a nation's economy and its potential for growth.

Last week the Canadian dollar hit another all time low. I would extrapolate that international confidence in the Canadian economy has never been lower. Why should it not be? Canadians continue to be overtaxed and overregulated. Canada still has the highest personal income tax burden in the G-7.

The Liberals have missed an opportunity to get our fundamentals right and arrest the long term decline in our standard of living, productivity and currency. Canadian businesses that rely on American products and materials are literally paying the price for Liberal incompetence.

In the early 1960s the Canadian dollar slid in its competitiveness. This erosion in confidence raised the ire of Canadians who nicknamed the devalued loonie the Diefendollar. Concern over currency ultimately cost the Tories their majority.

One might ask how low did the dollar go. In fact it was 92 cents. Can we imagine? That created the outrage. Just last week the Canadian dollar hit an all time low of nearly 61 cents. This is an embarrassment.

Never has the world had such low regard for our currency and never have Canadians had more contempt and disdain for the government. What concerns me the most are the thousands of Canadians, almost 40%, who no longer care even to vote.

Let us imagine a ship in the ocean without the captain at the wheel. The ship is subject to the ebb and flow of the sea without being able to navigate a course of its own. This is the plight of the Canadian economy. The Prime Minister and his government will do the very least to keep Canadian's heads above water, all the while riding the economic tides south of the border.

Why is this? I believe the Prime Minister would rather be a good Liberal than a good Prime Minister and as such holds the interests of his party as his top priority. If he had the best interests of Canadians at heart he would have listened to the official opposition, business leaders and taxpayers before he tabled his budget. Let us make no mistake about it. This is his budget. The words may have come out of the finance minister's mouth but the ink on the page was the Prime Minister's.

The Budget

Last fall the Canadian Alliance had a supply day motion which focused specifically on the budget. Our recommendations echoed the wants and needs of Canadian businesses and workers. The government did not heed these recommendations. Nor did it heed the scathing recommendations of the auditor general. The consequences of the Liberal decisions are reflected in the performance of the Canadian dollar.

• (1630)

The government opposite has continued to sleepwalk through the brink of a recession while bringing forward half-measures to try to deflect attention from the heaps of wasteful spending and unethical patronage. Governments are supposed to tap into the best and brightest minds of a nation, utilizing domestic ingenuity and innovation to improve the living standards of its citizens and increase its wealth and competitiveness.

The government opposite exports our best and brightest to the United States while it rewards the efforts of its political friends. History shows us that there is only so much Canadians will take before they demand a change.

We have seen this kind of government in Canada before. Prior to 1837 both Upper Canada and Lower Canada were plagued with patronage, nepotism and corruption. Only those with the closest ties to government prospered. The rest were shut out of decision making and full participation in their own country's administration.

During the Liberal decade of drift, the ugly face of nepotism has returned to Canadian government, this time stronger than ever. The Liberal Party of Canada has replaced the chateau clique and the family compact.

We need an electoral rebellion, a peaceful means for Canadians to take back the reins of power and implement responsible, accountable and ethical government. I believe the Canadian Alliance is the vehicle to institute these crucial reforms, fortified by policies and principles resolved and ratified by concerned grassroots Canadians who believe that politics and patronage are higher priorities for the government than national security, economic stability and health care sustainability. The new budget substantiates these beliefs.

The government opposite has been in office for over eight years. It stands and espouses the elimination of deficits and trade surpluses, but let us remember that the very fundamentals of our past economic prosperity such as free trade and debt reduction were policies against which the Liberals fought tooth and nail.

There has been a long held belief in politics that public officials need not only be free of unethical behaviour but the appearance of unethical behaviour. It is reprehensible that the Prime Minister rewarded the former public works minister with a cozy Scandinavian ambassadorship when he was embroiled in controversy. The Prime Minister owed it to the Canadian people to properly investigate the allegations to clear the air.

My colleagues will continue to cover the full range of the budget and its implications. As my colleagues continue to speak we will hear the disgust in their voices, disgust that has been given to them by Canadians across the country who have been completely disappointed, who still see the government without clear vision,

and who still see our dollar continuing to erode and our taxes continuing to rise.

We suggested simple things in the budget like trying to eliminate capital tax to help stimulate business at a time of recession and paying down debt. The auditor general identified millions of dollars of waste in the way in which the government manages itself. Yet the finance minister could not find one red cent toward cutting that waste and putting some effective payment toward debt. This sends a terrible message, not only to Canadians but to international investors and money market managers who look at our country and say we do not have the fundamentals right.

It is clear we need to address these issues over the coming months and years. We know the government is not committed to putting the fundamentals right. It is only up to the official opposition in the House to raise these issues and convince the government to change its priorities and to change its principles. We will continue to do that.

I take this opportunity to state for the record my disgust with the actions of the government and give notice of my commitment to seek out and uncover the unethical and corrupt practices of the government.

• (1635)

[*Translation*]

Mr. Gérard Asselin (Charlevoix, BQ): Madam Speaker, I have listened to the excellent speech by my Canadian Alliance colleague. There is indeed a great deal of waste within the federal government, because of its decision to encroach on areas that are not under its jurisdiction.

As the administrator of all provinces and territories, the federal government should manage general areas such as national defence and the post office, but not those areas in which the provinces are calling for full jurisdiction.

Last week in Vancouver, all of the provincial premiers and territorial leaders, were present, and for once Quebec was there. They were unanimous in demanding that the federal government put more funds into the health system.

Here in the House of Commons, there are members on both sides of the floor, whether in power or in opposition, who represent areas in all of the provinces and territories. We are all in touch with the needs of our communities and we know that they are calling for health care. The last time there were reforms in the provinces, all of them were forced to reform their health care system, whether in Ontario, Quebec or British Columbia. They all called for far more money for health care.

The provinces are in the best position to know what the needs are in their community as far as equipment, physician and nurse training and psychiatric and other care goes and to provide what is necessary to deliver good health care. This is why the provinces have carried out reforms and meet together regularly.

The Budget

Yet we in this House, regardless of which side we are on, all have a connection to these premiers who are calling for federal government assistance. I think we have a duty today to do as the Canadian Alliance member has, and call upon the government, upon the cabinet, to pay more attention to the demands of the provincial premiers and territorial leaders.

April 30 is the deadline for the premiers' threat to withdraw from the social union, the one Premier Lucien Bouchard did not sign.

In closing, I would like to ask whether the hon. member is prepared to agree with me that those in the best position to know what is needed in the health field are the provincial premiers, because they are the ones who have administered health care within their provinces, and have done so with far less funding than before?

Mr. Rahim Jaffer: Madam Speaker, I thank the Bloc Quebecois member for his question. I agree with him. This government does not have any priority; it is very wasteful in its spending.

As for health care, it is true that the government does not make it a priority to spend money for the benefit of the provinces.

[English]

I am in favour of one of the points raised by my Bloc colleague. As we see the health care debate erupting across the country, many provinces are discussing options on how they can take care of the health care problems that exist in the administration of health care in their provinces.

There has been widespread debate on how the provinces and the premiers will have to look for additional resources, seeing that much of those resources have been cut by the government over the years and that the amounts it has put back in past budgets have been very restricted.

On the one note, I agree with my colleague that we have to give the ability to the provinces to do the job effectively, to administer health care and to take care of the people in their provinces as effectively as they can. That requires flexibility.

In my home province there is an ongoing debate about the Mazankowski report that was tabled not too long ago. The province is looking at the options in that report and at how it can serve its public best. Given the crisis in health care and given the challenges the provincial governments are facing, we need to give them flexibility to do so.

At the same time it is a shame, as I said, that in the budget the government did not make transfers to the provinces a priority, especially in the area of health care. I dare say the crisis that is erupting across the country in various provinces clearly can be put on the shoulders of the government and its lack of attention to this file.

•(1640)

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, the hon. member for Edmonton—Strathcona and I share one thing in the ridings we represent: a fairly high urban aboriginal population.

Both the red book and the Speech from the Throne gave hope and optimism to aboriginal people that this would be the budget in which their historic grievances would finally be dealt with. Would the hon.

member comment on shortcomings he might see in the aboriginal file in the current budget?

Mr. Rahim Jaffer: Madam Speaker, I will not go into great detail. Obviously this is an area of concern to us in the Alliance and to me in my riding, as the hon. member has identified. We look forward to the chance to debate the changes the government will propose and we hope that it actually will introduce some meaningful changes, something that we have not seen from the government.

Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Madam Speaker, I am sharing my time with my colleague, the member for Yukon.

I am delighted to join in this final debate on the budget. In the last couple of days I have been listening with interest to the members on this side speak about the important decisions the government had to make and, as my colleague has said, about the wisdom and thought that went into the budget.

I listened to my hon. colleague across the way talk about how Canadians were absolutely disappointed in the budget. I have to say that was certainly not the case in my riding. If anything, once again this budget demonstrated what the Liberals have come to be known for: a balanced approach that represents all Canadians from coast to coast.

I would like to use my time to speak about the thing that is most important to me. Everyone has had their opportunity to speak about what they did not like about the budget or to highlight some of the very important things the budget undertakes. I would like to use my prebudget consultation report and compare it to the final budget.

My consultations were done after September 11. One of the things I am so very proud of is that I represent a riding that I truly believe is a microcosm for the country. It is one of the most culturally and economically diverse ridings in Canada. It is an urban riding, but I believe it provides a good pulse for what Canadians across the country are saying. It is home to new immigrants and refugees, people who have come to Canada to get away from intolerance, start a new life, build a new life and make Canada their home. It is home to many immigrants.

Madam Speaker, like you, I was born in Canada but I am first generation. My parents came to the country in 1951, fleeing from the war, having lived in a DP camp. They started a life here and I have been a beneficiary of their hard work. It was my parents, through their hard work, who gave me the ability to go to school, get an education and become a lawyer. Through their wisdom, their knowledge and their teaching, they gave me the courage to actually run to become a member of parliament and to come here and try to make a difference.

The Budget

Let me talk a little more about my community. It contains many types of communities. It has many communities that are in transition, many that have been beneficiaries of HRDC programs such as the industrial adjustment program. There are wonderful success stories there. It also contains communities that have been revitalized. It contains people who are actually involved in their community. It is also very culturally rich. When I say culturally rich I mean that it is home to many artists, actors, writers, directors and producers. It is very vibrant that way. It has at least six business improvement area associations and also has the very first BIA that is based not on the retail industry but on technology. It is the very first one in Canada.

I would say that my community represents a lot of communities across Canada. Like those of many of my colleagues on both sides of the House, my community also contains people who are very committed to their communities, who love our country and who are very proud to be Canadian.

The results of my 2001 consultations were very different from those of any previous consultations that I have conducted. I have been doing these consultations every year since my election. The Standing Committee on Finance has encouraged all members to hold consultations, town hall meetings and community groups. It actually uses the reports that we send to the committee. They are tabled in the standing committee report on the budget.

I know that the opposition has talked a lot about what happened to paying down the debt, saying that there is nothing in here about paying down the debt. I have to say that in the past few years one of the top priorities was, and I stress the word was, paying down the debt. That was not the case this year. It was nowhere on the radar screen.

• (1645)

This year's top priority was preventing or at least ameliorating the effects of a possible recession and the global transition we are going through. The second priority, as a result of the tragic events of September 11, was increased spending for security measures, but the answer was that the measures must be strategic and we must be careful not to overreact. People in my community also said that the government must continue to help Canada's poorest people and, besides that, look beyond our own communities and think about reinvesting in and helping the lesser developed countries of this world.

Interestingly enough, my constituents, who came to a number of these consultations, also said that the government should not just spend but should look for new and innovative partnerships with the private sector. How can we increase private sector giving and make that sector part of the solution? They were looking for partnership. People understand that the government cannot do things alone. It is important to remember that this is what the Liberal Party is all about. It is about building partnerships with everyone in the community.

While debt repayment was still viewed as important in the long term, I want to stress that running surpluses to pay it down was clearly seen as much less of a priority at this time. As well, there were very few calls for a return to deficit financing.

My consultations resulted in four basic key recommendations. First, this government must invest in anti-recessionary programs.

Second, it must enhance security measures, but strategically. Third, it must provide assistance for low income Canadians. Fourth, it must ensure continued funding for the arts and recognize just how important the arts are for the quality of life in Canada.

When the Minister of Finance addressed the House on December 10, the importance and the intent of this budget were made absolutely clear from the outset when he stated:

The focus of this budget, therefore, is dealing with this uncertainty and managing through this period of global weakness.

The finance minister went on to say that the budget also had four goals in mind. One was to ensure the necessary funding for security measures to deal not just with the threats we in Canada were facing, but the threats facing people around the world. The second was the recognition of the vital importance of an open Canada-U.S. border. The third was that we must continue to build for the future. The fourth was to provide Canadians with full and open accounting.

Immediately after the budget was tabled, I was caught off guard when my hon. colleague, the opposition critic, spoke to the budget. One thing that absolutely caught me off guard was that the member for Calgary Southeast first lambasted the government about funding for the CBC. We know where the opposition stands on the issue of the CBC. It does not see it as one of Canada's most important national cultural institutions. It does not see how it connects Canadians from sea to sea to sea or how it provides us with our identity. Especially after September 11 it is so important that we as Canadians have our own perspective, not the perspective of CNN and the Americans.

The arts was not cut this time in the budget and we are very lucky in that way, because usually when something is seen as floppy it is the first thing to go. This budget re-established the commitment made on May 2 by this government to continue reinvesting \$560 million in the arts. This is an investment in our communities, our children, our identity, our innovation and our competitiveness.

• (1650)

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Madam Speaker, I particularly would like to thank my colleague from Parkdale—High Park for her accurate and laudatory remarks about our position on funding for the Canadian Broadcasting Corporation, which she seems to think is absolutely indispensable in holding together the country.

Perhaps she would like to take a look at the ratings of the Canadian Broadcasting Corporation in virtually any market of the country. In virtually every single market, commercial CBC television is in the basement in terms of viewership. What does that tell us? It tells us that private broadcasters attract more Canadians and do more to inform Canadians and that more Canadians choose to be informed by private broadcasters than by CBC. In my own city of Calgary, for instance, out of 100 points of market share I think the CBC has a market share of 8%, that is to say, 8 out of 100 Calgaryans choose to watch the CBC.

The Budget

I am all in favour of a national broadcaster, but we in our party believe that we can provide national, quality broadcasting more effectively by raising private funds to properly capitalize that kind of venture rather than leaving it to the discretion and generosity of the government on our behalf.

I would like to ask the hon. member this question. She lauded the \$500 million in the budget for arts and culture investment and said it is essential to keeping the country together post-September 11. However, in the same budget the finance minister gave the defence department, when we net out the new mandates of that department, only a net \$200 million a year for defence. Does the hon. member think that maintaining our national sovereignty is more likely to be affected by \$500 million in culture spending than by \$200 million in supporting our men and women in uniform? Is that the message she wants to send to our men and women in uniform, that producers at the CBC and television and film producers are more important than our fighting men and women? That is the message sent by the budget.

Ms. Sarmite Bulte: Madam Speaker, the first thing that comes to mind, and I have to say it again, is that we must read the entire budget.

It is always either/or. It is never about finding solutions to many complex problems and targeting and investing in the right areas.

The government does not invest in just one area. We invested in all those areas. We invested in security measures, in our men and women. We are also investing in small businesses. We are investing in helping poorer countries. We are investing in our disabled. We are investing in our children through different tax credits.

We are doing all the things the people in my riding wanted to ensure that we continue to build on making Canada a strong place. They wanted us to invest in anti-recessionary measures and to continue to target security measures, but carefully, while at the same time we provide funding for programs to ensure that intolerance does not become part of anything Canada stands for.

We have listened to Canadians, all Canadians. I stress that this is what the Liberals did. We do not represent one Canadian over the other. We represent all Canadians. Our finance minister, the Prime Minister and my colleagues here are responsible for a lot of the issues raised in the budget. I thank all of them. We were able to work in partnership, listen to Canadians and, I believe, find the budget that Canadians wanted.

● (1655)

Mr. Loyola Hearn (St. John's West, PC/DR): Madam Speaker, I have a brief question for the member. First, let me say to her that she should not knock CNN, because without it the Prime Minister would not know what is going on in Afghanistan.

Second, the hon. member mentions CBC being so important to the fabric of the country. I agree with her and many others do.

The problem is that the people who run CBC do not care about rural Canada. They have cut the guts out of the programming to these areas. That is reflected in the polls, as the member just said. Its ratings are going right to the bottom because that is the type of service it is presently supplying to local service areas in rural Canada.

How can the member justify funding an agency that does the reverse of what it is supposed to do?

Ms. Sarmite Bulte: Madam Speaker, I think the important thing is that CBC has it in its mandate to ensure that it is the voice of Canadians and that it represents Canadians. One of the things it must address is regional issues.

I think the member's question is very timely. While we know that the CBC operates at arm's length and that its decisions are made pursuant to the Broadcasting Act by a board and its management, there is a very important thing that I want all Canadians to know. I want to welcome Canadians to join in on what the Standing Committee on Canadian Heritage is doing right now. It is conducting a study on the Broadcasting Act and the role of CBC. I encourage Canadians to make submissions as to what that role should be and how we can make it better.

Mr. Larry Bagnell (Yukon, Lib.): Madam Speaker, I have listened to much of the debate, a lot of it in December and a lot of it now, and I would like to summarize the reasons for the success of the budget. I am sure that the fact the finance minister is brilliant will not be enough in itself to convince my hon. colleagues and I will have to support it with some facts, which I will do now.

It has been a very successful budget. It has not been raised in question period. There have been no major sustained problems with the budget. It has not been in the press. I will quickly go over some of the areas that have been covered.

Everyone expected it to be a security budget because of September 11. That was covered. Also it was very difficult before that time as there was a recession and less money was available to the government. A lot of people knew the money would just not be available for a lot of things I am sure all MPs would like to spend money on. I was very delighted that in that security funding \$646 million went toward the border which is so important to us. As the member from the PC/DR coalition just said, 85% of our exports cross over that border. There had already been some problems before September 11 and it would be absolutely crucial for us if that broke down. I lobbied hard for that and I was very delighted to see that.

In relation to health care, we have heard many times in this debate that last fall the federal government and the provinces came to an agreement for the next five years, and the largest transfer in history in health care, \$34.1 billion, was started. I think Canadians were especially delighted that just this week the provinces and territories agreed that the changes undergone in the Canadian health system at this time would still follow the five principles of the Canada Health Act.

The Budget

The reason I do not think the criticism has been sustained is that of any of the speakers who have spoken on this issue, not one, and I requested several at least when I was in the House, has yet been able to mention how much money went to their province in the tax point transfer. The debate is not over and perhaps there will be an opposition member who can come up with that figure and show their grasp of the figures. However, for the country as a whole, just for a start, of the \$34.1 billion, \$18.3 billion was in cash and \$15.8 billion was in tax points.

Some members mentioned tax cuts during the debate. Because of the severe restraints in the budget and in available cash and the requirement for defence and security spending, people were worried that we would not be able to maintain the planned tax cuts. The majority of them do not go to high income people. They were able to be maintained. There will be \$17 billion this year, \$20 billion next year and also a \$2 billion deferral in small business tax.

Under these constraints of course, nothing could be paid this year on the national debt. However, \$35.8 billion had been paid off in recent years. The amount out of every dollar going to the debt has dropped dramatically from 36 cents to 23 cents, the lowest it has been in 50 years.

Payroll taxes were brought up at the beginning of the debate as a possible weakness. The government has cut EI payments for the last five years. The Canada pension plan is the only item in payroll taxes that has gone up and that was agreed. Everyone knew there was not enough money there. The provinces and the actuaries came up with the amount of money, in agreement with the federal government.

I have asked the members of the Alliance several times whether they agree with the present financing of the Canada pension plan but there has been no answer. Some are in the building and perhaps they will answer this time.

I was proud that a number of things could still be funded in the budget in spite of all the constraints we had. There was a lack of revenues because of the recession, which was accelerated by the events of September 11 and the security requirements.

There is \$680 million for affordable housing. The Natural Sciences and Engineering Research Council is getting \$36.5 million. The Social Sciences and Humanities Research Council is getting \$9.5 million. The National Research Council is getting \$110 million. All of this is to keep us on the leading edge of the knowledge based economy, the innovation economy we find ourselves in.

• (1700)

For persons with disabilities who pursue higher education, there is \$10 million. Support for skills learning and research is \$1.1 billion. For Canadian universities there is \$200 million.

In foreign aid there is the \$500 million African fund and the \$100 million increase to Afghanistan.

For the Canadian Institute for Health Information there is \$95 million. There is \$75 million for the Canadian Institutes of Health Research.

There are a number of initiatives on the environment. The green municipal enabling fund doubled, which I know my colleague from

the PC/DR coalition would appreciate. The green municipal investment fund also doubled. That is another \$100 million. For wind energy there is \$260 million. For woodlot management there is \$10 million. For renewable energy efficiency there is \$5 million.

I was especially happy to see something I had lobbied for. I knew we were in tough times and I was happy that there would be money for those who could least help themselves, aboriginal children. There is \$185 million in new money for them.

I will now turn to some of the solutions that were offered, mostly by the loyal opposition during the debate. I am delighted to have some of these on the record.

First of all, the loyal opposition and to some extent the PC/DR coalition were talking about \$16.3 billion in grants and contributions that apparently were wasted. To quote exactly, it was said “\$16.3 billion that was unmanaged and unexplainable” and the auditor general could fill in the Minister of Finance. I quote from *Hansard*, “She could fill him in on the \$16.5 billion waste government could cut”.

The \$16.5 billion is not the amount the auditor general found in some administrative procedures that need to be fixed, which is the purpose of the auditor general. The \$16.5 billion is the entire government budget for grants and contributions. I am delighted those parties are on record as suggesting we cut all the grants and contributions, including all those to Indian and northern affairs, veterans affairs, the Canadian International Development Agency, Human Resources Development Canada, Health Canada, and Agriculture and Agri-food Canada.

They talk about increasing health and agriculture and then suggest we cut all the grants. That is on page 5 of the auditor general's report for those who would like to look it up.

The second suggestion from one of the members of the loyal opposition was to cut regional development. This is probably everything except Toronto, Montreal and Vancouver. A basic tenet of the spirit of this nation is that those parts of the country that are in need are helped. I cannot believe the entire party would believe that but it was in its platform in the last election. It is just not in keeping with the nation to suggest that the money that goes to the prairies and the west or to Atlantic Canada should no longer exist, anything outside the big cities. It is great to have it on the record.

Time and time again when there was talk about wasteful spending those members were challenged. I challenged them and other people challenged them to list the programs they would cut. They would very seldom list them.

The Budget

I have to give credit to an Alliance member who, when I asked that question yesterday, did list a few things. What was unfortunate was the ones he listed.

First of all was the \$9 million in heritage. I am not sure about the rest of the country, but in my riding the cultural industries are a very important part of a very limited economy, the artists, the filmmakers and songwriters who take advantage of our beautiful environment. Last year I think 25 CDs were released in Yukon. They are a very important economic generator. There are our museums and our first nations culture. Heritage is an important expenditure.

The biggest item mentioned was the \$1.45 billion in heating fuel rebates. The most upsetting comment was that "most of it was to people who did not need it".

I have already criticized members of the PC/DR coalition for bringing this up and they never did it again. Even if there were a small number of administrative mistakes, \$1.45 billion was given to those Canadians who are not in the highest income bracket. In the cold wintertime their expenses are the highest. What kind of ivory tower is someone in to say that most of it went to people who did not need it? That is just not acceptable in this nation.

● (1705)

Finally, a member from the loyal opposition suggested yesterday that infrastructure was in the budget and no one had asked for infrastructure. This is astonishing. First, all the regional rural areas of the nation are alienated by saying there will be no regional development and now all the cities, towns, villages and rural municipalities are alienated by saying that no one asked for infrastructure.

I had lunch today with the second vice-president of the Federation of Canadian Municipalities. He said it was great when the government put in the first infrastructure program, it was great when it put in the second infrastructure program, and they are happy to see that there is money in this budget.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I commend the member for Yukon for following the debates in this place so closely. He is one of the few members who is always here to listen to his colleagues. I only wish the ministers would take such an active interest in the debate on the budget. It is a convention in the British parliament that when the budget debate is being heard, the chancellor of the exchequer actually listens to the entire debate. I do not think that has ever happened in this place, at least in the last several years.

With respect to the points raised by the member for Yukon such as the heating rebate, it was not the Alliance but rather the auditor general who said that most of the cheques went to people who did not need them. Thousands went to people who were deceased or in prison. Tens of thousands of cheques went to people who exceeded the set income levels and to a lot of renters whose landlords pay their heating bills. I would like the member to address that.

In terms of regional development, members of the Alliance by and large represent a region of the country, the west. Perhaps in Yukon they feel differently but I can say that the people in western Canada do not believe that the best road to economic development and prosperity is government handouts and picking winners and losers in

the private sector, but rather allowing the free market to do its job by getting government out of the way through lower taxes. We believe that should apply across the country. It is not discriminatory with respect to any region.

Finally, the member addressed the question of our proposed spending cuts. Yes, we do propose to reallocate roughly \$6 billion or \$7 billion from low and falling priority areas such as waste, corporate welfare, handouts to corporations, regional development schemes, money wasted in the Department of Canadian Heritage, et cetera. This money could then be reallocated to higher priorities like health care.

Does the member not agree that there are priorities such as health care and national defence which trump low and falling priorities such as corporate welfare and grants and subsidies to television and film producers?

● (1710)

Mr. Larry Bagnell: Mr. Speaker, I have to return the compliment to my colleague because in the late night debates he is always the last one to speak, if I am not, and is a great participant here. I like to listen to his statements on the economy because he does a lot of research.

I hope someone will ask a question on the dollar because that is the part of my speech I did not get to.

In relation to the subsidy, the member referred to people such as renters, prisoners and people with incomes above a certain level. I am not certain what the level was but I am sure that most of the people above the poverty level certainly could use the rebate because of the very high price of heating last year. I do not think most renters in the country are that well off that it was not of benefit to them. Certainly prisoners in their lives do not have a good level of income. Obviously it was not supposed to go to them but they are a very low income group. I am certain that the small amount of money would far undershadow the very many poor people who really needed it.

In relation to the member's comments about grants in the west, I am curious. Does this mean he would close western diversification?

Mr. Jason Kenney: Yes.

Mr. Larry Bagnell: That is good for the record too.

Finally I would tend to agree with the member that the fundamentals of the economy such as taxes, the debt, the innovation agenda, the learning agenda, the poor, and aboriginal children are all very important for a solid economy. That is why I emphasized those areas more than the other parts of my speech.

The Budget

Mr. David Chatters (Athabasca, CPC) I would also like to say a few words about the dollar. Far more important than the artificial level of the dollar is the quality of life we have. I was in Washington on September 11. The taxi driver told me not to go out of my hotel room at night. I left this place at 2 a.m. this morning. I am not afraid to do that in Canada.

According to newspapers Edmonton is the best city in the world today in which to invest. We live in a great country where we are not afraid to go outside, we have universal access to health care, we can give \$16 billion in programs for people, and we can give \$185 million to aboriginal children. If Canada is the best country in the world in which to live, then I do not care about the level of the dollar.

Mr. David Chatters (Athabasca, Canadian Alliance): Mr. Speaker, I will be splitting my time with the member for Medicine Hat. I agree with all of those things that make Canada such a wonderful place to live but I still appreciate a dollar that is worth more than 62 cents.

I will not go into all of the issues that my colleagues have been over and over in the four days of debate on the budget because they have done a good job of exposing the weaknesses in this budget. However, I do want to talk about a couple of things from the perspective of my position as official opposition natural resources critic. There were issues relating to the area of natural resources that were not in the budget but should have been.

I was disappointed that the government did not move to address the truly unfair system of corporate taxation that is discriminatory against the mining and oil and gas industries. Currently the mining and oil and gas industries pay a 28% corporate tax rate whereas, as part of the Liberal government's five year \$100 billion tax reduction plan, all other corporations are enjoying a phased in reduction in corporate tax rates to 21%. According to the budget figures released last year by the finance minister the cumulative corporate savings would amount to \$10.1 billion by 2004 when the rates of other businesses are lowered to 21%.

Canada is the third largest producer of natural gas in the world and the 13th largest producer of crude oil. The oil and gas trade exports account for half of Canada's trade balance. The \$42 billion oil industry, which employs more than 525,000 Canadians, pays an average of \$2.5 billion in annual federal income taxes. In 2000 the industry invested \$23 billion in exploration and development, often with a lead time of up to five years before it could expect any return. The oil industry is the largest single private sector investor in Canada.

The mining industry is one of the few Canadian industries that operates in all provinces and territories. New investment will bring significant economic benefits to all mineral producing regions and urban centres across the nation. In 2000 the mining and mineral processing industry contributed \$28 billion to Canada's GDP. Direct employment by the industry exceeds 400,000 and Canada is one of the world's largest exporters of minerals and mineral products. In 2000 exports amounted to \$49 billion representing 13% of total exports.

In 2001 the mining and oil and gas extraction industries, which includes the oil sands mining, was forecast to invest more than \$30 billion on construction machinery and equipment representing

roughly 16% of forecast capital investment in Canada. These two industries bring massive investment, jobs and secondary benefits to Canadians. It is in our best interest to ensure the health of the industries. However, the Liberals made their priorities clear in the last budget by not including the mining and oil industries in the group eligible for the reduced corporate tax rate.

I urge the government to remember the fable of the goose that laid the golden egg. A villager and his wife had a goose that laid a golden egg every day. They supposed that the goose had some great lump of gold in its insides to produce the eggs and in order to get the gold, they killed it. Having done so they found to their surprise that the goose was no different from other geese. The foolish pair, hoping to become rich, deprived themselves all at once of the gain of which they were so assured day by day. There is a parody there to what the Liberal government has done and is doing to the natural resource industries over time.

A lower tax rate in the oil and gas industry alone would cost the federal treasury about \$400 million by the end of 2004. The government claims that due to the recent economic turndown, it is unable to cut taxes and forego that kind of revenue. However, the government is well known for hoarding taxes and to finance extra spending on the efforts of two key industries in Canada while all other corporations enjoy a lower tax rate. That is plainly discriminatory.

• (1715)

If one asks the government its rationale behind the decision one would no doubt hear that the finance department believes that energy companies get tax breaks not available to other economic sectors and that these breaks effectively bring the tax rate of the resource sector down to 21%.

What is conveniently not mentioned is that while it is true that energy companies have a 100% deduction for eligible exploration and development expenses, accelerated write-offs for certain capital assets and accelerated capital cost allowance and resource allowance, these industries face massive initial capital investments with no guarantee of return, and often the return is not seen for extremely long periods of time.

Without other tax benefits companies could not afford to invest in projects such as the Athabasca oil sands, Hibernia and other natural resource projects. These eventually bring billions of dollars to both investors and the government. The resource allowance is simply a proxy for the royalties that companies pay to the provincial governments. It is a business cost not a special tax treatment.

The Budget

I must admit that I find it curious that the finance minister claims there is simply no room in his budget to give resource industries a break yet he was able to find \$260 million with which to start the government's wind energy initiative. I cannot help but wonder if all that hot air contributes to the wind program.

Recently in Fort McMurray the finance minister pledged that if the current system is found to be unfair it would be changed. I call on the finance minister to follow up on his promise and do the right thing. The truth is that without a more stable and fair corporate tax system investors in the resource industries will be scared away. In this of time of increased U.S. demand for reliable energy sources, the government owes it to Canadian resource companies to ensure their competitiveness and survival in Canada and worldwide.

I turn my focus now to the government's climate change plans. Canada is considering one of the most expensive undertakings since World War II, the Kyoto protocol. Yet, this huge commitment is not seriously considered in the most recent budget. The Liberal government is considering ratifying the protocol either by the G-8 meeting in Kananaskis in June or at the meeting in Johannesburg in September 2002.

Business and environmental groups have been raising their voices in protest in the last few months. They are saying that the government has no idea how to achieve its target eight years before we are supposed to have our greenhouse emissions down to 6% below 1990 levels. The commissioner of the environment indicated that at the moment we are 17% over 1990 levels.

Lately the government has been travelling across the country asking businesses to tell it how it should meet its own promises under the Kyoto protocol. It is asking others to do the work for it.

While the environment minister says over and over that implementing Kyoto will cost between 0.1% and 1% of Canada's GDP per year. Added up we are looking at between 3% and 8% GDP loss by 2010. A 4% GDP loss is approximately \$40 billion or \$1,100 per person. It is a huge expense for combating a problem for which we still do not have a real solution. The government often talks of all the health benefits of reducing greenhouse gases but atmospheric carbon dioxide has never been considered a health risk.

We want to see a more aggressive action on air pollutants that have been demonstrated to have a negative affect on human health, such as air particles and ozone, but these should be targeted separately and not together with carbon dioxide. Referring to carbon dioxide and water vapour as atmospheric pollution is dishonest and smacks of a hidden agenda.

If the government is so serious about ratifying Kyoto why were the costs of implementing Kyoto not taken into consideration? Where are the numbers that say Canada will lose up to 1% of its GDP next year by implementing Kyoto? Where are the considerations of economic leakage where certain sectors that are heavily hit by regulations under Kyoto leave Canada and go to other countries such as the U.S. and Mexico where they are not under the same constraints? The government will continue to say it will not impose a carbon tax but the emissions permits or carbon caps that it is considering are just a carbon tax by another name.

Some sectors that produce more greenhouse gases such as the energy sector will be hit harder than others. They will be constrained to pay more for the right to emit carbon dioxide and other greenhouse gases.

● (1720)

Is this tax fairness? Will this keep these businesses in Canada or will it drive these companies out of Canada to other countries not bound by Kyoto, such as the United States, which is refusing to ratify, citing the economic damage the agreement will cause?

The Acting Speaker (Ms. Bakopanos): Order, please. I am reluctant to interrupt but we are in the last hour of this debate and the member's time has lapsed. Hopefully during the question and comment period he might have an opportunity to wrap up his intervention.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank the hon. member for raising the very pressing issue of the Kyoto agreement, which deals with greenhouse gas emissions, and the impact it will have on not only the budget but on the entire country.

In the absence of any other real plans on how we might achieve the targets in the Kyoto agreement that we signed, would the hon. member agree that one thing the federal government could and should have done in this budget was embark on a comprehensive energy retrofitting of the 68,000 federal government buildings that it owns?

I was part of the climate change task force that did comprehensive research in five different cities in this country and garnered the information needed to prove that we could reduce operating costs, harmful greenhouse gas emissions and create a great number of jobs by energy retrofitting those buildings, all at no upfront cost to the taxpayer. It would all be done by off balance sheet financing. Private sector investors, union pension funds for one, would pay for the retrofitting and be paid back slowly out of the energy savings, after which time the government would enjoy the benefit.

The best example in the hon. member's own area is the Harry Hayes building in downtown Calgary where just such a thing was done at a 40% saving and at no cost to the property owner.

Would the hon. member not agree that the one tangible thing the federal government could have done in this budget would have been to announce a comprehensive energy retrofit program for the buildings that it owns as an example to the owners of private buildings in the country to do the same thing?

The Budget

• (1725)

Mr. David Chatters: Mr. Speaker, I am glad the member raised that issue because the government did in fact introduce such a program and it has been used successfully on a number of government buildings. However, success under the program is less than stellar because there does not seem to be a stampede of private sector corporations looking for contracts to retrofit government buildings.

Far greater than that is my concern regarding what the Kyoto accord will do to the average homeowner's family budget. I think it is imperative for the government to immediately produce, what it should have already produced, a cost benefit analysis of this drive to reach the Kyoto commitment. Canadians should be able to judge for themselves whether the gains will be worth the price they are expected to pay.

Even if we were able to meet our Kyoto commitment, it is pretty clear that with the increase in greenhouse gas emissions from countries who are not part of this process, the gains we would make would be swallowed up within a mere six months. I think Canadians need to know the real costs so they can make up their own minds. That is what I think the government should do right away.

Mr. Pat Martin: Mr. Speaker, it seems that the hon. member is genuinely concerned about reducing harmful greenhouse gas emissions. He seems to be wrestling with ways that this country might meet its obligations under the Kyoto accord.

I am curious as to exactly when this conversion on the road to Damascus took place. The last time I heard the hon. member speak about the Kyoto accord and greenhouse gas emissions he was in complete denial. He was acting as a corporate shill for the oil companies by denying there was any problem whatsoever with greenhouse gas emissions. He in fact exhibited a virtual flat earth sort of an attitude when he said, "what greenhouse problem?"

When exactly did the hon. member come over to the side of those who believe we do have to meet our Kyoto commitments?

Mr. David Chatters: Mr. Speaker, I am not sure what the hon. member is referring to. My position on Kyoto has not changed from the first time I heard of this proposal until today. I remain extremely skeptical about the whole benefit involved in Canada essentially ratifying the accord and committing economic suicide and the benefits this country will receive from doing that.

I have and always will feel that industry and corporate Canada has to do whatever they can to reduce emissions to whatever level possible and should continue to do that, and they are.

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, it is my pleasure to rise to address the budget during the budget debate.

I will start by saying that this is honestly the worst budget that the government has produced since it has been in power. I am shocked that the finance minister would buy into the idea that the government is somehow starved for cash to the point that he would approve a 9.3% increase in spending. That is absolutely shocking.

In the wake of that big increase in spending, we have a world that is very uncertain. Because of this large increase in spending, there is

absolutely no cushion for any kind of contingencies down the road. I think what the finance minister has done is completely imprudent. I would argue that the markets have passed judgment on the budget too. We see that in a record low dollar.

A few minutes ago my friend from Strathcona was talking about the Diefenbuck and how the country was alarmed when the dollar fell to 92¢. Now it is at 62¢. I would think that the country should be outraged. I point out that is a 20% drop in the value of the currency since the Liberals came to power in 1993, a 20% drop in our ability to pay for imports from the United States. We must remember that most of our imports come from that country, which means a lower standard of living for Canadians.

The government is so sanguine about it. We have had the finance minister, and especially the Prime Minister, talk the dollar down for 20 years. Ever since the Prime Minister came to parliament he has argued that a low dollar is good for exports.

According to that theory we should be tremendously prosperous today but we are in fact in a recession and our standard of living is falling. He is finally waking up and saying that we should have a stronger dollar, but it is a little late after talking it down for 20, 30 or 40 years, which is what he has done.

I am disappointed in the budget because it has failed to address an issue that is important to my riding, agriculture. There is still no comprehensive plan to deal with agriculture. We have a serious problem with agriculture on the prairies and throughout the country, although I know it best on the prairies, and there is no plan in the budget at all. I think my friend across the way is saying that is a good point.

I am the critic for revenue and customs for my party and I want to say a few words about that portfolio. First I want to welcome the minister to her new portfolio. It is full of challenges and she will have to face them. She ran headlong into one today when we found out that the government has overpaid the provinces to the tune of \$3.3 billion over the last six years, again over the period since the Liberals have been in power. That \$3.3 billion amount is a big oops.

It was outrageous when the human resources minister misplaced \$1 billion, and the country was shocked. Now we have a \$3.3 billion overpayment. It does not exactly inspire confidence in the customs and revenue agency, does it? That is a serious amount of money. I think the logical question that many people will ask is: How is the agency calculating their income tax, corporate taxes and every other type of tax, of which there are many? Can we have any confidence at all that the government is not overcharging us? I think that is a serious question. I would think the minister would undertake an audit of all the computer systems and all the calculations that are being done today for all these various types of taxes that the revenue agency oversees.

I will talk about the customs side of this in just a moment, but I also want to talk about a revenue agency that is completely out of control with respect to its attitude toward taxpayers.

The Budget

● (1730)

Almost every member in this place has been confronted by constituents who have told them horror stories about how they have been harassed by the revenue agency. I know that is true. There is probably scarcely a person in here who has not had that happen.

I can tell a story from my riding where recently I had a woman and her husband in my office. She was in tears. They were in a dispute with Revenue Canada over about \$30,000. What they wanted was for Revenue Canada to take them to court so that they could settle the matter, but it would not do so.

Instead what it did was freeze their accounts, take money out and harass them constantly to the point where when it came time for their mortgage to be renewed the bank said that it would not renew it because it did not have faith they would be able to pay the mortgage. Revenue Canada was breathing down their necks, taking money out of their accounts and freezing their accounts all the time. Now they will lose their home.

Let us remember this is a dispute. This is not Revenue Canada having proof or having a judgment from court saying that the money is owed. The revenue agency is to put these people out of their home. That is absolutely unbelievable, but that is what happens everyday with this newly aggressive revenue agency.

I argue this change took place in 1995 when the government brought in a pretty important budget at that point, hired a bunch of auditors and changed the focus of Revenue Canada and ultimately the revenue agency. The focus was changed from being a relatively honest arbiter of the rules to a group of people who as part of their mandate are instructed to wring every cent they can out of taxpayers, hoping that they will be so cowed that these disputes will never make it to court.

I am certain this is what the agency is doing. If there is a scandal that is underreported in Canada today, it is how the revenue agency treats taxpayers.

I would like to say a couple of words about the customs side. For a long time people did not think a lot about customs when they thought about the revenue agency. It is a revenue and customs agency, after all, but for a long time customs was a bit of an afterthought. However it has become extraordinarily important. The customs agents are the first line of defence at all entry points into Canada and it is very important that these people are properly funded.

We are grateful for some of the money that has gone into the customs side of the agency so that we have enough people. It is pretty clear that this all happened after September 11. Only when the disaster struck did the government wake up.

The government needs to realize that the first and most important role of a government is to provide security for its citizens. I am hoping, now that the immediate danger has apparently passed, the government will not let its guard down. Let us hope that it does not forget the lessons of September 11. I will do my best to remind it of those problems.

We also encourage the government to continue to work toward various ways to expedite trade between Canada and the United

States, a \$1.3 billion a day trading relationship which is extraordinarily important for our country. We need to ensure the government keeps its eye on the ball and keeps the ports between Canada and the United States as open as they can possibly be.

I could go on. There is lots to talk about but my time is running out. I will simply conclude by saying again that this is a terrible budget, the worst I have seen come from the finance minister. He obviously bought into the idea that it is important to ratchet up spending. The moment it looks like the deficit crisis has passed, the government starts to ratchet up spending instead of continuing to lower taxes and pay down debt.

This terrible mistake is being judged by the markets, and the result is a falling dollar and a lower standard of living. The government should be ashamed of the budget.

● (1735)

Mrs. Elsie Wayne (Saint John, PC/DR): Mr. Speaker, I would like to ask the hon. member from the Alliance how he feels about what has happened to the military in the budget.

I just got word late this afternoon that was very shocking to me. Lord Robertson of NATO is to step down as a member of NATO because there is not enough money in the NATO budget for the military. He told them last week.

I am wondering what we should do here. Should our minister of defence step down because there is not enough money in our budget for our military? How does the hon. member and his party feel about the budget tabled in the House with regard to our military?

● (1740)

Mr. Monte Solberg: Mr. Speaker, the government's treatment of the Canadian military is disgraceful. Year after year the Liberal government has used the Canadian military as its whipping boy. When there were cuts to be made to budgets, the first place it went was to the military. The military has been cut to the bone to the point where our soldiers will be sent to Afghanistan in forest green uniforms because the sand coloured uniforms appropriate for use in a place like Afghanistan have been sold off. There are so many examples of how we have shortchanged our military that a book could be written about them, in fact, many books have already been written.

As I said earlier, the first and most important role of any government is to provide security for its citizens. We cannot have all the freedoms that we enjoy unless we have that kind of security, and it manifests itself in many ways. One of them is in the form of a strong Canadian military.

I find it ironic that the government and many of its members who complain about a lack of sovereignty when it comes to Canada, and being so close to the United States, are content to free ride on the Americans for our defence. That is what happens so often with this government. The Liberals should be ashamed of their record when it comes to the military.

Mr. Jay Hill (Prince George—Peace River, PC/DR): Mr. Speaker, I listened very closely not only to the speech of my Alliance colleague but also to his reply to the question from the PC/DR coalition defence critic.

The Budget

The hon. member brought up the fact that our troops are going to Afghanistan with the wrong colour of uniforms. This is incredibly important to the point where one of my constituents from Dawson Creek, Mr. Lin Schaffer who fought in the second world war, wrote to me. He was concerned about two of his grandsons. They serve with the Princess Patricia's Canadian Light Infantry and will be going to Afghanistan. They will be wearing the wrong colour of uniform. Their lives will be at risk because of the inattention this government pays to the needs of the military.

As the hon. member mentioned, it is absolutely disgraceful and disgusting how the Liberal government has treated our military over the years.

In today's *Ottawa Citizen* I was amazed to find out that the defence minister, in reply to this very serious issue, said that the commanders had no problem with the uniforms. They think they can operate quite fine with them and that they will have an advantage at night time when many of their operations happen. In other words, the reply of the defence minister to this very serious issue is that our troops should only be allowed out at night. If that comment is not disgraceful, I do not know what is.

Would the member care to elaborate on this point?

Mr. Monte Solberg: Mr. Speaker, I thank my friend for his intervention and it really makes the point. It is pretty clear that this defence minister has lost the battle at the budget table year after year. He has done a terrible job of representing the Canadian military and, frankly, he should resign.

Mr. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, I would like at this point to ask that my time be shared with my colleague from Etobicoke North.

I am pleased to participate in this important debate on the budget. As the House knows, the events of September 11 and their aftermath have had significant effects both in terms of economy and policy priorities.

I believe the budget addressed the challenges of the new global reality that people of duly elected democracies are facing on a day to day basis. I also believe that our government has listened carefully to the concerns brought forward by key stakeholders and by Canadians who were and who are concerned about the domestic economy, economic stability, personal security and defending our cherished freedom.

In the fall of last year I held public budget consultation hearings in my riding of Scarborough—Agincourt. I thank the people of Bridlewood Mall, Agincourt Mall as well as my staff, Kathy, Anton and Nina, for helping me. The response from my constituents was overwhelming. They voiced their concerns and appreciated the opportunity to participate in this national dialogue.

I would like to use the following format to illustrate how I believe the concerns of my constituents were addressed in the budget. Picture a chart with two columns headed constituent concerns and budget commitments.

Concern: the federal government should increase the defence department budget so that the equipment of our forces can be updated to better reflect Canada's recently redefined role in the war

on terrorism. Commitment: the budget earmarked \$1.6 billion for emergency preparedness and military deployment for such items as doubling the capacity of our forces, elite anti-terrorist units, the JTF2, supporting Canada's military participation in the war on terrorism, funding military equipment purchases, improving our ability to protect infrastructure such as water and energy, utilities, transportation and communication systems.

Concern: the budget for RCMP and CSIS be increased so that in the short and long term these organizations have more resources available to respond more effectively to domestic and international security issues. Commitment: the government has committed \$1.6 billion over the next five years to the RCMP and CSIS to respond to our country's needs and to improve co-ordination and information sharing among law and security agencies in Canada and abroad.

Concern: the federal government must work in partnership with Canada's major cities and key stakeholders to build affordable housing and to update infrastructure and public transportation. Commitment: the government responded with a minimum of \$2 billion for the strategic infrastructure foundation. Ottawa will work with municipalities, provincial governments and the private sector to finance large strategic infrastructure projects beyond existing programs. Also, the government reiterated its commitment of \$680 million over five years for the construction of affordable housing both in large urban centres and in remote communities of this country.

I believe my constituents participated in a most valuable exercise last fall when they came to me with their views and their important policy issues.

In this budget the federal government listened to Canadians and responded with vision to their many concerns and in so doing it effectively addressed the ever changing national and international challenges of the 21st century.

• (1745)

Mr. David Chatters (Athabasca, Canadian Alliance): Mr. Speaker, I have a fairly straightforward question. I have listened to that same rhetoric for four days through the budget debate.

Why should Canadians be satisfied and content to accept what the government claims is a reasonably competent management of the decline of this great country? The dollar continues to fall. We continue to be buried in taxes and debt. Our standard of living and competitiveness are dropping. Yet the government seems to think that it is managing this decline to third world status reasonably well. Why should we accept that?

Mr. Jim Karygiannis: Mr. Speaker, I beg to differ with my colleague. He says we are declining to third world status. Has my colleague visited some of the developing countries? If he has not, then he should. After he comes back home and as soon as he gets off the plane, he should drop to the ground and kiss the earth. There is no better country in the world than Canada. There is no better government to really represent the people of Canada, as has been said time after time, than this government.

The Budget

[Translation]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, I am a bit shocked by the comments that I just heard. They are telling me, the member for Matapédia—Matane, that Canada is the best country in the world, when the unemployment rate in my region is over 20%, and when the federal government, in its last budget, did not propose anything for regions such as mine.

In the year 2000, during the election campaign, several ministers travelled to my region and one of them announced a so-called special program to promote economic recovery in the Gaspé Peninsula. Well, we have yet to see this special program, even though it was announced over a year and a half ago.

Could the hon. member tell me to what extent the federal government proposed measures for regions such as mine, regions such as the Gaspé, where unemployment is very high?

• (1750)

[English]

Mr. Jim Karygiannis: Mr. Speaker, if the member waits for things to be done rather than being proactive and doing things, then the people of his constituency will be waiting for a long time.

I bring to his attention some of the initiatives we have taken in my riding. In 1996, 1997, 1998 and 1999 I held what was called business employment opportunities. I invited businesses to come to my riding and speak with people who were looking for work. The last one held in 1999 created over 500 jobs. I did not wait for handouts and I did not go to the Prime Minister, although we sit on the same side, and ask him for a couple of billion dollars to create jobs.

That is the challenge for my good colleague, a challenge he must take. He should invite the companies to come to his riding. He should be proactive instead of sitting on his duff waiting for the government to bring him everything.

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I would like to congratulate the member on his maiden speech.

Regarding his remarks about the \$1.6 billion budget for the military, I do not know from where he gets that. When we take out the funding for the federal emergency critical infrastructure program and additional mandates which are being given to the department of defence, what we find is an actual increase for the military of \$200 million over four years.

The auditor general has said that there is an immediate need of over \$2 billion for critical infrastructure right now for the military. The Conference of Defence Associations says it needs at least \$2 billion per year. In other words, the government has put about 10 cents on the dollar on what has been defined by outside experts as an absolute minimum.

Michael Bliss, in commenting on the budget, said:

The \$1.2-billion increase for the military over five years is unexpectedly small, little better than derisive tokenism. Canada's fundamental defence policy remains unchanged: Let the United States protect us.

Could the member comment on that?

Mr. Jim Karygiannis: Mr. Speaker, for the record and for my colleague across the way, I want to make a couple of points so he can take them home with him.

I have been elected to the House with greater majorities each time since 1988, although he did not have the pleasure of being here at that time. If my colleague across the way wants to come into my riding and take me on, he is more than welcome. The last time his party ran a candidate against me, the candidate did not get his rebate back.

If being among the popular vote in Canada is something he does not understand or comprehend, I invite him in the next election to come and take me on. After he takes his licking and his kicking he might go back home.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to enter the debate. I have sat here in amazement listening to the debate on the budget. I cannot understand fully although I can understand partially why members opposite do not describe the budget in December as one of the most extraordinary budgets of all time. We know their partisan nature. We know they would not say that, particularly if we look at the context of budget 2001.

The Minister of Finance had to stand in the House after the events of September 11 and with an economy that was declining and in trouble. Any objective analysis would show that the budget he delivered on December 10 was an excellent budget, particularly in that context.

Members opposite talk about how the budget was not responsive to the views of Canadians. I can tell the House why they say that. It is because they are on the opposite side of the House. That is why they are on the opposite side of the House. It is because they do not listen to Canadians. As a member of the finance committee I travelled across Canada and listened to what Canadians had to say. They said a few important things.

First, they said they know the government must deal with the security agenda. They know the government must respond and it must be a top priority. They said they would like the government to protect the \$100 billion tax cut announced in 2000 and the \$23.4 billion agreement with the provinces for health care and early childhood development. They said they do not want to go into deficit.

Second, there was some debate at the edges about whether the government should get into stimulative spending. That point seems to have eluded the hon. member for Medicine Hat. There are many bright economists in Canada and around the world who would argue that we should stimulate the economy and go into deficit at a time like this. However the government said no. The government listened to the caucus and to many Canadians who said they did not want to go into deficit.

Having said that, the minister and the government were able to provide \$3 billion in stimulus to the economy. As a result of those actions and as a result of protecting the tax cuts announced in 2000, there will be about a 2.4% stimulus in the economy this year in relation to the GDP. Next year it will be 2.8%. That is more than the stimulative measures that have been announced and some that are still being debated in the United States senate.

The Budget

With that kind of stimulus, the monetary policy of the Bank of Canada and the fiscal stance of the government we are starting to see the economy turn around. This is because of the budgets of the Minister of Finance and the monetary policy of the Bank of Canada whose interest rates are at their lowest level in many years. There has been a reduction of 350 basis points this year which is causing businesses to invest and consumers to spend. I think in the year 2002 we will start to see the economy grow again and in 2003 we will be back on track.

Amidst all this, and unacknowledged by the members opposite, the country has low inflation. Canada is the only G-7 country that will balance its books this year. For the first time in 17 years our debt to GDP ratio, the size of our federal debt in relation to the size of the economy, will be below 50%. In 1995-96, soon after we came into power, it reached 71% of GDP. In other words our debt in relation to the size of our economy was 71%. It will now be less than 50%.

Is it still too high? Of course it is, but the performance has been spectacular. The paying down of our debt in relation to our economy is the best of any industrialized country. We have low inflation.

Our unemployment has crept up to 8%. That is something none of us enjoy, appreciate or tolerate. However we now have the mechanisms in place to move forward and reduce the unemployment rate again.

• (1755)

We have heard much in the Chamber and elsewhere about health care. Canadians deserve more than the partisan debate and points that have been made in the House and by the premiers of some provinces. They throw out numbers and say the federal government is contributing 14% of health care when it agreed and committed to 50%. That is hogwash. The federal government never agreed to contribute 50% of health care costs. It agreed to participate at the rate of 50% in terms of insured programs such as hospital care, medical services plan, et cetera.

I concede that there is a growing area of prescribed drugs and home care that is uninsured and is starting to eat up more health care dollars in the country. It is an issue the federal government, the provinces and all Canadians must face. I am looking forward to the report of former premier Romanow, as are many of us on this side of the House, when he looks at health care in depth instead of offering the superficial analysis we tend to hear in partisan debate.

The contribution the federal government makes to health care in terms of direct expenditures, whether in research or aboriginal health, is even greater. We all know that everyone who gets into the debate, apart from members on this side of the House, conveniently ignores tax points. They say it is a technical issue and maybe Canadians do not fully understand it so we will conveniently forget it.

I will take this opportunity to remind Canadians what tax points are. If we add tax points to the federal contribution and the direct expenditures the federal government makes on health care, we get very close to 50%. A figure of 14% is totally scandalous to even mention.

What did the federal government do? Some time ago it transferred 13.5 percentage points of personal income tax room to the provinces.

In other words, the federal government said it would tax 13.5 percentage points less and the provinces could tax 13.5 percentage points more. To average taxpayers it is totally seamless. They would not know the difference. Instead of the federal government taxing them the province would tax them.

Why did the federal government do that? In retrospect it was a huge mistake. The money still flows to the provinces, yet in partisan debate it is ignored and Canadians get a wrong picture. Why did the government do it? It said the provinces and territories are responsible for the delivery of health care, post-secondary education and other social programs and that it should transfer the tax points closer to the source. It was done in the belief that the funds would be used for health care, post-secondary education and social programs. To suddenly say we do not factor it in is totally disingenuous. Canadians deserve better than that.

I was happy that in the budget there was stimulative spending on infrastructure. This does a couple of things. We know we are getting behind with our infrastructure. We have an infrastructure deficit, if one likes. At the same time as we are increasing our infrastructure capacity, which makes us more competitive, we are providing jobs and economic activity. I was happy to see that. We will need major investments at our borders, national highway systems and many other national projects to help stimulate the economy and get out of the downturn.

I was glad to see provisions in the budget for mechanics' tools. Some things may seem small to us here in the House but are perhaps not so small to average Canadians. The government responded to many members on this side and to private members' bills that had been circulating in the past to give a tax break to mechanics who must fund their tools.

Rather than the lavish programs and fiscally irresponsible proposals that were presented on the other side of the House, the caucus worked with the finance minister to include a mechanism in the budget for mechanics to get a break on their tools up to a certain limit. It is the apprentices who are targeted. Apprentices are the ones who need help with their tools.

The budget also delivers \$680 million for affordable housing. This is desperately needed, especially in the Toronto area and other urban centres where the need is great.

• (1800)

The budget has incentives for renewable energy. That is a positive thing. We heard the remarks of the hon. member about the natural resource sector. I am sympathetic to his views but tax incentives are available to those sectors that are not available to other industries.

The Budget

Through the granting councils the budget will deliver \$200 million to universities to help with overhead and administration costs relating to research grants. The government has put much into research and is now helping universities with overheads and administration.

In summary, the budget was an excellent response to the circumstances. Given the context it was a superb budget. I wish members opposite would be more objective in their analysis.

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, I listened with interest to my hon. colleague over there. I think he would say we are pretty good friends.

Having said that, as a friend I would like some help from the hon. member. I would like him to look at the \$1 billion increase in foreign aid over the next three years and explain to my constituents, more and more of whom have gone bankrupt in their agricultural operations, why the \$1 billion investment in some shady deals we have had for years is a better investment than an investment in agricultural support so people can stay on their farms.

If the hon. member could do that I would like to have his help.

● (1805)

Mr. Roy Cullen: Mr. Speaker, I appreciate that the member opposite has been under stress lately, but he has performed quite well notwithstanding his comments just now.

When we look at international aid we first must ask if it the right thing to do and if we need to help people in other countries and not just in Canada. We must also look at it from a pragmatic point of view. Many people leaving their countries to come to Canada would prefer to stay in their countries of birth but must leave because there are no economic prospects. We could look at it from another level in terms of our own security and safety. If we keep people down for too long they will come and get it.

For a whole range of reasons it is right that we help people in the developing world help themselves. However we should not tolerate corruption. That is why our policies are geared to countries that have good governance.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the hon. member for Etobicoke North cited increases in spending in the budget. In the interest of being fair and reasonable we acknowledge there were modest increases in spending. However I would ask him to review with me where some of the excess money came from which could be put toward other programs.

I would point out to the hon. member that the EI fund is showing a surplus of \$750 million per month. That is not per year but per month. For every month that goes by employers and employees pay \$750 million more into the fund than gets paid out in benefits. As a result my inner city riding of Winnipeg Centre has a shortfall of \$20.8 million per year more than it had under the old EI program.

Would the hon. member acknowledge that another source for the money the government had to spend was the fact that the public service pension plan had a surplus of \$30 billion until the end of the last parliament? Marcel Masse, and I can use his name now because he is no longer with us, scooped the entire \$30 billion surplus.

These are just two sources of the money the government now feels free to introduce into modestly increased spending.

Would the hon. member acknowledge there is something wrong with an EI fund that takes in more than it pays out? Would he not agree it is seriously flawed and should have been dealt with in the budget?

Mr. Roy Cullen: Mr. Speaker, as the member knows, there is no fund. He talked about the program spending increase in 2001-02 and about \$2.7 billion of that is for increased EI. There is a reason for that. Unemployment increased somewhat and there were changes in the benefits that members on this side fought for in terms of the clawback and the intensity rule.

Some on the other side would say it was a retrograde step. We do not agree with that. We think that we must treat workers fairly. The government made changes to the EI on the clawback and the intensity rule. The member opposite was talking about expenditure increases, \$2.7 billion of it came from EI.

I would like to comment on the business of the surplus in pension plans. When we look at the EI account or the public service pension, we have to look at times when those pensions were in deficit and were carried by the taxpayers of Canada. We cannot just look at it through one end of the telescope.

● (1810)

[*Translation*]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, before I begin, since I have very little time, I would like to go back to what the member for Scarborough—Agincourt said earlier in response to my question. He practically said, here in the House, that the people in high unemployment regions are not hard-working, that they lack imagination and that they are practically lazy. That was pretty much what he said in reply to my question.

I would like to know if other members of the House—unfortunately they will perhaps not have the time to ask me questions—if Liberal members as well as members from other regions of Canada also having trouble think the same thing, if they think that the people in outlying areas such as mine are lazy and incompetent and lack the imagination to get their economy going again.

I think that this statement is insulting. Not only is it insulting to the people of my region, but it is also insulting to the people in other regions of Canada. It is just as insulting to the people of Quebec as it is to those of the Magdalen Islands, who unfortunately are represented by a Liberal.

The Budget

I will now proceed with my speech, because I do not have very much time. First of all, I would say that the last budget—and I said this earlier—contains no measures for remote areas, for regions experiencing difficulty. Not only does it contain no active measures that might have helped us out of our difficulty, but it contains passive measures, measures which harm the regions.

I will give an example concerning air transportation. I could supply figures. For a resident of the Magdalen Islands, airplanes are as necessary as roads and highways. Those living on islands in Quebec need airplanes to be able to access services, whether they be emergency health services, government services, or whatever. People need airplanes. In this connection, it is clear that, despite the fact that the federal government bailed out Air Canada, Air Canada is holding us to ransom.

In its budget, the government did not even ensure that the money which it invested in Air Canada, which has become a monopoly, would be used to serve the regions, which is what we were asking.

My colleague, the member for Charlevoix is in the same boat. Those of us from the regions are asking for at least some active measures that will assist us in having access to the same services to which the rest of Canada and Quebec have access.

For the people living in my riding, I think that the federal government is not only useless, but it is almost harmful, because of these air transportation measures, among others.

The federal government is hurting the regions. It takes away our money in taxes and then gives us practically nothing back in return. We no longer receive anything in economic development or in services.

I could give another example, which is similar to the one my colleague mentioned earlier, that of infrastructure projects. Let me give a concrete example. I will not talk about infrastructure in general, of the program that was created, of the foundation, which we all know is completely useless, and which will cause all sorts of problems for those of us in Quebec, and which will no doubt cause us to abandon the program if necessary, to finally be able to do some good work.

I want to talk about infrastructure that belongs to the federal government. Since I have one minute left, I will end on this. Part of this federal infrastructure includes harbours for small boats. Virtually all of these harbours are in a terrible shape. The federal government announced a few million dollars, but this represents barely 25% of the funding needed to repair its own infrastructure. We are not asking the government to invest in anything else, but it really should begin with cleaning up its own house.

The Deputy Speaker: It being 6.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of ways and means Motion No. 10.

•(1815)

[*English*]

Mr. John Williams: Mr. Speaker, I rise on a point of order with regard to the motion you have just read standing in the name of the Minister of Finance and seconded by Mr. Herb Gray, the former member of parliament for Windsor West.

Marleau and Montpetit, at page 204 under resignation of a member, states:

Once a member has tendered his or her resignation, the seat is deemed to be vacated and the individual ceases to be a member of parliament.

Yesterday morning prior to orders of the day the Speaker declared the seat of Windsor West to be vacant. I quote from page 8297 of *Hansard*:

It is my duty to inform the House that vacancies have occurred in the representation: namely, ...Mr. Herb Gray, member for the electoral district of Windsor West, by resignation.

It further states:

Pursuant to subsection 25(1)(b) of the Parliament of Canada Act, I have addressed on Monday, January 14, 2002, and on Friday, January 25, 2002, my warrants to the Chief Electoral Officer for the issue of writs for the election of members to fill these vacancies.

Therefore Mr. Speaker, I do not believe that we can properly vote on a motion that has been seconded by someone who is not a member of the House. I therefore ask that you rule the motion out of order.

Mr. Geoff Regan: Mr. Speaker, I would ask you to consider the fact that, Mr. Gray was a member of the House at the time the motion was moved and therefore the motion stands as valid.

The Deputy Speaker: I know this will not meet the satisfaction of the House on either side but my instincts tell me that the former hon. member for Windsor West, of course, when his name appeared as the seconder for budgetary Motion No. 10 was a member. However that being said, given the seriousness of the question, I would like to suspend the House momentarily to reflect on the matter to be sure that in fact I give the correct ruling to the House.

SUSPENSION OF SITTING

(The sitting of the House was suspended at 6.18 p.m.)

•(1820)

SITTING RESUMED

(The House resumed at 6.21 p.m.)

The Deputy Speaker: After some consultation I can confirm to the House that in fact my gut instincts were correct. The motion was introduced in order, the member seconding the motion was in good standing. Today we are simply confirming the process.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

The Budget

● (1850)

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 217)***YEAS**

Members

Alcock
Anderson (Victoria)
Augustine
Baker
Barnes
Bellemare
Bevilacqua
Blondin-Andrew
Boudria
Brown
Bulte
Calder
Caplan
Carroll
Catterall
Chamberlain
Coderre
Coppes
Cullen
DeVillers
Dion
Dromisky
Duplain
Eggleton
Farrar
Fontana
Galloway
Goodale
Guarnieri
Harvard
Hubbard
Jackson
Jordan
Karygiannis
Kilger (Stormont—Dundas—Charlottenburgh)
Knutson
LeBlanc
Leung
Longfield
Macklin
Malhi
Manley
Martin (LaSalle—Émard)
McCallum
McGuire
McLellan
Mitchell
Myers
Neville
O'Brien (London—Fanshawe)
Owen
Paradis
Peric
Phinney
Pratt
Reed (Halton)
Richardson
Saada
Scherrer
Serré
Speller
St. Denis
Stewart
Telegdi

Allard
Assadourian
Bagnell
Bakopanos
Beaumier
Bennett
Binet
Bonin
Bradshaw
Bryden
Byrne
Cannis
Carignan
Castonguay
Cauchon
Charbonneau
Comuzzi
Cotler
Cuzner
Dhaliwal
Discepola
Drouin
Easter
Eyking
Finlay
Fry
Godfrey
Grose
Harb
Harvey
Ianno
Jennings
Karetak-Lindell
Keyes
Kilgour (Edmonton Southeast)
Lastewka
Lee
Lincoln
MacAulay
Mahoney
Maloney
Marcil
Matthews
McCormick
McKay (Scarborough East)
McTeague
Murphy
Nault
Normand
O'Reilly
Pagtakhan
Parrish
Pettigrew
Pickard (Chatham—Kent Essex)
Proulx
Regan
Robillard
Savoy
Scott
Sgro
St-Julien
Steckle
Szabo
Thibeault (Saint-Lambert)

Tirabassi
Torsney
Valeri
Volpe
Whelan
Wood— 139

Tonks
Ur
Vanclief
Wappel
Wilfert

NAYS

Members

Abbott
Anderson (Cypress Hills—Grasslands)
Bailey
Bergeron
Bourgeois
Brien
Cadman
Casey
Chatters
Dalphond-Guiral
Desrochers
Dubé
Duncan
Forsyth
Gagnon (Québec)
Girard-Bujold
Goldring
Grey (Edmonton North)
Guimond
Hearn
Hill (Prince George—Peace River)
Hinton
Johnston
Laframboise
Lanctôt
Lill
Lunn (Saanich—Gulf Islands)
MacKay (Pietou—Antigonish—Guysborough)
McDonough
Ménard
Merrifield
Perron
Plamondon
Reid (Lanark—Carleton)
Ritz
Sauvageau
Skelton
Spencer
Stoffler
Thompson (New Brunswick Southwest)
Tremblay (Rimouski-Neigette-et-la Mitis)
Wasylycia-Leis
White (Langley—Abbotsford)
Yelich— 87

Anders
Asselin
Bellehumeur
Borotsik
Breitkreuz
Brison
Cardin
Casson
Clark
Desjarlais
Doyle
Duceppe
Epp
Fournier
Gallant
Godin
Grewal
Guay
Hanger
Herron
Hilstrom
Jaffer
Kenney (Calgary Southeast)
Lalonde
Lebel
Loubier
Lunney (Nanaimo—Alberni)
Martin (Winnipeg Centre)
McNally
Meredith
Pallister
Picard (Drummond)
Proctor
Reynolds
Roy
Schmidt
Solberg
St-Hilaire
Strahl
Toews
Venne
Wayne
Williams

PAIRED

Members

Bachand (Saint-Jean)
Bigras
Caccia
Gagnon (Champlain)
Graham
Marceau
Minna
Rocheleau

Bertrand
Bonwick
Collenette
Gauthier
Laliberte
Marleau
Paquette
Tremblay (Lac-Saint-Jean—Saguenay)— 16

The Speaker: I declare the motion carried.

It being 6.50 p.m., the House stands adjourned until tomorrow at 2 p.m. in accordance with Standing Order 24(1).

(The House adjourned at 6.50 p.m.)

CONTENTS

Tuesday, January 29, 2002

ROUTINE PROCEEDINGS

Government Response to Petitions

Mr. Regan 8401

Bankruptcy and Insolvency Act

Mr. Martin (Winnipeg Centre) 8401
Bill C-423. Introduction and first reading 8401
(Motions deemed adopted, bill read the first time and printed) 8401

Committees of the House

Procedure and House Affairs

Mr. Regan 8401
Motion 8401
(Motion agreed to) 8401

Petitions

VIA Rail

Mr. Macklin 8401

Questions on the Order Paper

Mr. Regan 8401

GOVERNMENT ORDERS

The Budget

Financial Statement of Minister of Finance

Budget motion 8404
Mr. White (Langley—Abbotsford) 8404
Mr. Peric 8405
Mr. Martin (Winnipeg Centre) 8406
Mr. Alcock 8407
Mr. Martin (Winnipeg Centre) 8408
Mr. Lanctôt 8409
Mr. Harvey 8410
Ms. Girard-Bujold 8411
Mr. Harvey 8412
Mr. Macklin 8413
Mr. Martin (Winnipeg Centre) 8414
Mr. Hill (Prince George—Peace River) 8415
Mr. St. Denis 8415
Mr. Martin (Winnipeg Centre) 8416
Mr. Epp 8417
Mr. Schmidt 8418
Mr. Martin (Winnipeg Centre) 8419
Mr. Lee 8420
Mr. Epp 8421
Mr. Godin 8421
Mr. Regan 8421
Mr. Bailey 8423
Mr. Dubé 8423
Mr. Godin 8424
Mr. Regan 8425
Mr. Dubé 8425
Mr. Martin (Winnipeg Centre) 8426
Ms. Wasylycia-Leis 8426

Mr. Szabo 8427
Mrs. Chamberlain 8428
Mr. Abbott 8429
Mr. Lebel 8430
Mr. Telegdi 8430
Mr. White (Langley—Abbotsford) 8431
Ms. Girard-Bujold 8431
Mr. Strahl 8432

STATEMENTS BY MEMBERS

Science and Technology

Mr. Telegdi 8433

Curling

Mr. Toews 8433

Frank Shuster

Mr. Tirabassi 8433

Alzheimer's Disease

Mr. Castonguay 8433

Baldur Stefansson

Mr. Harvard 8433

Justice

Mrs. Skelton 8434

Curling

Mr. McGuire 8434

Gala Sports-Québec

Mr. Lanctôt 8434

Curling

Ms. Neville 8434

Habitat For Humanity

Mrs. Hinton 8434

Health

Mr. Pratt 8435

Michael Belliveau

Mr. Godin 8435

Middle East

Ms. Dalphond-Guiral 8435

Veterans Affairs

Mr. Dromisky 8435

Health

Mr. Bachand (Richmond—Arthabaska) 8435

Canadian Avalanche Association

Mr. Harb 8436

ORAL QUESTION PERIOD

Canada Customs and Revenue Agency

Mr. Reynolds 8436
Mr. Chrétien 8436

Mr. Reynolds	8436	National Security	
Ms. Caplan	8436	Mr. Blaikie	8440
Mr. Reynolds	8436	Mr. Collenette	8440
Mr. Chrétien	8436		
Foreign Affairs		Foreign Affairs	
Mr. Pallister	8436	Mr. Robinson	8440
Mr. Chrétien	8436	Mr. Chrétien	8440
Mr. Pallister	8436		
Mr. Chrétien	8437	Public Works and Government Services	
Mr. Duceppe	8437	Mr. Pankiw	8441
Mr. Chrétien	8437	Mr. Boudria	8441
Mr. Duceppe	8437	Mr. Pankiw	8441
Mr. Eggleton	8437	Mr. Boudria	8441
Mr. Duceppe	8437		
Mr. Chrétien	8437	Access to Information	
Mr. Duceppe	8437	Mr. Williams	8441
Mr. Chrétien	8437	Ms. Robillard	8441
Mr. Duceppe	8437	Mr. Williams	8441
Ms. McDonough	8437	Ms. Robillard	8441
Mr. Chrétien	8437		
Ms. McDonough	8437	Foreign Affairs	
Mr. Chrétien	8438	Mr. Duceppe	8441
		Mr. Eggleton	8442
National Defence		Mr. Duceppe	8442
Mr. Clark	8438	Mr. Eggleton	8442
Mr. Chrétien	8438		
Mr. Clark	8438	Canada Customs and Revenue Agency	
Mr. Chrétien	8438	Mr. Solberg	8442
		Ms. Caplan	8442
Immigration		Mr. Solberg	8442
Mr. Jaffer	8438	Ms. Caplan	8442
Mr. Coderre	8438		
Mr. Jaffer	8438	International Trade	
Mr. Coderre	8438	Mr. Duplain	8442
		Mr. Pettigrew	8442
Foreign Affairs		Mr. Duncan	8442
Ms. Lalonde	8438	Mr. Pettigrew	8443
Mr. Chrétien	8438		
Ms. Lalonde	8439	Young Offenders	
Mr. Chrétien	8439	Mr. Bellehumeur	8443
		Mr. Cauchon	8443
The Economy			
Mr. Kenney	8439	National Defence	
Mr. Martin (LaSalle—Émard)	8439	Mrs. Wayne	8443
Mr. Kenney	8439	Mr. Eggleton	8443
Mr. Martin (LaSalle—Émard)	8439		
		International Trade	
Foreign Affairs		Mr. Duncan	8443
Mr. Duceppe	8439	Mr. Pettigrew	8443
Mr. Eggleton	8439		
Mr. Duceppe	8439	Official Languages	
Mr. Eggleton	8439	Mr. Sauvageau	8443
		Mr. Dion	8443
Crown Corporations			
Mr. Goldring	8440	Foreign Affairs	
Mr. Manley	8440	Mr. Martin (Winnipeg Centre)	8444
Mr. Goldring	8440	Mr. Dhaliwal	8444
Mr. Manley	8440		
		Ways and Means	
Afghanistan		Notice of motion	
Mr. Wilfert	8440	Mr. McCallum (Markham)	8444
Ms. Whelan (Essex)	8440		

Privilege**Alleged Unparliamentary Remarks—Speaker's Ruling****Questions on the Order Paper**

Mr. Goldring	8445
Mr. Manley	8445

GOVERNMENT ORDERS**The Budget****Financial Statement of Minister of Finance**

Budget Motion	8446
Mr. Strahl	8446
Mr. McNally	8447
Mr. Borotsik	8448
Mr. Hearn	8449
Ms. Allard	8450
Mr. Asselin	8451
Mr. Cotler	8452
Mr. Kenney	8453
Mr. Asselin	8453
Mr. Herron	8453
Mr. Grewal	8454
Mr. Martin (Winnipeg Centre)	8455
Mr. Cullen	8456
Mr. Jaffer	8456
Mr. Asselin	8457

Mr. Martin (Winnipeg Centre)	8458
Ms. Bulte	8458
Mr. Kenney	8459
Mr. Hearn	8460
Mr. Bagnell	8460
Mr. Kenney	8462
Mr. Chatters	8463
Mr. Chatters	8463
Mr. Martin (Winnipeg Centre)	8464
Mr. Solberg	8465
Mrs. Wayne	8466
Mr. Hill (Prince George—Peace River)	8466
Mr. Karygiannis	8467
Mr. Chatters	8467
Mr. Roy	8468
Mr. Kenney	8468
Mr. Cullen	8468
Mr. Bailey	8470
Mr. Martin (Winnipeg Centre)	8470
Mr. Roy	8470
Suspension of Sitting	
(The sitting of the House was suspended at 6.18 p.m.) ..	8471
Sitting Resumed	
(The House resumed at 6.21 p.m.)	8471
Motion agreed to	8472

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:

Communication Canada - Publishing
Ottawa, Ontario K1A 0S9

En cas de non-livraison,

retourner cette COUVERTURE SEULEMENT à :

Communication Canada - Édition
Ottawa (Ontario) K1A 0S9

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

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

Also available on the Parliamentary Internet Parlementaire at the following address:

Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :

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

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

Additional copies may be obtained from Communication Canada - Canadian Government Publishing, Ottawa, Ontario K1A 0S9

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

On peut obtenir des copies supplémentaires en écrivant à : Communication Canada - Édition, Ottawa (Ontario) K1A 0S9

**On peut obtenir la version française de cette publication en écrivant à : Communication Canada - Édition
Ottawa (Ontario) K1A 0S9**