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OFFICIAL REPORT
(HANSARD)

Tuesday, February 18, 2003

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, February 18, 2003

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)
[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 three petitions.

* * *

PETITIONS

STEM CELL RESEARCH

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, it is my pleasure to present a petition signed by a number of Canadians, including those in my own riding of Mississauga South, on the subject matter of stem cells.

The petitioners draw to the attention of the House the fact that they support ethical stem cell research which has already shown encouraging results to find the cures and therapies necessary to treat the illness and diseases of Canadians. The petitioners also stress that non-embryonic stem cells, also known as adult stem cells, have shown significant research progress without the immune rejection or ethical problems associated with embryonic stem cells.

The petitioners call upon Parliament to support legislative efforts which will pursue adult stem cell research to find the cures and therapies that Canadians need.

CHILD PORNOGRAPHY

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Mr. Speaker, pursuant to Standing Order 36 I would like to present a petition on behalf of my constituents of Yellowhead regarding child pornography. The petitioners ask the government to protect children by outlawing any materials that glorify pedophilia in this country.

[Translation]

THE ECONOMY

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, I have the honour today to present several thousand

signatures from all over the province of Quebec, including its remote regions.

The undersigned residents of Canada wish to draw to the attention of the House of Commons that any efforts by the government to put the economy back on its feet and guarantee the economic security of Canadians will be in vain unless the federal government can eliminate the debt, stop making interest payments, and begin running this country properly in the interests of all Canadians.

The petitioners therefore call upon Parliament to ask the government to create wealth for the country, basing their request on the abundant production of this country, for which its people are responsible.

* * *

[English]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

REQUEST FOR EMERGENCY DEBATE

FLOODING IN NEWFOUNDLAND AND LABRADOR

The Speaker: The Chair has notice of an application for an emergency debate from the hon. member for Sackville—Musquodoboit Valley—Eastern Shore.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I rise today to bring to the attention of the House of Commons and all Canadians the plight of the people of Badger in Newfoundland and Labrador.

I have been in touch with some folks there through my colleagues and friends in Newfoundland and Labrador. The tragedy that has struck those people is unbelievable. The kitchens in their homes are covered in ice. Over 1,000 people have been displaced.

Government Orders

These people know that the provincial government, through its emergency measures organization, is doing everything it can. They want to know what the response will be from the federal government and all parliamentarians to the serious crisis facing them. These people have no idea when they will be allowed to go back to their homes. They have no idea the amount of loss they have suffered. They also have no idea of what their future will hold.

I believe an emergency debate in the House of Commons would send a clear message to the good people of Badger, Newfoundland and Labrador, that we in Parliament care. We could give advice to the government so it could assure those people that we as parliamentarians will do everything we can to assess the situation and meet their immediate needs.

SPEAKER'S RULING

The Speaker: The Chair is well aware of the situation that the hon. member described. All hon. members share the concern described by the hon. member for Sackville—Musquodoboit Valley—Eastern Shore because of the extensive news coverage that this situation has received. I am sure all hon. members appreciate the seriousness of the situation for the residents of the communities involved in this crisis.

On the other hand, having reviewed the letter the hon. member sent to me, having heard his comments, and having reviewed decisions of past Speakers in respect of these kinds of matters, I am of the view that the request does not meet the exigencies of the Standing Order at this time.

GOVERNMENT ORDERS

• (1010)

[*Translation*]

CANADA ELECTIONS ACT

The House resumed from February 17, 2003, consideration of the motion that Bill C-24, An Act to amend the Canada Elections Act and the Income Tax Act (political financing) be read the second time and referred to a committee, and of the amendment and the amendment to the amendment.

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, it is an honour for me to rise to speak to the bill amending the Canada Elections Act and the Income Tax Act (political financing).

We are aware that the Prime Minister of Canada and the Leader of the Government in the House of Commons have introduced a bill to better govern the financing of political parties and candidates, in order to improve equity and transparency and to restore Canadians' confidence in our public institutions.

Some fundamental changes to the way federal elections are financed are required in order to dispel Canadians' perception that big business and labour unions exercise undue influence through large donations in exchange for favourable treatment, and that the arrangement is reciprocal.

Five provinces already have legislation restricting political contributions by individuals, the Province of Quebec in particular. Several years ago, under René Lévesque, Quebec adopted well-received legislation on political financing. Two of the five provinces ban donations by corporations or unions.

Some hon. members: Hear, hear.

Mr. Guy St-Julien: I must point out here that the applause from the Bloc Québécois is because they know what an excellent financing bill there is in Quebec.

Various countries such as the United States and France are also imposing ceilings on political contributions. Bill C-24, which would limit contributions, follows up on the commitment to ensure clear and full reporting of contributions and expenses.

Canadians have the right to be informed and to have access to this information, just as Canadians and Quebecers are learning today how members of this House have been spending public moneys for their office and on travel to the House of Commons and around Canada and Quebec for many years.

The government must show leadership in order to restore the foundations of our democratic government. The government intends to exercise this leadership.

As legislators, we have an interest in tackling this issue head on, not only for the good of our government, but also for the good of future governments, no matter what their political stripe.

Many people have said that the Prime Minister has taken up where René Lévesque left off; that is true. For the first time, Ottawa is limiting donations to political parties. Big business no longer has the right to give a dime to political parties, and contributions from individuals will be capped. Ottawa has finally decided to follow the lead of Quebec and Manitoba in developing a framework for financing the electoral process.

Individuals will have to limit their donations to \$10,000 per year. Business and unions are almost totally cut out of the system. They will be entitled to make contributions of only \$1,000 per year and only to individual candidates or riding associations. They can no longer make direct contributions to a political party. The \$1,000 limit will apply to all subsidiaries of a company or locals of a union.

The idea is to discourage big business from financing elections, while allowing small local merchants, corner stores or your brother-in-law's drycleaning business to encourage their member of Parliament.

The Prime Minister and the government House leader clearly explained it. The minister responsible stated:

It is a small amount for big business. Say I represent Imperial Lord and there are 301 candidates in Canada. What difference would it make if I send \$12 to each of them? It is a small amount, but at the same time it allows the corner store owner, who is incorporated, to buy two tickets to the member's annual dinner.

For those of you who are using the increasingly frequent examples of people circumventing the Quebec law to prove that such limits do not work, Ottawa's answer to you is that it has perfected René Lévesque's model.

Government Orders

We looked at what happened in Quebec in 1977. The limit was \$3,000. In real dollars, that represents about \$10,000. Some say this is a mistake, but in the end, it is not because if we consider indexation, it represents about \$10,000 today.

The bill contains measures to discourage circumventing the law. The penalty will be a fine of up to \$5,000 or five years in prison. This seems steep when we know that the average donation was \$591 in 2001 for both corporate and individual donations.

There is also increased transparency. The bill seeks to plug the infamous black hole so often denounced by the Chief Electoral Officer, Mr. Jean-Pierre Kingsley.

•(1015)

The limits will also apply to nominations and party leadership races. Riding associations, until now exempt from having to report their sources of revenue outside of election campaigns, will now be required to report all of this information.

I agree with this. In our riding association, there will have to be yearly reports to the Chief Electoral Officer as to how money from contributions is spent.

In these three cases, yearly reporting is required to the Chief Electoral Officer. All of the money that goes directly or indirectly towards elections will be accounted for publicly.

Our most important principle is complete disclosure. The bill puts an end to black holes and money given under the table. The government leader in the House referred to this. He gave an example of a numbered company, ABC1234 Inc. making an election contribution. "How is that transparent?", he asked, in reference to contributions from numbered companies.

To offset these limits, the state will increase its funding for political parties. Public financing currently costs Canadians \$39 million. That figure will increase by \$23 million per year, and by \$40 million during election years.

Candidates will need to receive 10% of the votes, instead of 15%, in order to qualify for a refund of half of their election spending. As well, political parties will receive a 50% reimbursement on their election spending, compared to the current 22.5%. This is a complete overhaul at the federal level.

If a political party receives over 2% of valid votes cast, it will receive \$1.50 for each vote obtained every year after the next federal election.

[*English*]

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, as we look at the bill, I would like to address the subamendment and the principle of what is being asked.

The first thing that is important to note is that the government, as I understand it, through the Prime Minister, has said that this will be a vote of confidence in the government. If that is not the epitome of personal paranoia being expressed, then I do not know what is. What a noxious and odious notion that this would be considered a vote of confidence.

This chamber is supposed to be the arena where we discuss our clashes of convictions and where, in a democratic sense, we debate the issues and then vote on them on behalf of the people we represent. Many, if not most of the Liberals MPs I know, are intelligent, caring individuals. My colleagues might take issue with me for saying that about my Liberal colleagues but I believe that. I believe they are intelligent and caring people who promised, when they ran in the last election and possibly the elections before that, that they would come here and speak for their constituents and represent them. When they came here they were awakened with the stinging smack of the Prime Minister's whip and were informed that they would not speak for their constituents. They would speak as they were ordered to do by the Prime Minister.

On this particular bill, which is about the essence of democracy itself when it comes to the voting process, they have been told that this will be an issue of confidence, meaning that if this vote fails the government would fail. What a ridiculous and paranoid notion.

The Canadian Alliance position has always been, on votes of this matter, that votes should be conducted freely and that the business of the House should be conducted like a small business or a corporation in the private sector. In fact, when the voluntary and charitable associations and groups across this land meet, they have an item on their agenda that they discuss, debate and then vote on. If the particular item is voted down, the business does not collapse. The voluntary association, if that is what is involved in the discussion, does not evaporate. It simply moves on to the next item.

I would suggest that it would be profitable for the Prime Minister on this particular bill to say that he will not impose this Neanderthal, knuckle-dragging notion of democracy.

There are regimes around the world where people who do not support the autocratic leader lose their jobs or lose other things. That is what is happening here. The threat is that if the Liberal MPs do not support the Prime Minister they will lose their jobs. The threat of non-confidence is noxious, odious and should be changed.

The initiative itself goes to the very root of democracy because it is talking about voting and supporting the political party of one's choice. A number of things are being suggested.

The Prime Minister, because this is his bill, is saying that corporations and labour unions should be very restricted in terms of what they can give to a particular party or a candidate. That is an area of debate. In my view, it is something that would continue to take us down that slippery slope of the loss of freedoms.

If a corporation or a labour union is transparently communicating to its shareholders or its union members, and takes a vote on whether a certain amount should be donated to a particular party or candidate, locally, provincially or nationally, as long as the members are aware of it and have the chance to vote and decide on it, how does a government have the right to usurp that ability for individuals to choose? That is what is at the base of this initiative. It would take away an individual's right to choose.

Government Orders

•(1020)

It does that through putting huge restrictions on businesses and on labour unions. I do not agree that a labour union or a business should take a chunk of money without its shareholders or members knowing anything about it and then give it in some way. They should be held accountable to the shareholders. However the government has stepped in and has significantly reduced the problem of that happening.

We continue to hear about voter participation dropping and individual citizens becoming less enamoured with the political process altogether. Because part of this initiative would force voters to give, like they have never given before, to the political process, it diminishes the chance that individual citizens would become more involved voluntarily. Their rights are being taken away. Every voter across the country would be told that they will be assessed \$1.50 every year to go to all of the political parties. They have no choice in this.

I know there is a process of rebates that is in place now. That was in place before I arrived here. I would have had other ideas on that particular process. However I am talking about this process now being expanded and citizens being steamrollered into having their hard earned tax dollars going to political parties that they do not necessarily support.

All citizens would be supporting my good colleagues, the MPs from the Bloc Quebecois, a federal separatist party, whether they liked it or not. All citizens would be supporting the NDP position, for instance, on Iraq, which is to have a unilateral approach to the United Nations and not care what the United Nations says. I find it hard to believe that some citizens might not support some of the principles of the Canadian Alliance but if there are a few citizens out there who do not support the Canadian Alliance they would be forced to support it whether they liked it or not. Their hard earned dollars would be taken away in a much greater way than they are being taken right now. It is not just at election that voters would have that right taken away. Every year between elections voters would be forced to send their money, whether they liked it or not, to political parties not of their choosing.

One of the things about having to fundraise is that sometimes it ties to individual performance and sometimes it ties to the corporate performance of the party itself. It brings certain responsibilities, especially on the governing party, to continue to govern well between elections. As we know, certainly by the Liberal Party and its leadership, arrogance runs at the fore of everything it does, especially between elections when it does not have to consult with the voters, and now even more so.

The Liberals know that the amount of votes they receive during an election would now figure directly into how much money they get every year between elections. If we can imagine, and this is a frightful thought, they would be even less responsive and more arrogant to the voters of the country now between elections than they have been. I cannot imagine what that would be like.

This particular initiative speaks clearly to the difference between liberalism and conservatism. In the simplest of terms, liberalism basically means more invasion into the lives of individual citizens.

Conservatism means less invasion into the lives of individual citizens.

A famous Russian dissident, a person who spent years in solitary confinement in the gulag, when he was talking about government invasion in our lives and the loss of freedoms, said "Never trust a government more than that government trusts its own citizens".

By this government striking at the very core of democracy, the voting process itself, and removing the right of citizens to decide to which political party they will donate their money, the government is saying that it does not trust its citizens. The government has a reduced level of trust in the citizens.

The government has forgotten that it should be governing at the consent of the governed, instead of telling citizens where their money will go related to politics and democracy itself. Based on that, because the government in fact does not trust its citizens, we should not trust the government, especially relating to the bill.

•(1025)

Ms. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, the debate today is extraordinarily important because it is about democracy and about the confidence Canadians have in their electoral system. During the debate we perhaps should remind ourselves that our proximity to the United States makes us forget that we already have done the most important thing in terms of election financing rules in this country, which is to limit the amount that we can spend in election campaigns.

When I was at the Woodrow Wilson school in Washington and heard about the problems women were having in running for political office, I realized that they had to raise millions of dollars for one candidate to run. My immediate reaction was that they should just change the rules and put a ceiling on the amount that can be spent in an election campaign. That would give them an even playing field, allow real democracy to take place and allow people of all walks of life to run for political office.

If part of the bill does deal with the perception problem, that money does buy influence, then we must correct that impression. We need to make the system as good as it can be. Good governance to me and to one of my heroes, Ursula Franklin, is that it must be fair, transparent and take people seriously. Ursula has said that if we do not have transparency in our small organizations, whether it is on the boards of our day care or our church, how can people expect us to apply it to government? Obviously, as one of the organizations that is most important to democracy, we must have transparency in political parties.

I believe the democratic deficit in the country is evident in four ways. One is parliamentary reform and our ability to listen to citizens between elections in terms of democracy and in terms of the resources with which to do that. Another is party reform. The final one, which we are dealing with today, is electoral reform, the financing of elections.

Government Orders

I think it is a game to talk about our proximity to the United States when we actually have to remind ourselves that some of those congressmen and senators spend more than half of their time raising money every week just to keep afloat. We are hugely blessed in Canada that we actually get to do our job every day and that fundraising becomes a small part of our jobs.

People must remember that if I were only allowed to spend about \$60,000 in an election campaign that would have little influence on the way I voted. I have to believe that if I were not able to raise the \$60,000 from the people who gave it to me the last time that I could easily go out and raise the \$60,000 from a new group of people who believed in the principles on which I stood.

However it is important for people to think so and that we are doing everything possible to make it happen. I think the idea of the ceiling is still the most important thing and that we must do everything to make sure it is always preserved.

The second most important thing would have to be transparency. We must ensure that the transparency provisions in the bill are not diminished. If George Bush can put his receipted donations on the web within 48 hours of them being received, then we should not be settling for anything less. People must know immediately who is contributing to our elected representatives.

The third issue has to be the sources of the money. We again must bear true vigilance to what is happening south of the border with the Bush political action committees. As we say, if we block the toothpaste coming out of the tube we need to know where all the little pin holes are. Therefore, before we stop something we need to make sure that we have anticipated how people will get around it in order to have the influence that they think they want to have.

I have some concerns, even though the bill is spectacular in what it does for all of us in getting rid of unreceipted money in the politics of Canada. Full disclosure is an important step to deal with all aspects of political financing.

●(1030)

For all donations over \$200 to have to be disclosed, whether that is for riding associations, nomination races, candidates' elections or leadership races, this is a hugely important initiative that the women's caucus had felt very strongly about, indeed, back to the Lortie commission, where we understood that money and nomination fights were the most important barriers to women running for office. Having no unreceipted donations to political campaigns will deal extraordinarily well with the transparency issue and I think will serve to reduce the inequities. Women candidates have traditionally had much greater trouble raising unreceipted dollars. The idea that this then brings it in under the scrutiny of the chief electoral officer I think is extraordinarily important, and in terms of the enforcement of these rules, I think it is extraordinarily important too.

In regard to the bill proposing a limit on the amount of money that could be spent in a nomination fight, we have some concerns. We in the Liberal women's caucus have suggested that it should be about 10% to 15% of what could be spent on an election. The bill puts it at 50%. We think this is still too high, although we do have to acknowledge the fact that this now would be receipted dollars, which would help a little bit. However, it would mean that in my riding

\$30,000 would be spent on a nomination fight and I think that is still too high.

I think that the limits on individual donations up to \$10,000 and corporations up to \$1,000, only to ridings, even though there are strict anti-avoidance penalties, do not prevent executive and board members from giving as individuals. It just prevents them from being reimbursed from their unions, companies or associations. I am worried that this would lead to lesser transparency, as the Elections Canada donor list would then list only the individual names and not the companies they work for or the associations they belong to. I have heard certain concerns raised by some forensic accountants that this may create more problems than it would solve. I think it is important that we move to this way of more individual support for political parties, but I do think that blurring what used to be transparent political donations, and now burying them under business expenses, is very difficult for Revenue Canada or Elections Canada to trace.

What we want is real time transparency. We are concerned that other third party contributions are not capped, other than during elections, and now in terms of the issue at the Supreme Court.

We worry that this may mean that organizations and individuals can unduly advertise and have influence on behalf of a political party without the scrutiny of Elections Canada. In fact, last month there was a full page ad taken in *The Globe and Mail* by Tom Caldwell, whose son happens to have been an Alliance candidate in the last election. That full page ad criticizing one party and supporting another party is indeed \$33,000 that does not show up anywhere in this particular legislation.

I think that in the greater public funding of elections the \$1.50 per vote obtained in the election is a good idea. I think people certainly have recourse in terms of what some of my constituents have expressed in not wanting any of their money to go to the Alliance Party or the Bloc Québécois in particular, but they certainly can give up to \$10,000 to remediate that problem, as was pointed out by the Prime Minister last week.

I think the process and the timing of these reforms are very important. If this indeed is a problem of perception of influence, we must hear from citizens about what they see as the problem and therefore be prepared to tailor the solutions. This is about government continuing to be relevant and responsive to their needs and concerns, and it is indeed about regaining the trust and confidence of Canadians in our electoral system and the way that our political parties are financed.

Government Orders

•(1035)

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, I am happy to speak to Bill C-24 regarding political financing. I would first like to correct, as it were, the comments made by the member for Okanagan—Coquihalla, former leader of the Canadian Alliance, former leader of the Reform Party, at the end of his speech, when he suggested, in response to the remarks by the former Minister of Finance, that it would be wrong and probably shameful for Canadian democracy to finance the Bloc Québécois, a party which promotes Quebec sovereignty, as you know.

This may seem annoying, but such is the price of democracy. These people should understand that. If Canadian democracy is held up as such a wonderful model, then we should be only too glad to take it to its full and logical conclusion.

We could make the same complaints in Quebec, as sovereignists. We know that the legislation in Quebec, which I am going to talk to you about shortly, allows for opposition parties in Quebec to receive funding, just as does the Parti Québécois.

However, these parties, both the Liberal Party of Quebec and the Action démocratique du Québec want to consign the people of Quebec to the provincial category once and for all; they want to “provincialize” Quebec forever.

We, as sovereignists, tolerate that. We allow these people to receive public financing. They want to place limits on Quebec. And we allow them to receive this funding. The complaints of the former Minister of Finance, like those of the former leader of the Alliance, are either entirely founded—and allow us to make the same complaint to the Liberal Party of Quebec and the Action démocratique—or completely ridiculous.

I am going with the latter. These remarks, especially when they pop so spontaneously out of the mouth of the former Minister of Finance, can be described as simplistic, not to say crude, in the context of democracy.

I am now getting to the main thrust of my remarks. It is with great pride and even emotion that I welcome this opportunity this morning to speak on the federal bill on more appropriate and sounder political party financing. We know that, thanks to René Lévesque and thanks to the Parti Québécois, Quebec is one step ahead, one very long step ahead, not only of Canada but also of all political parties in the western world or almost all, with the possible exception of a few I may not know about.

This is very advanced legislation providing that only—and this is the fundamental intent of the law—voters, those individuals who have the right to vote, may make contributions to political parties—this is a major aspect—subject to an annual limit of \$3,000 per voter.

In practical terms, this means that, through this kind of sound financing, a Quebec government of any stripe belongs to everyone and no one. The latest study shows that, out of four or five million voters, 58,000 made contributions, and 82% of these contributions were under \$200.

This shows how democratic this financing is and how the Government of Quebec, regardless of who is in office, belongs to

everyone and no one. And the Parti Québécois in particular, which was behind this bill and introduced it, is reflected in it.

All this to say that, as everyone knows, Quebec society is therefore a very advanced society which can truly be an inspiration to other governments, and that is what has happened with the Government of Canada. It took some time. As we know, distance can make communications difficult, and Ottawa is far away from Quebec City. There are bureaucrats and technocrats everywhere. There may also be preconceived ideas to the effect that anything coming from Quebec is as good.

At any rate, they woke up. Before moving on, the Prime Minister and member for Saint-Maurice saw fit, and this was wise of him, to introduce this bill which, if enforced properly, will bring about—this is something we must realize—a complete overhaul of electoral procedures in this country.

•(1040)

We know that historically it is the oil and gas companies, the banks, the timber companies, the arms producers, the pulp and paper companies, the steel producers who had the government's ear and privileged access to influencing this government's policies, thanks to the secret campaign fund that existed in this country. All you had to do was to call the right person, at the right time, and say that the bill under consideration was not well regarded by such and such an industry and that it would be appreciated if the government could remedy the situation.

It was understood that things worked this way, and things will continue to work this way until the bill passes. Furthermore, the Minister of Canadian Heritage made a somewhat naive admission when she recently said that, in fact, she had witnessed government policies or bills being amended in some cases in response to pressure from people who had made large contributions to the party. They could not afford to ignore it during a given debate or when a certain political will became apparent. It was essential to listen to the wishes and concerns of these people who had been so generous over the past few months or years.

Not only is Canada involved, so is the U.S.A., and we all know how much influence they have on us. According to my knowledge of the situation, and to what I have heard from others, the situation is worse in the United States. A person cannot be a candidate unless he or she is a millionaire to begin with, and also has the support of a specific industry, be it oil, sugar, forestry, lumber, highway construction or whatever. Anyone wanting to get into politics as a senator or member of the House of Representatives in the United States needs to have backing. That is the way things are now in that country. A person needs a whole lot of money to get into politics, to run for office successfully in the United States.

It is not just a matter of money, but also of the way it affects democracy. This is a totally negative situation. The more private sector financing there is, and the more hidden that financing is, the more negative the effect on democracy. There is no such thing as a free lunch, as they say. The greater the effect on democracy, the more the government serves private interests rather than collective ones. That is what we have tried to avoid in Quebec. I believe we have been more successful than other governments that are rather close to us geographically.

Government Orders

If he wants to use Quebec as a model, then the Prime Minister and member for Saint-Maurice should have gone further, and based the bill on Quebec's referendum legislation. He should have announced that he was going to abide by the spirit of that legislation, even if he does not have such legislation himself.

There is the issue of the financing of political parties, but there are also public consultations. There are elections, but there are also public consultations, in Quebec in particular.

In Quebec, there is legislation that covers such consultations. There is the referendum bill, which, as we know, was completely ignored and flouted by the rest of Canada. In the dying days of the 1995 referendum campaign, Quebecers were treated to a love-in, and told how much Canadians wanted them to stay. We know that the federal government spent money freely then. It gave its employees the day off. It helped the cause, even if it was in violation of the spirit of Quebec's legislation. The law was ignored, was flouted. Companies such as Air Canada, Via Rail and others contributed what they could. The same thing for private sector companies, which, in some cases, sent out threatening letters to employees, to vote no under the threat of reprimands. They all should have abided by the spirit of Quebec's forward-thinking legislation.

A major asset that we have in Quebec in terms of democracy is the way returning officers are appointed. Again, in Canada, we are behind the times. The Liberal Party of Canada has been in power for 69 years over the last century. It is very tentacular. If you are not a Liberal, a former riding association president, a former defeated candidate, and so on, you have no chance of being appointed a returning officer. In Quebec, this is done through the most calculated and scientific competition possible. People are appointed based on their qualifications. Canada should also adopt this practice.

• (1045)

Canada would benefit and this would meet the recommendation of the Chief Electoral Officer of Canada to depoliticize the system. It would allow him to fire anyone who does not do a good job on election day. Since he did not appoint them, he cannot fire them, at present. This too is very serious for democracy and taints the electoral process.

Our complaints are rather legitimate and I have already said as much to the Chief Electoral Officer here, in Ottawa. There is a negative bias; there is an adversary among us, before us. I hope Canada will learn from this.

Mr. Jacques Saada (Brossard—La Prairie, Lib.): Mr. Speaker, it is with great pleasure that I speak to Bill C-24.

This is really a very bold initiative, comparable to René Lévesque's when he was Premier of Quebec in 1977, in terms of cultural changes to political party financing.

The reason I find it to be such a bold reform, which basically deserves substantial support, is that, politically, it makes it possible to achieve, at the federal level, an unheard of degree of transparency, in terms of the financing of federal political parties.

We in Quebec are used to that, to seeing such principles spread across the country. I find it to be an extremely encouraging and

promising approach to politics, one which bodes well in terms of exercising democracy.

This bill provides for limits on the amount of contributions by individuals and corporations. Individuals may contribute up to \$10,000. Corporations may contribute up to \$1,000, but only in electoral districts, that is to say to electoral district associations as opposed to directly to political parties.

This bill imposes spending limits on nomination campaigns. Hon. members know as I do that two or three of us who are aspiring to become candidates, for the Liberal Party for example, in a given riding, are put to the test of a vote by members. To that end, we campaign to be designated official candidates for that riding.

For the first time, statutory limits will be imposed; I say statutory because some limits are imposed in an ad hoc fashion.

This bill provides for the public financing of political activities. This is not new in itself, since there is already a public contribution, through tax credits and the partial refund of election expenses. We know that there is already a public contribution to political activity.

Now, an amount will be paid for each vote obtained by the party in the previous election, to ensure full transparency of political party financing.

When we talk about democracy, I think that we must not forget that the best exercise in democracy is for the public to take control of political activity.

How can this be accomplished? First, when a political party or a riding association is required not only to provide audited books showing income and expenditures, but also to indicate the source of all income and the allocation of expenditures, and to make these figures public, I think that enormous progress has been achieved in terms of transparency.

This bill is fundamental and, as I said earlier, it will change Canada's political culture.

It is not perfect. I believe that there are numerous questions that need to be answered. For example, the bill is supposed to come into force on the later of January 1, 2004, and the day that is six months after the day it is assented to.

We know that federal electoral boundaries are being readjusted. The process has begun. The new map of electoral boundaries will come into force only for elections after June 2004.

In other words, if Bill C-24, now before us, was effective as of January 1, 2004, with certain ridings having to file reports after six months, everything would have to be changed again to take into consideration the new ridings.

• (1050)

Why do things twice? Maybe there is a way to improve things in this respect. I am using the electoral map as one example, but there are others.

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For example, in the Liberal Party there are provincial wings and a federal wing. There are also provinces where some of the rules of the Liberal Party of Canada and the provincial Liberal Party are the same and some are not. It is essential to take the time to sort this out as efficiently as possible.

We are talking about ceilings. As far as I am concerned, and I have said it before, the notion of capping financial contributions from business, like contributions from individuals, is fundamental to this bill. If the ceiling is \$1,000 and it is spent in one single riding, will this not be an advantage for urban ridings, since that is where businesses have their head office, compared to rural ridings where there are fewer head offices? I think that it is worth sorting out this problem in a manner consistent with the substance of the bill, on which we all agree.

What happens when there is a nomination and an electoral campaign in the same year? The same company could not contribute twice; it is limited to a contribution of \$1,000 a year. Perhaps there is a way to arrange it so that a nomination contestant keeps this \$1,000, so that the candidate who actually runs for the party in the election that follows no longer has access to it.

There are all sorts of problems of this nature that—I repeat—are not fundamental problems, but enforcement problems. Some political parties, as I said earlier, have provincial wings. If the financing base for the ridings of these provincial wings is reduced, and if refunds go to the wing or at least party headquarters, how will these provincial wings be able to finance themselves when they do not have the right to receive funds from companies directly? There are many problems of this kind that we must address.

Nevertheless, I really do not want us to lose sight of the fact that this bill is absolutely essential. All of us here know the procedure. I would like to remind the House that a bill exists once it has been introduced; this is called first reading. Then there is a debate—during which I am speaking today—which is second reading. This is concluded by a vote in this House. The purpose of this vote is to determine if there is support for the principle of the bill.

I will vote without hesitation for the principle of this bill. Then, in the normal flow of things, the bill will be sent to committee, to the Standing Committee on Procedure and House Affairs in this case, for detailed consideration. That is when the issues and concerns I have raised are looked at in detail, not only to make this bill excellent, but so that it can be enforced in a consistent, harmonious and effective manner.

I look forward to the day when, with these well-thought out, well-worked, well-researched changes—and in fact with the hope that all the political parties will support them—we will be able to give Canada, thanks to this initiative taken by our leader and Prime Minister, new legislation and new provisions that will govern the transparency of political parties and their operations in Canada. I will be extremely proud to have a final vote on this.

• (1055)

[*English*]

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, I am pleased to rise on behalf of the constituents of Surrey Central to participate in the debate on Bill C-24, an act to

amend the Canada Elections Act and the Income Tax Act, political financing.

The purpose of Bill C-24 is: (a) to restrict the amount of contributions allowed to political parties, riding associations and candidates, including candidates for nomination for party leadership; (b) to compensate the political parties for the anticipated loss in revenue from large corporate and union donations by way of direct public financing; and (c) to extend the regulatory aspects of the Canada Elections Act in terms of registration and financial accounting to riding associations as well as nomination and leadership candidates.

The bill is yet another instance of the Liberals realizing their past mistakes, taking a good idea and turning it into a bad law. A candidate with money has a campaign, whereas without money has a cause.

It may be true that money is the mother's milk of politics but I believe political fundraising has contributed to the growing cynicism about public life.

Right or wrong, Canadians believe that money buys influence, and we cannot blame them. A recent study revealed that of the top 25 federal government contractors, 17 are major donors to the federal Liberal Party. Moreover these companies donate to the Liberal Party, versus all other parties, at a ratio of 6:1. At the candidate level the ratio is 30:1.

Major donors are not at all representative of the Canadian economy. Rather almost uniformly they tend to be government contractors, regulated industries and companies seeking changes from the government.

When I was the official opposition's critic for CIDA in 2000, I found out that TecSult, a Quebec firm which had been getting repeat contracts from CIDA, was awarded contracts since 1993 worth \$134 million and the same conglomerate gave to the Liberal Party and its candidates donations worth \$137,000 since 1995. Since we first raised this matter in 1997, TecSult and its affiliates were called Geratec. That firm was dissolved shortly thereafter but CIDA kept paying out millions of taxpayer dollars to the same principals.

Why was the CIDA minister allowed to siphon off taxpayer funds to these firms in exchange for Liberal donations? There are many examples like this.

The Prime Minister is determined to pass Bill C-24 even having gone so far as to threaten an election over the bill. Why after 10 years as the head of the government has he finally become so passionate over campaign finance reform? That is the big question. It seems it took the Prime Minister until he was just about to leave the tunnel to finally see the light at the end of it. Maybe the Prime Minister wants to take care of his good political friend, the former finance minister, whose mind he can read and whom he is so obviously determined to assist in any way possible.

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The Prime Minister's sudden conversion probably has everything to do with cleaning up the image of the government which has been for so long plagued with scandal after scandal, corruption, cronyism with every suggestion that it has been helping Liberal friends. The Prime Minister should be restoring transparency and accountability to the political process. This bill is too little too late.

My major objection to Bill C-24 is that it removes the incentive to go out to ordinary Canadians and raise money from individual donors. In fact discourages and thus limits individual participation in the political process.

● (1100)

Rather than being dependent upon donations, parties and politicians will become dependent upon the public treasury. That seems like a very Liberal idea.

The public should contribute to parties voluntarily, not by law. The government acknowledges that under this legislation political parties and candidates would be 90% on the public take, up from 60% today.

The bill would double the amount that can be claimed against the full 75% tax credit for political contributions, versus the 16% credit for contributions to other deserving causes such as curing cancer, from \$200 to \$400. For example, if the party received a \$400 donation, the contributor would only pay \$100. The tax man would pay the remaining \$300. This measure could add approximately \$15 million in taxpayer subsidies to the parties in a non-election year and approximately \$40 million in an election year.

That is not all. Under the legislation a party would be reimbursed 50% of its election expenses, up from 22% under the current law. This change means that, using the same previously mentioned \$400 contribution, when spent, the party would receive another \$200 from the taxpayer. Of the original \$400 in sum, the taxpayer would be on the hook for \$500. For larger donations the credit would be proportionately smaller. It gets even worse.

Under the proposed legislation, political parties would be permitted an annual allowance based upon the number of votes received in the previous election provided the party received either 2% of the votes cast nationally or 5% of the votes in the riding where it ran candidates. For every vote received, a party would get \$1.50 per year. Even those who agree with public financing, which I do not, should find \$1.50 per vote excessive.

Let us use the results of the last federal election as a benchmark, but it should be kept in mind that election witnessed the lowest voter turnout in recent history so the numbers could easily be higher in future elections. This would have amounted to a public subsidy of more than \$20 million to the parties each year.

First the Liberals pass a law against so-called third party advertising forbidding Canadians to spend their own money on a cause they believe in. Now they are forcing the same Canadians to spend their money on a cause they may not believe in.

The Canadian Alliance believes that political parties should be more dependent upon financial support from grassroots members of political parties. People will give money to a party that provides them with a voice and an opportunity to bring about real change in

the way the country is governed. That is why we have had such success in attracting individual donations. In 2001 the Canadian Alliance had 49,000 different contributors whereas the Liberals had only 6,500.

This would also put independent candidates and the small and new fringe parties at a disadvantage. They would not have an equal and fair chance during an election. The governing party, the largest party in the House, would continue to enjoy an advantage in the cycle for a long time to come.

The government has long believed it can spend Canadians' money more wisely than Canadians themselves can. That attitude needs to change. Canadians can decide for themselves to whom they want to give their money. They do not need the government to decide for them.

There are many other weaknesses I could point out. Recently it has come to my attention that some members have accumulated large trust funds containing hundreds of thousands of dollars. That is not fair. The provision is impossible to meaningfully enforce so that there could be some accountability.

I will oppose the bill as it increases taxpayer funded subsidies to political parties. I can support in principle limitations on corporate, union and individual donations. I rigorously condemn the enhanced public funding of political parties, especially where it is unrelated to actual financial contributions from a party's supporters.

● (1105)

We are prepared to accept the current reimbursement formula for candidates and parties for direct election expenses. We will seek amendments in committee to tighten up an attempt to prevent indirect contributions through trust funds to make the provisions of the bill fairer to smaller parties and non-incumbents and to limit taxpayer contributions to parties they do not support.

Therefore I will oppose the bill.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, Bill C-24, the details of which members have laid out in a number of ways, has to do with an important principle. It has to do with the principle of the appearance of government. Members will know that if it appears that something is so, that is almost as bad as if it were so.

We live in a society in which bashing politicians has become a national pastime. It is much like with the banks. I hate banks, but boy I love my bank. The job of a member of the opposition is to be critical and to try to slant the facts in a way which would discredit the government. Words such as "corruption" and "cronyism" continue to be thrown around to say that corporations are buying government favours and getting all kinds of work because they have somehow given money to a party.

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The member is quite right. The perception of Canadians is that large corporate contributions have an influence on members of Parliament, on cabinet ministers, on bureaucrats and on government as a whole. Bill C-24 came forward to address the negative appearance of undue influence of corporations and unions on the Government of Canada and all those who are involved.

Canadians may not know as well as we do the kind of political bureaucracy that has been established which sustains the parliamentary democracy that we enjoy in Canada today. It is unlike that in the United States where there are virtually no limits on the amount of money that can play in politics. A congressman could spend anywhere from \$1 million to \$4 million on a campaign alone. People may ask themselves why someone would spend \$1 million to \$4 million to get a job that pays \$200,000. It makes absolutely no sense. If we looked at the average net worth of a congressman, we would find that it is basically an elitist profession in the United States. It is the rich of the country who are governing a country of all economic walks of life and socio-economic diversity.

Canada enjoys a parliamentary democracy. People should understand it is important that there be political parties. It is important that those parties be vibrant.

Through the provincial and territorial wings of a party's offices, through the riding associations which are located in each of the 301 constituencies across the country, the members of those constituencies participate in the democratic process. They develop policy issues for their respective party. They continue to update, renew and review their positions on the important policy issues of the day. Virtually every policy issue is well researched and well articulated so that Canadians can understand not only what is the party's philosophy but also what is its platform, what is its vision for Canada and what that party believes Canadians want to see in their country in the decades to come.

Politics is about making decisions and making choices. This extensive process of political infrastructure operations requires funding. To protect that process and to ensure in particular that all Canadians have an opportunity to participate fully in our democratic political process, the Canada Elections Act and related rules guide us in how much can be spent on political contributions and expenses in elections.

Those rules are there so that every Canadian could become a member of Parliament. It is not a matter of money. The principle of a partially publicly funded system of political financing allows people to raise enough money, with the support of all Canadians through the tax credit system, to present their views and present their candidacy for a particular political party or as an independent.

• (1110)

The cross-section of the House today is much different from what people would imagine. We are not all lawyers. We are not all retired businessmen who have made our fortunes and we are now doing this. In this place there are teachers and farmers. There are academics. There are lawyers and medical doctors. I am a chartered accountant. There are ranchers, truckers and chiropractors. There are former municipal and provincial politicians. When I look around I see a microcosm of Canada in this place.

Canadians should know that when all Canadians have an opportunity to participate in the democratic parliamentary process and all Canadians have an opportunity to run for public office and become members of Parliament, that is a good thing. One of the reasons the publicly financed political system has been widely accepted as appropriate for Canada is it promotes our democracy.

One part of the bill suggests that we need to make it a little easier for certain people, whether they be women, minorities, people of a certain culture or religion, to participate.

I am not sure whether tinkering around with the amount of money that someone can spend on a nomination campaign will really matter to whether someone has an opportunity to become a nominated candidate. Let me share the way I think it goes, in terms of if someone wants to be a member of Parliament.

I think an analysis of this place would find that about 80% of the people have very impressive community service records. Over a long period of time they have made significant contributions to their communities, whether it be through a charitable organization, coaching ball or hockey, or being on hospital boards. I was on the board of a shelter for battered women and a rent geared to income housing organization. I spent nine years on a hospital board and coached hockey and ball as well.

In time I got around to realizing that what I really liked to do was to be with people and talk to people. I liked to help them with their problems and I enjoyed the satisfaction of getting things done. For those reasons, people got to know who I was.

When the time came and the opportunity was right, I put my name forward. I was involved with the Liberal Party. It was my party of choice based on my knowledge of the history and the background of the Liberal Party. I became a nominated candidate for the Liberal Party because I was able to go to the people whom I had served in my community and say, "I would like to do this. I need your help. Will you join the party? Will you support me in becoming your candidate in the next election?"

People do not get elected because they have money any more. I think they get elected for what they have done, not for what they promise to do.

The bill goes a long way in raising the importance of re-instilling some respect and some honour for our profession. This is a very honourable profession and I know members value it very much. Part of the process is to deal with the perception that there is undue influence of large contributors and that the rules are not quite right, to ensure that no one would somehow conclude that money was controlling the destiny of legislation in Canada.

The bill is an important instrument for us to deal with. There are many technical aspects to it. I think we can get it right. However, the macro objective is to correct the appearance of government as it will help to improve the democracy of Canada.

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• (1115)

Mr. Rick Borotsik (Brandon—Souris, PC): Mr. Speaker, I am pleased to rise on behalf of my constituents of Brandon—Souris to speak to a piece of legislation that I believe is important for many of the same reasons that the member from Mississauga just talked about.

There is no question that Canadians are looking for accountability and transparency, and for politicians they can trust. As the member just said, we have lost that trust to a great degree. If we look at the polls I think politicians are on the same level as lawyers or used car salesmen. I must be careful about this one, but the point I am trying to make is that the public sees politics in a tainted view. I look at this legislation as being an opportunity to regain some of that trust from Canadians in general.

I will veer a little and I know the member will not be pleased with the tenet I am about to take. When I first came to the House I was perhaps a little naive. I had all the experience at the local level that the member talked about and I felt comfortable coming here and suggesting that we could make a difference, whether it be in the government backbenches or in the opposition. It took some time for me to become the cynic that perhaps I am today. I am not terribly cynical but still cynical enough to recognize that one cannot judge a piece of legislation by just looking at the surface, one must dig underneath to find out what the real motives are and what the driving force is.

The Prime Minister brought this piece of legislation to the House of Commons which I find ironic. The Prime Minister has lived under the terms of the system for the past 10 years and now all of a sudden has found religion. He has seen the light and says we must change the system so that Canadians can now better trust the politicians and the politics. I find it ironic that it took that length of time for him to bring forward a piece of legislation that would fix the problems that he has said for the last 10 years obviously did not exist because he lived under that system.

I find it interesting that this legislation came in the form of a bill. It could have come on the back of a cocktail napkin, as we have seen other documents tabled in the House before with perhaps not quite the same acceptance by the House as being a legal document.

I looked below the surface and I would like to indicate what the bill would not do. It would not instill the trust of Canadians into the political system. It would not stop ministers from accepting chalets from an individual or corporation that does business with the government. The bill would not stop that. It would not stop the political patronage that goes on in those benches. It would not stop a minister of the Crown being sent to Denmark after being able to treat his friends and relatives with largesse. It would not stop the political pork-barrelling simply because the government would have reduced the level and limits of corporate donations.

What would stop that is a complete change in political attitude on that side of the House where the government would treat Canadians with the respect they deserve. That would allow Canadians to be a better part of the political process.

The Canadian Alliance was railing about the fact that Canadians would be forced to contribute to parties with which they had

contrasting beliefs in ideology or direction. I find this rather interesting coming from a populist party that puts the rights of the National Citizens' Coalition above those of the people. I find it interesting that the rights of the National Rifle Association are put higher than the people the Alliance is here to represent.

I find it difficult that a populist organization like the CA now says it is not fair that people must contribute to parties that they do not want to. It also mentioned and I believe reference was made to "that French party". No, it is the Bloc Québécois and it will also receive contributions from the public. There are still people in this country who do support and vote for the Bloc, and they have the right to contribute to the Bloc in any way, shape or form.

• (1120)

Let us get down to brass tacks. What is happening now is that Canadians are becoming disconnected with politics. Voter turnout has gone from 75% in 1988 to a low of 61% in the year 2000. That is deplorable. We must get people back and connected with politics. How do we do that? We try to become honest and become what we should be in the House, the representatives of the beliefs and thoughts of our constituents.

The financial package contained in the Canada Elections Act may help that. What does it do? The nomination process would allow people to get involved in the nomination process with limits on expenses during that nomination, half of what it would be for a candidate in an election. That is fair. We all ran under the existing legislation and laws, and found that in our cases it was successful.

We were allowed to spend a limited amount of money during the election campaign with contribution back from the federal government of 50% of our expenditures. That was fair and easy to do. We are now asked to continue with that and have some constraints placed on us as candidates in the riding. Those constraints are limits: \$1,000 from corporations and \$10,000 from individuals.

I do not know about the rest of the members in the House, but when I go out on the streets I tell people those numbers, both the people that support me and do not support me. When I tell them it is \$1,000 corporately and \$10,000 as individuals they say that I must be wrong, that those cannot be the numbers, and that they must be reversed. I tell them no, the proposed legislation is \$1,000 corporate and \$10,000 individually.

They say that does not seem right. Corporations obviously have a better opportunity to make those contributions than individuals do. I tell them that was the reason why the Prime Minister brought in this legislation, to get away from the perception that corporations in fact have undue political influence because of their deep pockets. Whether that changes or not, I believe I am still cynical on that point. I do not know if that will change. Perhaps we can listen to more of that debate in committee.

Government Orders

There is the \$1.50 per vote. We have heard from one of the parties that says absolutely not. It should not be done, it cannot be done, and citizens should not have to spend dollars that they do not want to spend on political parties. It is happening now.

Currently, we contribute approximately 60% of the total expenditures regardless of contributions having tax deductibility. Our contributions are coming forward through the public purse because of the 50% or the 22.5% reimbursement to parties after elections. It works out to about 60%, which in fact could be raised to about 80%. We now have a public that has more say in how the system actually operates than perhaps the corporations and individuals.

If the Prime Minister wants to deal with this honestly and forthright, he must resolve one glaring omission dealing with trust funds. If he has simply appeased his backbenchers by saying we are not going to deal with the trust funds that are out there, then the legislation is wrong. There must be an opportunity to deal with those within this legislation. If there is going to be a back door, then the mistrust and the cynicism of the Canadian public has not been stopped. We must ensure that aspect is dealt with in this legislation. If the government is not prepared to deal with that in this legislation, then it is not prepared to deal with the true problem that is out there in our society.

Regardless of what I or my party say, although we have as a party put forward some suggestions as to how we can better bring contributions into the system, this will go forward to committee. Here I go back to my cynicism. I honestly believe that in committee, with the help of members of the government, we could change the legislation to have it come forward as a better piece of legislation.

● (1125)

I hope beyond hope that perhaps on this particular piece of legislation that backbenchers and the Liberal members would be prepared to listen in committee and would be prepared to put forward the necessary changes to make this a better piece of legislation. If they do that, they would have made a huge step in getting Canadians to trust politicians.

I will by the way, as I sit on the committee, have a lot more time to speak, not only to the witnesses, but to the government.

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, it is good to speak to Bill C-24, an act to amend the Canada Elections Act and the Income Tax Act (political financing). The two are closely tied together.

It was interesting the other day when the Prime Minister introduced the bill in the House. He stands here day after day, and defends himself and his government against scandal after scandal. He says over and over that everything is fine, everything is above board, and there is nothing going on that should not be and it is squeaky clean. On the other hand he brings in a piece of legislation and promotes it by saying it would clean up influence peddling. If there is not any, what is the problem here? I think an assumption we all must make is that there is a problem.

He indicated that this would make things more open and democratic. One of the members from the Liberal side talked earlier about being nominated. In some constituencies there is no

nomination meeting. The Prime Minister parachutes a candidate and says it is the person he wants to run in that riding and that is who it is. In the governing party the Prime Minister has the right to not sign nomination papers. That is not democratic. It is certainly different from the way our party works.

If hon. members want to talk about fighting for democratic change, I do not think they should look across the House. They should look right here. That is something on which this party has based its policies and platform. There needs to be more democracy here in the House and throughout the system under which we operate. Time after time we have brought forward recommendations that could have been implemented. We have looked at all aspects of governance to see what could be done to make it more democratic and make Canadians feel that they have more of a say in what happens in governing the country.

However we have been turned aside. There were simple things like working with private members' business to make more bills votable allowing individual members the opportunity to have more of a say and to bring up issues that they were hearing from their constituents to put into law. However that is fought at every turn.

I believe the bill is proposing to take away from Canadians the opportunity to support who they think best represents their policies or what they feel is right for Canada and the Government of Canada. I have always maintained in my campaigns and in the campaigns of our party that if a person wants to donate, then that is great. People donate because they believe in the policies and platforms of a party and they believe in the candidate. If people donate because they expect to get something back in return they will be very disappointed. If people are donating to a political party because they think it will bring back some personal or corporate benefit to them, then indeed we do have a huge problem.

I will always remember that in the last campaign I received a cheque from an elderly widowed lady for a small amount. It was sent with an attaching note saying that this was all she had. She said it was all she could afford, but she wanted me to have it to use it to promote what my party and I believed in. That is what this is all about. If we take that away, if we make people donate through the tax system and contribute to parties in which they do not believe, that gets away from the whole aspect of what is right and what needs to be done in our political system.

I wish to do a recap on what the bill entails. The intention appears to be to compensate parties for the removal of corporate and union donations which are largely made at the party level rather than to individual candidates or constituency associations. The way the bill is constructed, there would be many ways to get around that. The amount of individual contributions is high. I am sure that if a union or a corporation were to funnel some money into a party, then that would be able to be done, even under the new rules with the \$10,000 for personal contribution. When we think about that, the maximum tax credit people could receive is for a donation of \$1,275, so if they are donating over that, then it certainly is not to get a tax benefit.

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•(1130)

Political parties are at the heart of a modern political and electoral system and are essential to a vibrant and viable democratic system. It is so important that different parties come forward to represent different views and represent different aspects of society.

Whether this should entail public funding, directly or indirectly and, if so, at what level or what level is appropriate is the debate today. At present, registered political parties are publicly funded through the tax system, deductions for contributions, and through the partial reimbursement of election expenses. I will get into that a little later.

Candidates are also reimbursed for a proportion of their election expenses, while contributors can take advantage of the favourable tax treatment of political donations. There is a compounding factor that I will mention. The bill proposes to enhance and extend that regime.

Currently, registered parties can be reimbursed for 22.5% of their election period expenses. Anything that is spent during the writ period, the federal party or the national party gets 22.5% of that back. The rate of reimbursement of electoral expenses for candidates is currently 50%. In our local campaigns we get back 50% of everything we spend during the writ period from the taxpayer.

If people donate \$400 under the new proposal, they get a 75% tax deduction for that. When we as candidates put that forward, we get 50% of that back. This has a compounding effect and the taxpayer continually pays for campaigns.

With respect to individual candidates, the bill proposes that the percentage of votes a candidate must obtain in his or her riding to qualify for reimbursement of electoral expenses be lowered to 10% from 15%. That 15% has always been a platform where we want to try to keep our opposition or the people who we run against us underneath that because they do not get the rebate. It is an additional challenge when campaigning. Now that has been lowered to 10%.

The proposed bill provides for an annual allowance. I want people to understand that this is an annual allowance to registered parties in the amount of \$1.50 per vote received by the party in the previous general election, provided the party has received in the last election either 2% of the valid votes cast nationally or 5% of the votes in the ridings where the party ran candidates. Every year between elections that \$1.50 will come to political parties. This figure is apparently based on replacing what would be lost to corporate donations. I believe there are other reasons for that.

Let us look at what happened in 1993. In the previous election in 1988 the Progressive Conservative government had a majority. That majority was reduced from roughly 170 seats to 2 seats. Over that period of time the support for the party had dropped right through the floor. It had come down to about 2% of what it used to be. However during the period of time between elections it would have continued to receive \$1.50 for everybody who cast a ballot for it in the last election. In the meantime its support had absolutely evaporated. Therefore, in the last couple of years before an election things can change dramatically. People who had voted for the party but no longer supported it would still be giving \$1.50 per year.

As an incentive to encourage contributions by individuals, the bill also introduces amendments to the Income Tax Act to double the amount of an individual's political donation, which is eligible for a 75% tax credit from \$200 to \$400, and to increase accordingly each other bracket of the tax credit to a maximum tax credit of \$650 for political donations of \$1,275 or more. The Income Tax Act amendments in the bill will apply to the 2003 tax year and beyond.

If we raise the eligible tax credit to 75%, I know one gentleman at home who will be completely torn apart by this issue. He wants to donate to the Canadian Cancer Society, the Kidney Foundation of Canada, Child Find or others and he wants to get the same credit for that as he does for a political donation but he cannot.

•(1135)

In wrapping up, we cannot support the bill because it puts the onus of funding political parties on the taxpayer in general, instead of a person having the ability to support the party that he or she wants.

[*Translation*]

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, I am pleased to have this opportunity to take part in this historic debate. I never thought I would see the day federal Liberal MPs would sing the praises of René Lévesque.

That is why I call this a historic debate, a bit late in coming, but better late than never, as they say. It is all part of the process of cleaning up politics.

What inspired the Prime Minister, at the end of his mandate, to finally decide to remedy the numerous shortcomings that existed in the way Canada's political parties were funded? It is not up to me to answer that question, but I am really glad to see that, at long last, the Canadian Parliament is taking action to make politics more democratic.

There is still much to be done, but at least this is a significant first step. That same step was taken in Quebec back in 1977. From that time on, MNAs had a free hand, because the voters of Quebec are the ones who decide what party they want to support. This is a free choice, with known rules and standards.

For a long time now, the Bloc Québécois has been rising in this House to speak out against the major shortcomings in political party financing. Today I am delighted to hear the other side referring to René Lévesque as the one who changed the rules of democracy. I am proud to hear that, but I would point out that there a lot of time went by between 1977 and 2003. And we are only at this stage now.

When the whole business of the sponsorship scandal was raised, with all the media coverage it got, and the denunciations in this very chamber, with all the talk of Groupaction, the Prime Minister and all the Liberals knew very well that this situation arose because of the way the legislation stood at that time. But we still had to wait for changes.

Now there are some changes. Why did the federal government wait so long, why did it tolerate such major scandals as we have had here since the 2000 election?

Government Orders

I trust that the changes proposed by the government today are the start of a process of democratization in this House. First comes changes to political party financing. Next there will have to be some work on lessening pressure on parliamentarians, that is trying to democratize life in Parliament. We will have to discuss such things as the matter of voting along party lines, the matter of decisions being made without consulting the elected representatives of the people.

So that is democracy. The current Prime Minister—who will leave God knows when, officially at least in 2004, but in politics anything can happen—should not get to leave saying “I have made the most significant historical contribution in changing the party financing legislation”. There are other things that could be done. He could say, “I have waited so long to amend it; this must not be allowed to go on”. Above all, on the eve of a leadership race, it is important that those who will come after him uphold these changes.

•(1140)

Personally, I get the impression that the hon. member for LaSalle—Émond will be very tempted to revert to the old way of doing things. To talk about cleaning up the financing of political parties is one thing, but it is not so easy to address the issue of how candidates go about collecting money to fund their leadership campaigns. Having again benefited greatly from contributions from corporations, companies and friends of the party, they may well be tempted to revert to their old ways to pay them back.

I hope that in our debates in the next few weeks we will hear from these people and that they will make firm commitments to ensure that the historical step taken in this House with Bill C-24 does not disappear with the change in prime ministers.

In addition, all opposition parties, including the Canadian Alliance, should find more convincing alternatives than the one before us. The debate is far from over; it has only just begun.

I think that the people of my riding and all Quebeckers are proud today to see that the government is finally acting, the Bloc Québécois having raised this critical issue of party financing countless times. Like the other parties of the National Assembly did when the PQ was defeated, the Liberal Party of Quebec respected the major changes made to the system. The people from my riding and from around Quebec expect that the future leader, the man or woman who will lead the Liberal Party of Canada, will uphold these changes. We must not backtrack, we must continue to move forward.

I think that the current debate needs to focus on the changes awaiting the Liberal Party of Canada, because that is the party in power. I invite all federal Liberals, especially those from Quebec, to make a public commitment to the voters, to say that they will uphold these changes. I invite them to promise to avoid going back, regardless of the political pressure that may be brought to bear on them during the leadership campaign.

In Quebec, the political parties remained faithful to what René Lévesque accomplished. I dare to hope that those who continue to make history in this House will remain faithful to these changes and that they will continue to speak highly of René Lévesque.

As I mentioned at the beginning of my speech, I never thought that I would rise in the House to thank everyone here for recognizing

the work of René Lévesque. Maybe, someday, members will say, “You know, in the end, sovereignty-association for Quebec is a good thing. It would put an end to east-west tensions. Perhaps it is the way of the future to redefine a historic framework agreement”.

I hope that these historic changes being made will be upheld, and that the appreciation for René Lévesque's work will embrace more than simply the issue of party financing. That, too, is part of the evolution. That, too, is part of history.

In closing, once again, I am proud of the changes proposed in Bill C-24, but these changes must remain in place, regardless of who becomes the next Prime Minister.

This historic step must not be undone. We must uphold this change for the sake of all Quebeckers and Canadians.

•(1145)

[English]

Mr. Kevin Sorenson (Crowfoot, Canadian Alliance): Mr. Speaker, I count it a great pleasure to rise in the House on behalf of the constituents of Crowfoot to debate changes to the way that we finance political parties in this country.

The Canadian Alliance has been at the forefront in advocating comprehensive reforms both to the Senate and to the House of Commons. We believe in parliamentary reform. We believe that we need to have systemic change. We strongly believe that the country needs a more effective system of direct democracy to enhance the voices of average Canadians. The only time that citizens of the country really get an opportunity to let their voices be heard is every four years at election time, and we want to change this fact.

Canadians have effectively been excluded from participating in the forum that decides how their daily lives are going to be run and how their daily lives are affected. What we have in the country is a system of government that rules from the top down. The tendency of this and previous governments has been to increase their own power by employing closed door policies, policies that close out the average Canadian. Only an exclusive few, namely the cabinet, the executive council of government, which is influenced by special interest groups and large corporations or unions, are deciding our policies and our programs.

Effective communication between citizens and their elected representatives has been diminished. Politicians are not accountable to their electorate on a day to day basis and, rather than seeking to gain public confidence through listening and accommodating public concerns, elected officials have spent their time selling the government's programs and legislation to the people. In other words, rather than representing their constituents in Ottawa, federally elected officials have become Ottawa's representatives back to their constituents.

Government Orders

My colleagues and I on this side of the House are committed to changing this sad reality. We are committed to changing the autocratic means of decision making by restoring power to its rightful owners, the people of this country.

In direct democracy we have a number of ways to allow Canadians to have a greater voice. Recall is a procedure that effectively allows voters to hold their representatives accountable. It is another procedure which we believe can help put power back into the hands of the people.

As it stands now, elected officials cannot be dismissed by the very people who elected them, except at election time. As we have already heard today, in some parties where nominees or candidates are appointed to run for that party, the people may never have an opportunity except at the time of an election. This leaves the impression that politicians are above the rules and regulations that govern the average Canadian worker. Allowing an elected official immunity for misconduct or incompetence is an absurdity that has added to the current level of political apathy in the country, as witnessed in the last election where we had a voter turnout of approximately 51% of the electorate. People are losing hope in what they see happening in Ottawa.

Author William Mishler states:

Political attitudes and behaviour are learned. The political apathy and inactivity characteristic of large segments of the Canadian public are not intrinsic to man's basic nature. They are neither inevitable nor immutable. The decision to participate in or abstain from politics is to a substantial degree a conditioned response to a political environment.

Our current political environment, our current political system, has produced a nation of cynics who hold politicians in contempt. The perception, and in some cases the reality, that politicians can be bought has only added fuel to the fire.

Therefore, we want to change the undue influence that large corporations, the unions, associations or individuals have on political parties and thus the government. It is for this reason that we support certain aspects of Bill C-24.

• (1150)

In the last couple of years, allegations and evidence have surfaced regarding certain companies receiving government contracts based on past financial donations to election campaigns. Just this past fall, the former solicitor general resigned after the ethics commissioner ruled that he should not have intervened in a funding request from a college that was run by his brother.

In the spring of 2002, it was revealed that the member for Cardigan had lobbied the RCMP and Correctional Service Canada for funds for a police training program proposed by Holland College, a provincially run institution headed by his brother. The ethics counsellor's investigation was sparked by revelations that the solicitor general's department had issued a contract in May 2001 to the political pal of the member for Cardigan for \$100,000 worth of strategic advice. Mr. Wilson was seeking clarification on whether or not this contract was awarded without following proper Treasury Board guidelines or rules.

Just over a year ago in another incident, Mr. Paul Lemire was convicted of defrauding HRDC of almost \$200,000 in HRDC grants.

This man had travelled with the Prime Minister during elections. He had travelled on a team Canada mission in 1996. He had donated to the election campaign in 1997. Subsequently he received millions of dollars in grants in 1998 while under yet another investigation for fraud, against Revenue Canada, for which, I might add, he was finally convicted.

Again, we need to avoid any perception, whether real, imagined or perceived, that elected representatives can be bought for future financial favours. Bill C-24, by limiting the amount of money that corporations can contribute to political parties, would help eliminate this perception. Therefore we support parts of Bill C-24 that would restrict the amount of contributions allowed to political parties, riding associations and candidates, including candidates for nomination or party leadership.

We do not, however, support the portion of the bill that would compensate political parties by way of direct public funding for the anticipated loss of revenues from the donations of large corporations and unions. We will never accept that because some parties may lose dollars from unions or large corporations, we then must replace them with more taxpayers' dollars in funding.

In the words of the Leader of the Opposition, Bill C-24 "is simply an autocratic solution to a democratic problem", in that it would increase taxpayer funded subsidies to political parties. In other words, Canadian taxpayers would have no choice to which party their hard earned dollars would go. An NDP supporter may end up backing the Canadian Alliance, whereas our supporters may end up sending their money to help fund the Bloc Québécois.

Many people probably do not know that taxpayers already heavily subsidize political parties. Donations to a party are subsidized in that a tax credit of up to 75% is provided. The money spent by candidates is reimbursed by as much as 50% of their eligible expenses, while parties get back 22.5% of their total electoral expenditures after each election. To put a dollar figure on this, in the 2000 election these so-called rebates cost Canadian taxpayers just over \$31 million to refund candidates and \$7.5 million to refund political parties' eligible election expenses. Currently, by this one measure alone, taxpayers are footing the bill for approximately 40% of the funding during elections.

As stated earlier, we support the portion of this legislation that would limit the amount of money that corporations may give to parties. It may help in restoring Canadians' faith in the integrity of their elected representatives. We believe that if people want to donate to a political party, if they believe in that political party, if they believe in the policies of that political party or in the individual who represents them at a constituency level, then their contributions and donations are the way that political party is funded.

Government Orders

We are, however, adamantly opposed to the enhanced public funding of political parties. In a democracy it is simply wrong to force hard-working Canadians or citizens to support certain political parties. Every voter in the country should have the right to choose which party they support.

• (1155)

In closing, I would like to quote the Leader of the Opposition, who said that “the true nature of the bill is simply the replacement by the [Liberal] government of its addiction to large business and union donations with an addiction to taxpayer funding”. He said that the bill simply forces Canadians “to pay for political parties they do not necessarily support”.

This is why we will not support Bill C-24.

Mr. James Moore: Mr. Speaker, I rise on a point of order. It is always important when we are debating important legislation, especially that which is put forward by the government, that there be more than one Liberal out of 180 in the House. Could we have a quorum call, please?

The Deputy Speaker: There is quorum. Resuming debate.

Mr. John Williams (St. Albert, Canadian Alliance): Mr. Speaker, I am pleased to rise to talk about the proposed legislation.

It was pointed out by my hon. colleague that this is not so much a government initiative. It is about Parliament, democracy and action. It seems to me that the Liberal Party does not recognize the distinction between governing the nation and providing rules for democracy.

Democracy is the engagement of all citizens in Canada in choosing their government, criticizing their government and holding their government's policies up to scrutiny prior to passage. At election time, if people do not like what has been delivered, they can vote for another party.

The Prime Minister wants to leave some great legacy, although I am not sure why because he has had nine years and has done nothing. However he now feels that in his last year in office he should leave some kind of tangible legacy. He thinks this legislation is part of that legacy. This is no legacy. He has taken an autocratic approach. He has gone to the Liberal Party caucus on a Wednesday morning and told his members that they will vote for this. Then it is foisted upon all other political parties in the House, and the country has to live with one man's opinion on democracy. This cannot be. That is why the bill is wrong.

Bill C-24 is wrong in the fact that it is one man's opinion. It should have been by all party negotiations, by all party support, so that the parties representing all Canadians who voted in the last election could have had a say as to how democracy would work in Canada. The simple, fundamental, failing of the bill is that this is democracy in one man's opinion. That in itself tells us that the bill is wrong.

When history looks back on the legacy of the current Prime Minister, it will say that he failed. He has failed in many ways but he has failed again in the way he has foisted this upon all Canadians.

We all know that the bill denies corporations and unions from participating in the democratic process. Unions by their very selves are part of the democratic process because they represent their

members. Corporations have been used in the developed world to create organizations that bring capital and labour together to provide the prosperity, the goods and services we enjoy in Canada and in the western world. They are also being denied participation through the bill.

The next time around we might find out that local groups and organizations that want to have a role in the democratic process will be deemed illegal. Rather than regulating segments of society, we should be controlling the political parties. We should not be controlling the people. It seems to me a fairly simple thing to do.

There is nothing in the legislation that controls political parties once they get their hands on the cash, and most of that cash comes from the taxpayer. Therefore they are not accountable any more to the people who donated it. Therein is a fundamental flaw. The government is saying that political parties are now going to be another institution on the government welfare role and they will get a cheque from the government, from taxpayers, whether taxpayers support their ideology or not. The taxpayer has no say. The voter has no say. The people who disagree with the philosophy of a party have no say. The cheque will be written. From the point of view of the Liberal Party, maybe that is not a bad thing.

• (1200)

I heard on the radio a couple of weeks ago that the former minister of finance seemed to have vacuumed up all the Liberal Party money available in the country. I think that was the terminology used. There is nothing left for the party itself and now it has to negotiate with the banker to defer its loan payment because it does not have the cash.

How convenient it would be if the cheque just came from the taxpayer in the mail every month? Then the party could send a part of that to the banker, no problem whatsoever. I am quite sure there was a significant amount of that kind of thinking when the bill was drafted.

Democracy is about engaging citizens. Citizens have been sidelined by the bill. We all know that elections are about knocking on doors, distributing literature, having town hall meetings and engaging society in public debate. I remember one former prime minister who said elections were no time for public debate, but that is by the way. Perhaps I think elections are the time for a public debate and this is when we engage citizens.

The proposed bill will marginalize citizens and make them feel that they are not making a meaningful contribution because their money is no longer required. We as politicians will not have to go out and raise funds. Therefore we will not have to have policies that will resonate and with which people will have to agree if they are to donate to our political cause.

Instead, based on the votes at the last election, the cheque will come in the mail from the taxpayers, which it should not. It will guarantee that party which won the last election will get the biggest chunk of money and therefore has a leg up chance of winning the next election just based on the money from the taxpayer alone.

Government Orders

I cannot understand why the Prime Minister would think that this is a legacy. If the taxpayer is not engaged, if our young people are not engaged, if the taxpayer pays the bills, then democracy will be even more so an issue in a place called Ottawa.

Ottawa is a long way from my riding in St. Albert, Alberta. Quite a number of people in my riding I am sure have not been to Ottawa. They have not seen this marvellous place, this crucible of democracy. They can only see what is on television. It is somewhere way over there, thousands of miles away where those people make rules and decisions that seem idiotic, unexplainable and unfathomable. Yet it affects their daily lives and the way they participate in democracy.

Political scientists bemoan the fact that every time we have an election voter turnout gets smaller and smaller. They also point out a lesser known fact that it is the younger people who are not voting. If younger people do not vote, if they are not engaged in democracy, when they grow up, democracy will be on a very weak footing. Bill C-24 will just make it weaker.

Democracy is a fragile flower that has to be protected and defended. Unfortunately, periodically we go to war, although I hope we will not go to war soon. When we go to war, we go to defend freedom and democracy. People have understood what democracy is all about. As many people know, there is an organization called GOPAC, Global Organization of Parliamentarians Against Corruption, which tries to elevate the effectiveness of parliaments and legislatures around the world because in some places they are totally ineffective.

I always use Zimbabwe, the Ukraine and Peru as three examples where there are elected presidents and elected parliaments. However in all three cases the elected leaders have been implicated in murder because the parliaments are totally and absolutely ineffective. They have become totally sidelined and marginalized. With the bill before us, we are going down the same road in Canada. This institution has become marginalized where people talk all day and achieve next to nothing.

I want it recorded that I am totally and absolutely opposed to this bill.

• (1205)

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Madam Speaker, it is a pleasure to speak to this bill. Unfortunately the bill is not much of a pleasure to read or actually consider. There are five points I would like to make in my ten minutes about Bill C-24, the political financing bill of the Liberals.

First, replacing an addiction to corporate and union financing for campaigns with an addiction to taxpayer financing is not an answer.

Second, the Canadian Alliance is opposed to direct subsidization of political parties. Any public funding to political parties must be tied to voluntary donations coming from individuals.

Third, it is fundamentally wrong to force Canadians to give tax dollars to political parties they do not support or with which they have a profound intellectual disagreement.

Fourth, the bill provides for no limits on donations to politicians' personal trusts. This is a big loophole which would allow individuals, corporations and unions to circumvent the new donation limits in the bill.

Fifth, it is worrying that while the whole world is focusing on concerns beyond this place, particularly the situation in Iraq and the situation with regard to the financing of health care, the Liberals are focusing on what will get them re-elected and what will get their party the greatest financial gain in the coming months as we head into the next federal election campaign.

I will talk about some specific components of the bill and the problems that I have with them.

First, in the bill corporations, unions or incorporated associations can contribute a maximum of \$1,000 per year to a combination of the riding associations, nomination candidates or general election candidates of each political party. Therefore, they can contribute a maximum per year of \$1,000 times the number of registered political parties. I do not have a big problem with that part of the bill, although I have a problem with the idea of limiting how much an individual or a corporation should be allowed to give to a political party.

With regard to the campaigning of elections, to me the question is not how much should one be allowed to give or how much should a group of people who are organized collectively be allowed to give, but how much should campaigners be allowed to spend and how is the money that is given disclosed?

A Canadian citizen or landed immigrant can contribute a maximum of \$1,000 per year to a combination of the riding associations, nomination candidates, general election candidates and the registered party itself for each political party and an additional sum of \$10,000 for the leadership candidates of any one political party plus a further sum of \$10,000 for one general election candidate who is not a nominee of any political party. Therefore, they can contribute a maximum per year of \$10,000 times the number of registered political parties plus the additional sum in any year when a political party has a leadership contest or there is a general election. All these contribution limits will be automatically indexed for inflation.

In the bill there is to be a prohibition on indirect contributions in an attempt to prevent funding by way of trust; that is the legislation as drafted does not in fact effectively do that if we were to really look at it. The political contribution tax credit will be increased to 75% on the first \$400 from \$200 and a maximum tax credit increased from \$500 to \$650.

Government Orders

A lot of people who have not donated to political parties do not realize that if they currently give \$200 to a political party, they will receive a tax credit the following year of \$150. This is a way of channelling mandated tax liability to its particular political party, up to 75% of the first \$200 donation. Since the actual cost to the taxpayer is \$50, \$150 is taken off the tax bill's tax credit. It is not a tax receipt.

In other words, if people have no tax liability whatsoever and if they earn \$8,000 as a student or as something else and decide to give \$200 to a political party, they receive a cheque for \$150. It is a credit, not a deduction. Now the Liberals want to raise this up from \$200 to \$400 with the idea of incorporating more money into political parties and encouraging more people to give money to political parties.

On this point I would like to digress a little from the specifics of financing political campaigns. After a decade in power, it is absurd that the Liberals, if they want to encourage citizens to get more involved in politics, would not want to get citizens more involved in dialogue, debating, activism and volunteer activities. Instead they want more of their money. If we give \$200 today, we get to write off \$150 of it as a credit that comes back to us. The Liberals want to raise that \$200 to \$400, so if someone gives \$400 to a political campaign, that person will get \$300 of it back.

The Liberals are not going to let their members of Parliament vote freely in the House. They are not going to give Canadians the capacity to initiate citizens' initiated recall. They are not going to give them the power to initiate a citizen initiated referendum about an issue that is complicated and difficult that the politicians do not have the guts to talk about. The Liberals are not going to give Canadians those tools, but if they want more money, well hell, they will loosen up the laws and make it easier for them to line their pockets. That is something they will do.

•(1210)

That is the kind of Liberal mindset that does not actually feed a system. All it does is feed more cash going into the pockets of politicians.

The most absurd and offensive part of the bill states that there will be an annual allowance paid directly by the taxpayers to each political party that qualified for the reimbursement in the 2000 election. The allowances will total an amount equal to the sum of \$1.50 times the number of valid votes cast in the last general election. Each eligible party's share will be based on a percentage of the valid votes cast.

What this means in actuality is permanent subsidization, a permanent distortion of the political financing of our country.

In the last federal election campaign the federal Liberal Party received just over 40% of the vote, the Canadian Alliance received 25.5%, the Bloc Québécois received 10%, the NDP received 8%, and the Tories received just over 12%. Under the Liberal plan, the Liberal Party of Canada would receive the number of votes cast, which would be 5.2 million times \$1.50. They would permanently, every single year, from the year 2000 of the election campaign until 2004 or 2005 when we have the next federal campaign, have a cheque cut from the taxpayers for \$1.50 times the number of votes they received in the last campaign. The Canadian Alliance, which

received 3.2 million votes in the last campaign, would receive \$1.50 for every vote cast.

The absurdity of this is twofold. First is the idea that taxpayers would be forced to finance political parties. Second is the permanent entrenchment of Liberal hegemonic power would now be financed by taxpayers against their will. Taxpayers would be forced to give the Liberals a financial advantage over other political parties. This would be entrenched in law. This is how the Liberals say they want to encourage political participation.

The best way to encourage political participation is to reform this institution so we can have debates in the House where there is more than one out of 180 Liberals actually sitting in the House participating in the debate. That is how we encourage more people to get involved in democracy. There is one Liberal in the House out of 180 Liberals. It is pathetic. If we want more people involved in political debates, in our political process and in political dialogue we need to reform the institution of Parliament and reform the mechanism by which we elect people.

We should inspire people by politics. We do not inspire people by entrenching a permanent financial skewing of the system whereby the Liberal Party of Canada will be sustained by taxpayer dollars in an unbalanced and unfair way that will permanently prop it up in this perpetual one party rule that we have in our country. It is completely destructive to our system of government.

•(1215)

Another part of the bill states that allowable expenses for nomination contestants will be capped at 50% of the writ period expenses allowed for candidates in a general election in that riding. I think the maximum a person can spend in a campaign in most ridings is around \$68,000 to \$72,000. Half of that, about \$35,000, would be the cap for spending in terms of running a political campaign.

I, in principle, have a problem with limiting how much people can donate to a campaign. Capping on the spending side is not necessarily a bad idea but even capping on the spending side generally is unnecessary.

If we had mandatory reporting inside of 48 hours, if it were done electronically on the Internet, open for everyone to see the amount of money and who gave to whom and how much, I do not think we would need limits of the degree that are talked about in the bill because there is an assumed liability.

If a political party or an individual accepts a contribution, of whatever size from whatever organization or individual, there is an assumed liability associated with accepting that donation that they may be skewed with the perspective of that person, group or union. I think open disclosure about who gave how much to whom and why is perfectly okay.

Government Orders

I think it is fundamentally immoral and undemocratic to force citizens to pay politicians' election campaigns. It is against the very nature of democracy to reach into people's pockets and force them to finance political views with which they disagree. We have seen this with union contributions to political parties without asking the union's consent. Now we are talking about financing political parties, such as the Bloc Québécois which wants to separate from and destroy Canada. Asking people from my riding or any other riding to finance the destruction of Canada is wrong.

• (1220)

Mr. Vic Toews (Provencher, Canadian Alliance): Madam Speaker, I certainly listened intently to the comments of my colleague. I wish there were more Liberal members here to take a lesson from some of those comments. I note that there is perhaps 1/172nd portion of their entire caucus here. I find that rather disturbing on such an issue.

Recent events and revelations over the past—

The Acting Speaker (Ms. Bakopanos): I would remind the hon. member that we do not mention the presence or absence of members in the House.

Mr. Vic Toews: Madam Speaker, perhaps we could have a quorum call.

The Acting Speaker (Ms. Bakopanos): Call in the members.

And the bells having rung:

The Acting Speaker (Ms. Bakopanos): We have quorum. Resuming debate.

Mr. Vic Toews: Madam Speaker, I will not make a comment about all the members leaving.

As a result of a string of scandals involving the resignation of cabinet ministers and the misuse of tax dollars, many Canadians increasingly are distancing themselves from the political process.

However, instead of dealing head on with the ethical scandals that have plagued the Liberal regime, the Prime Minister chose instead to blame the media and the opposition for the high level of cynicism among the electorate. Obviously Canadians were not convinced and, despite the Prime Minister introducing a series of vague, new ethics rules and codes of conduct, the public continues to doubt the sincerity of these attempts by the government.

The Prime Minister has now introduced Bill C-24 in a further attempt to alleviate ongoing criticisms of his government's ethical lapses. However the introduction of the bill is just one more example of why Canadians have become so disenchanted with the Liberal government.

The Liberal way of doing politics reminds me of a saying by Groucho Marx, who defined politics as the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying all the wrong remedies. Bill C-24 clearly falls within this definition.

In its latest effort to remove the taint of scandal from its handling of tax dollars and government programs, the Liberal government has introduced a bill which would, among other things, ban corporate and union donations to political parties. These provisions may prevent a repetition of the advertising and sponsorship scandals involving donations to the Liberal Party and the awarding of

government contracts to those same Liberal Party donors, but at the same time it places the overwhelming burden of funding federal political parties on the taxpayer.

Under the new rules each political party would receive \$1.50 for every vote cast in its favour in the last federal election. This would translate into an additional cost of approximately \$23 million a year in a non-election year, about \$40 million in an election year, or about \$110 million during the typical four year lifespan of a government.

I was speaking to a colleague of mine just recently about the passing of the hat at political meetings. Under the bill, anyone putting \$10 or more into the hat would have to be disclosed. Passing the hat was a strong tradition with the old Reform Party and it continues with the Alliance Party, but imagine passing the hat at a political meeting and announcing that if people give \$10 or more they need to leave their name and address. That is the kind of wrong-headed approach that the government wants to adopt. It wants to discourage the ordinary voter from participating in political meetings and voluntarily supporting their party of choice.

While all political parties stand to benefit from Bill C-24, the Liberal Party of Canada stands to gain the most. In debt and unable to raise the funds it requires to fight another election, because the former finance minister has reportedly scooped all of the available corporate donations into his own secret leadership war chest, the Liberal Party would now receive almost \$8 million a year under this proposal.

As one Liberal member of Parliament said, in stating the obvious, "Fundraising will be a lot easier and it will take care of the debt". What a remarkable statement. It is like a bank robber walking into a bank where everybody has already been tied up and saying that it makes robbing banks a lot easier. It will but it is shameful conduct.

• (1225)

The New Democratic Party and the Bloc Québécois predictably quickly expressed their approval of this new scheme to lift money from the pockets of the Canadian taxpayer. On the other hand, I am proud to say that the Canadian Alliance and its official opposition leader have taken a strong stand against this tax grab. Our leader stated after the bill was introduced:

This was truly a missed opportunity to bring in responsible campaign finance reform, but the Liberal proposal just replaces an addiction to corporate and union funding with an addiction to taxpayer funding. That's just not on—not with the Alliance, and not with the Canadian people.

I know that it is certainly not on with the residents of my riding of Provencher. One of my constituents, a Mr. Tim Plett, wrote an editorial in the Steinbach *Carillon* strongly expressing his disagreement with the bill. I would like to take the opportunity to quote from that editorial. Mr. Plett states:

Government Orders

Under the bill, the money now coming out of corporate and union coffers will, instead, come to some extent from the federal treasury. That surely seems to make it likely to make elections even more expensive and raises concerns about taxpayers unwillingly supporting parties through their taxes. It also seems to give the advantage to the party in power since funding will be proportionally based on the number of seats held in the House of Commons. If voters are cynical about democracy it surely has more to do with what happens after elections than with how campaigns are funded. If there is a problem with cynicism and apathy, this bill will amount to nothing more than window dressing.

I think that Mr. Plett's disappointment with the government's handling of political financing is indicative of a widespread belief among the Canadian public, certainly among the people in my riding, that politicians need to be viewed with a measure of distrust and that governments look out for their own interests above those of the public.

In contrast, the Canadian Alliance position is a much more accurate reflection of Canadian values. We believe that any public support for political parties must be tied to voluntary donations from individuals, not to mathematical formulas based on prior election results and additional moneys from taxpayers.

The Canadian Alliance opposes any increase in taxpayer funded subsidies to political parties, although we can support, at least in principle, some limitations on corporate, union and individual donations.

We think that the bill should be amended to prevent indirect contributions through trust funds and to make the provisions of the bill fairer to smaller parties and non-incumbents. We should not presume that because we are in Parliament today the voters of Canada will want to see us there tomorrow. This is a built-in bias toward elected officials.

Without those substantial amendments, my colleagues and I in the Alliance cannot support this bill that is at best, as my constituent put it, "window dressing" and at worst a cynical attempt to turn the hard-earned tax dollars of Canadians into political benefits for the governing Liberal Party.

• (1230)

Ms. Alexa McDonough (Halifax, NDP): Madam Speaker, I am very pleased to have the opportunity to make some brief comments in this debate on Bill C-24 now before us, a bill that proposes to amend both the Canada Elections Act and the Income Tax Act as those two pieces of legislation relate to political party financing and election funding.

I suppose that a broad-brush description of what Bill C-24 is about what might be captured by two explanations, the first being that this is a bill to keep big money out of politics and the second being that it aims to create a more level playing field for candidates running for political office and also for political parties seeking representation in the House of Commons. It would allow them to more fully participate not just in political debate but in the political decision making that takes place in the Parliament of Canada.

It is no secret to anybody in the House, and I think it is well known to Canadians, that the New Democratic Party has long favoured getting the big money out of politics. That is why, when the federal New Democratic Party was in a balance of power position from 1972 to 1974 with a minority Liberal government, the NDP pushed very hard and successfully to gain some reforms with regard

to election party financing and political party funding, the most important of which I think was recognized at the time to be the full disclosure of the sources and amounts of political party financing.

I think that over the years this has helped to illuminate somewhat the connections in regard to political parties that run on a platform saying they aim to represent the interests of working people, the interests of small business and the interests of all Canadians equally, including those who are disadvantaged. What actually happens when some of those political parties are elected to govern is that it suddenly becomes clear that the political decisions, the public policy decisions made by those parties funded by big money, either big corporate money or contributions from very wealthy people, the policies they actually embrace and implement in the end, work against any claim to represent ordinary people, to represent a commitment to reduce the gap between the rich and the poor or to create equal opportunity among big business and small business interests, for example.

There are many examples of this, but of course the most consistent example has been that of the Liberal Party. As a result of the massive financial base for Liberal Party candidates and for the party itself being from corporate Canada, it very often has just turned its back on the very commitments to represent ordinary Canadians in a more fair-minded way that were made on the election trail.

I was in the House when the Prime Minister spoke about his inspiration for bringing forward this legislation. I do not think it makes much sense to dwell very much on the motivation, but when he talked about it being from his point of view important to get big money out of politics, I could not help but wonder why it took him almost 40 years in public office before he came to the conclusion that this was an important thing to do. I could not help but wonder whether the motivation had a little bit more to do not so much with keeping big money out of politics but with frustrating the ambitions of the member for LaSalle—Émard to succeed him in political office, knowing how much the most likely successor to the current Prime Minister in fact is very handsomely bank-rolled by big money, both corporate and from wealthy citizens.

• (1235)

Having said that, I think it is very welcome that we now, whatever the motivation, which will not actually affect the legislation itself over the long term, finally have some significant reforms before us. I want to say what my colleagues who have spoken in debate prior to me have said: that we very much support in principle the legislation that is now before us. Of course, as is always true, the devil is in the details. We feel that there are some parts of the legislation that do beg for amendment, that do need to be understood in terms of how they actually would undermine and frustrate what is the stated purpose of the legislation.

I do not have a lot of time to talk at length about those specific examples, but let me zero in on one, which is the defining of the maximum individual contribution as \$10,000.

Government Orders

I noted that a number of Liberal members, particularly women members of Parliament, spoke very positively in support of aspects of this legislation, as well they might, and I applaud them for that. They have acknowledged that in many cases big money has defeated not only women candidates but minority candidates and less financially well heeled candidates in regard to winning Liberal nominations in the past. I believe that one Liberal member was candid enough to disclose, and I admire her for it, that she actually spent \$100,000 just to gain the nomination for the Liberal Party in her riding. She was not required to disclose that, although under this legislation candidates would have to. Previously they did not have to. However, I admire the fact that she disclosed this. She is quite convinced that had she not spent that \$100,000, she would not have won the nomination.

However, I have to say that this underscores a couple of weaknesses, I think, in both the case that is being put by the government for the specific measures and also their credibility. It is in the sense that any political party actually in favour of creating more diversity and more equity in terms of persons seeking political office surely would have cleaned up its own act, surely would have put in order within its own house various checks and balances on the impact of big money.

It really is surprising to me that the Liberal Party, if actually seriously committed to limiting the impact of big money, has not long since done what the New Democratic Party has done, for example, in the absence of federal legislation binding on all political parties, all political candidates and all nomination seekers. It is surprising to me that it would not have put in place limitations within its own party, because of course we are responsible to govern within our own party with rules that are fair-minded. Nevertheless, whatever the motivation, I think we have to welcome the fact that the government is finally now moving on this.

I want to say a further word about the \$10,000 limit. If the purpose of the legislation is genuinely to limit the impact of big money, then it has to be recognized that this \$10,000 limit is simply too high. Otherwise, what the government is knowingly saying to Canadian citizens is that it is purporting that the purpose of the legislation is to level the playing field and to remove the undue influence of those who have big money, and that means the government is profoundly ignorant of the fact that vast numbers of Canadians, the overwhelming majority, could not possibly make a \$10,000 contribution, no matter how deep they dug into their pockets: not ordinary wage earners, not seniors, not those living on fixed incomes, and not the average working family that can barely make it to the end of the month and still pay the bills. This is just a contradiction in what the government says is its objective.

Second, to not place that limit as a finite limit for all contributions similarly leaves the door open for those who have big money, for them to spread \$10,000 around, let us say, for the Liberal candidate, the Conservative candidate and the Alliance candidate, knowing that they roughly support the same public policies, in order to defeat a New Democrat candidate who simply does not represent those monied interests. Really it would be a limit of \$30,000 put into those right wing campaigns to try to frustrate the will of people who want to see a more representative Parliament.

●(1240)

There are many things to be said for the legislation. If the government is serious about limiting big money in politics, I hope it will take seriously the need for some amendments that are in order.

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Madam Speaker, we are here today to talk about Bill C-24. I appreciate the applause from across the way. In response, I want to say that I do not think I have seen legislation that is as self-serving as this legislation appears to be, so the member may wish to refrain from clapping.

There are a number of reasons that parties would support this bill. We know that at least three of the parties have tremendous debts and that they are more than willing to try to get the taxpayers to bail them out. One of the parties in particular has a philosophy that it never fails to belly up to the trough. I guess we see that on a regular basis when we see that party's unelected leader is only too happy to take a free lunch in the member's lounge.

The bill is definitely not what one would call leadership. I think of it more as legislative sloth and selfishness.

The bill has three purposes. The first is it would restrict the amount of contributions allowed to political parties, to riding associations and candidates, including candidates for nomination and/or party leadership. Most notably it would restrict donations from corporations and unions, although we are beginning to hear rumblings from members on the government side that they would like to see the limits removed on some of the corporate donations.

The second purpose of the bill is it would compensate political parties for the anticipated loss in revenue from their large corporate and union donations by way of direct public financing.

The third purpose of the bill would be to extend the regulatory aspects of the Canada Elections Act in terms of registration and financial accounting, all the way down to riding associations and to nomination and leadership candidates.

Those contributions would be restricted to individual Canadians and landed immigrants. A maximum of \$10,000 per year would be able to be given to each party, which would include riding associations, election and nomination candidates, plus a further \$10,000 per year that individuals would be allowed to donate to leadership candidates of a particular party. We see that the restrictions on individuals are not particularly onerous.

Corporate, union and unincorporated associations would be prohibited from giving donations except for an annual maximum of \$1,000 for each donor per party. Those donations would only be given to riding associations or candidates for election or nomination and not directly to the parties themselves. There is a weak attempt as well within this to try to prohibit indirect donations, that is, any donation from a person or entity who had the money given to him or her by some other party who wants to give it to the political party. As I read through the legislation I thought that was particularly weak in trying to prevent those donations from taking place.

Government Orders

With respect to the compensation provisions, the government has decided that it would use taxpayers to fund directly political parties. Parties would receive an annual allowance equivalent to \$1.50 times the number of valid votes that were cast for them in the last election. In reading the legislation I saw that this was called an allowance and I got a picture of when I was a small child going to my parents with my hand out trying to get my weekly allowance. The government wants to see itself as a big mother who is handing out allowances to the political parties. That is how it would be done.

Tax credits would also be increased to 75% on the first \$400, up from \$200, to a maximum of \$650, up from \$500. As well, reimbursements to political parties would be increased, as would be the maximum eligible expenses per voter. Incredibly, polling costs for political parties, which is basically the propaganda of the campaign, would be covered by taxpayer funding. That is a little ridiculous.

The government would regulate the number of ways it extends most of the bureaucratic control it now has from political parties right down to the local associations, to nomination candidates, as well as to leadership candidates. There would be massive demands put on nomination candidates, people who have come off the street and have decided they want to try to run for a nomination.

As I read through the legislation I thought that the regulations put on people who are just running for a nomination would be far too demanding. They would have to get a financial officer, an auditor, and fill out the reports. I did some math and it could be somewhere between 3,500 and 4,500 people who have to fill in the forms and send them in to the government to make sure they have done everything right. That is just for their nomination.

There would be an increase in bureaucracy at the local level. It would just go to ridiculous lengths. The present disclosure rules would be extended to riding association nomination candidates and also to leadership candidates.

● (1245)

Riding associations would be affected by this. They would have to register and provide annual reports and have CEOs and financial officers and auditors on an annual basis. It seems to me that this would be a bureaucrat's dream but everyone else's nightmare.

The implications of the legislation are huge. As the government sees it, there is a problem but it thinks the problem is perception and that perception is that politicians are tainted. The government has a history of being tainted because of things like the HRDC scandal, a golf course and hotel affair and ad scandals. It also had to ship one of its ministers off to Denmark in a hurry.

We all accept the reality that the government is influenced by a few companies. Yesterday in question period we heard that two companies, Nortel and Bombardier, have over 50% of the Business Development Bank's loan portfolio. They are just two companies with close knit connections to the government.

The government's solution is not to change reality but to change the perception so people think it is actually doing something. As the public sees it, there is a problem here with a lack of accountability. That lack of accountability is both within the Liberal Party and outside the Liberal Party.

The Liberal Party has a situation where people cannot buy memberships as they choose within the party. What kind of democratic party is run that way? A while ago one of the vice-presidents from one of the B.C. riding associations had a letter in the paper asking why they should sell memberships to non-Liberals. She did not want to open it up to Canadians to buy a membership within that party.

We know the Liberal Party has a problem in terms of nominations because many of its people are appointed. They do not have to go through the whole nomination process. Most of them will probably not have to file their reports because they are just given the nomination. There will be no expenses involved there.

We know that the cabinet is appointed by a formula. We see every day that it is definitely not appointed by quality. There is a problem within the party at that level as well.

The Prime Minister has told us that he does not need anybody and that he can do what he wants. What kind of accountability is that to Canadian people?

There is also an understanding outside the government that it cannot handle the country's money in a safe and secure way. We have seen things like the HRDC scandal which I mentioned before. The gun registry is another example of how the government has completely failed to manage taxpayers' money. We know there is a problem, but why do we try to fix it by amplifying it? By using a solution that will make political parties less accountable is not going to work.

The Liberal government would get almost \$8 million from the head tax in this proposed legislation which would be even better than the \$6.5 million it received from donations last year. If the corporate donation limit is dropped and restricted, why should the parties not be obligated to make it up from other donors? The problem for the Liberals is that they do not have public support to do that.

The Alliance Party received donations last year from 50,000 individuals. The Liberal Party received donations from 5,000 individuals. Less than 10% of the number of individuals who supported our party were willing to support the governing party. It received only 19%, less than one in five dollars, from individuals. The rest came from tax rebates from big corporations. As my colleague from Fraser Valley said yesterday, if the Liberals had to rely on the average voter, they would starve to death.

The Liberals did not want to go to the public. This was never more evident than yesterday when the member for Davenport spoke. He took our leader to task because last week he said that political parties, like markets, should be responsible to the people who need and want them. That seems to be a perfectly reasonable statement to me.

The member for Davenport said he would reject that notion as he was sure most members of the House would do as well. He said that political parties are not a marketable commodity. He may dream that. Maybe he has been sitting in government a bit too long. He cannot say that parties should not be responsible to the people who want and need them.

Government Orders

The member also said that political parties have nothing to do with the marketplace. Of course they do. The marketplace of public opinion is determined every election and it should determine the support of political parties.

The Canadian Alliance has some simple solutions. One of them is to reduce donor limits where there are problems. Two, political parties should be forced to get their funding from their own supporters, not from taxpayers. That is a pretty simple solution. Three, something should be done with this legislation to address the problem of where influence really is. We need a standard of conduct for those people who have the influence: the cabinet ministers and the Prime Minister. Individual MPs have an influence as a group, but cabinet ministers have influence directly. Something definitely needs to be done about that and it is not addressed in the legislation.

• (1250)

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Madam Speaker, on behalf of the people of Yellowhead it is a great privilege for me to speak to this legislation.

This very important piece of legislation is long overdue. It is long overdue because of what I see as a deterioration of democracy in the country. It really is a hurtful situation when we see some of the disasters of cabinet ministers and individuals who have allowed corruption to infiltrate their professionalism as politicians.

I was newly elected as a member of Parliament in the last election. When I go back to my riding, I tell people sort of under my breath that I am a politician. At the airport people may not know exactly who I am and I am a little shy about telling them I am a politician because of the connotation around the word "politician". People do not like the idea of a politician, provincial and particularly federal. The word "politician" is reflected negatively. Interestingly, it is because of the lack of performance, lack of credibility and lack of ethics that we have seen so much from the government.

Over the last two decades we have seen the amount of control the ordinary person walking the street has as far as federal politicians and decisions go in the House. It is really disturbing. We come into this place and say that we live in a democratic land. We come in here to debate the issues of the nation and to make laws that are good for the citizens of Canada yet the words in our debate become so hollow because nobody listens in this place. Nobody understands that it is not a true debate here because the people who make the decisions are bound to the party position so much, particularly on the other side of the House. They act like trained seals. They do not vote according to the conscience and will of the people who sent them to this place.

It disturbs me that the name tag on this bench has my name on it. This is not my seat. It is the seat of every man, woman and child of the constituency of Yellowhead. So often in this place we forget whom we are supposed to represent.

Then we bring in legislation like the bill before us which would allow democracy to slip even further than it has already. It is a shameful situation that this legislation is before us. It is a shameful thing in the country when we allow democracy to slip from our ability to be a government of the people. That has to change.

My grandfather fought for democracy and freedom in both world wars and it disturbs me that many times people in the House do not

have the backbone to stand up and fight for democracy of the people in their ridings who sent them here. That has to change if we are truly to be a nation of the people and have a government that responds to the people.

Why is this legislation here? It is before us because Parliament has lost its way, one might say, but I think there are three reasons it is here.

Number one, Canadians think that the Liberal government is in the pocket of big business. We have seen the scandals involving cabinet ministers. The perception of the government is it is one plagued with scandal after scandal. It has lost the confidence of the people.

This legislation is an attempt by the government to become Mr. Clean. It cannot become Mr. Clean by bringing in legislation that moves us even further from the people we are trying to represent. One becomes clean by getting rid of the scandals and the corruption that have allowed the confidence to slip away.

The second reason is that the Liberal government is not able to pay for its own party debts. That party is in debt up to its eyeballs. The Prime Minister has said publicly that he will not leave the party and the government in debt. How will that party get rid of the debt? The government brings in a piece of legislation that forces the electorate, ordinary hardworking Canadian men and women, to pay off that debt. That is scandalous.

• (1255)

The third reason is because internal party politics are involved in this. We should examine why the Prime Minister, at the end of his term, wants to change the rules of how politics works in the country. Many members who have spoken on this piece of legislation have asked, what would drive the Prime Minister to bring this in at the eleventh hour? Is it a guilty conscience or is it personal petty politics that are driving this decision? We must discern and consider all of these things as we look at this piece of legislation.

After all the Liberal media spin and rhetoric has been put aside, it can simply be said that we have a government that is replacing the addiction to large business and corporate donations to an addiction to direct taxpayer funding. That is my biggest and strongest opposition to this piece of legislation.

The Liberal government does not really like democracy or citizen participation. It has shown that. That is why so many members from this side of the House say that we need free votes on legislation. Either a piece of legislation is good for Canadians and garners 50% plus 1 of the members of Parliament who represent their constituencies and the people of Canada or it does not. It should continue to be amended until it does garner that support. That is democracy and that would be in the best interests of the country.

Government Orders

I have spoken to Liberal members who say that every vote is a free vote. In reality they know it is not; it is party position. If it is a free vote, they are certainly voting the wrong way on a lot of these issues. What is even more disturbing is a government that in the last session brought in 73 time allocation motions and 9 closure motions. When it forces debate to end in the House and says it is absolutely going to drive legislation through regardless of what the representatives of the people of this country are saying, and does not listen to them, then that makes this place a mockery.

I am fortunate in that the constituency of Yellowhead is a large rural riding. When I return home I have the opportunity to bring every issue that we are wrestling with in this place to the people of Yellowhead in a closer way than if I was a member of Parliament representing a large urban area. I am able to place a column or a news release in most of the papers, of which there are about 13 or 14 in my riding. I am able to talk on the radio so I can inform people of the issues that are happening here. Because of that, my constituents are much more in tune with what is happening in Ottawa than if they were in a large urban riding.

As a member of Parliament it is a privilege to be able to explain to them what is actually happening and how the laws that we debate here would impact them. Even in the midst of that when I return home, they feel alienated. They feel they are left out and their voices are not heard here. I say that because if we look at the last election almost 40% of the electorate did not exercise their ability to vote in this country. With only 60% voting one can discern quickly that we have a problem with democracy in this country.

I have spent some time as a municipal representative and I have spent some time in the provincial government as a regional health authority on health care. I am much more in tune with what actually can happen at those levels of government and how at those levels of government we can represent the people in a more aggressive way. It is very important that we discern that the power of this House must be broken from the Prime Minister's Office and the press gallery, and be given back to the people of Canada.

When we look at this piece of legislation where \$1.50 would be coming out of each taxpayer's pocket to subsidize political parties in this country, we should realize quickly that it is something that is not in the best interests of this country. It would alienate Canadians even further than the 40% because not only would they feel they are not being heard, but they would feel that they were not even needed to be able to contribute to the party of their choice to influence the decisions that are made in this place.

●(1300)

That is a shameful part of this piece of legislation that must be corrected. As it goes back to committee, and through the process of the House, I hope that those important things would be taken into consideration for Canada to remain a truly democratic country.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Madam Speaker, it is a pleasure to speak to Bill C-24.

Before I go through the details of the bill and why I oppose it I would like to go back to a personal observation that was made a couple of years ago when I went to Washington with the international trade minister. We were there for a globalization conference. During the luncheon speech that he was making, I had

an opportunity to walk around and speak to some of the Americans that were in the audience. They made a very interesting observation. They said it was quite enjoyable and pleasant to talk to Canadian elected officials because they listened and paid attention to what was being said.

Their observation was that it was because privy council members and other members were elected, and were accountable to the people. In Washington, with the exception of the President of the United States who is elected, the secretaries of state are appointed by the president, so they have the attitude, "It is my way or the highway". It is the president alone who is accountable, not the secretaries of state. The people I spoke to gave the comparison that elected officials who were accountable would listen to the people, whereas those who were not elected did not have to listen to the people. As they are not bound to listen to the people, they might make decisions that are at times not reflective of what the populace desires.

What does that have to do with Bill C-24? It has to do with accountability. Bill C-24 talks about political financing for political parties, riding associations, candidates, and nominations. It is an attempt by the government to transfer the control from being accountable to the populace to relying on the state for the financing of political parties. Financing of political parties is one of the most important aspects in democracy because only then are we accountable to the electorate.

The government's rationale for this is the same as saying it does not want to be held hostage or be unduly influenced by corporations, unions or other bodies. It wants the whole thing transferred to the government so it would become less accountable.

The Liberal Party has failed miserably to raise money from individuals. In the past it has relied on big corporate donations. As far as other parties are concerned the New Democratic Party is a typical example. It is totally detached from the Canadian population because its money comes from the trade unions. Its constitution allows trade unions to have a disproportionate amount of influence in its party affairs than ordinary people.

The Canadian Alliance and the Reform Party, being a new party, has a higher level of contributions from ordinary Canadians. As such we are accountable to them including myself. My average donation is between \$100 and \$150 from the people in my riding. If I need money I need to go out to talk to individuals and be responsive to them. They feel good about being involved in the political process of the country and that they are contributing to democracy.

●(1305)

A couple of questions need to be raised as to why the bill is coming forward now when the Prime Minister has already declared that he is going. He has introduced this bill saying that we need to reform the financing of political parties because we do not want undue influence from big corporations. Just think for a second about the timing of the bill. The Prime Minister has declared that he is going and is accountable to no one, as he likes to point out.

Government Orders

If we look at the history of the Liberal Party, it has benefited the most from corporate donations. Why would a party that has benefited the most from corporate donations suddenly have a conscience saying that no, it does not want this. Up to now it has benefited the most and now it says that was a bad thing. One wonders why that happened. If we look at the political financing of the Liberal Party we ask the question, why now?

If the Prime Minister thought he could stop his challenger, I think that big fish is gone out of his net. He has already amassed a fortune out of corporate donations. I am sure that 90% of the former finance minister's financing has come from corporations, which is exactly directly opposite to what this bill is intending to do. The whole purpose of the bill, no matter what the government says, is under suspicion.

We are shaking our heads and asking: What has happened? Why should Canadian taxpayers suddenly take this responsibility of financing political parties? Where is this grassroots democracy where one must give money to participate?

If people feel good and we are responsive, they will give us the money. Accountability of elected officials is the key element. The bill would take that away and would create a federal bureaucracy that would interfere with the workings of a party because the government would be financing it.

One of the reasons why we oppose the bill is because it would take the accountability out of ordinary grassroots Canadians and spread it to the government so that, for the ordinary Canadians, the ruling party would not be accountable. That is the trademark of what is happening with the Liberal Party and the Prime Minister who has proudly said that he was going and that he was accountable to no one, and that he could bring these things forward.

He has been in the House for 40 years and we give him credit for that. He has been in the political arena for a long time. He has seen everything and he has respected tradition. However, for him to say that he was accountable to no one must go against his own grain of thinking. Forty years of being in the House and he is saying that upon leaving.

In conclusion, the timing and the intent of the bill is suspicious, given the record of the government. As such, we will oppose the bill.

● (1310)

Mr. Joe Jordan (Leeds—Grenville, Lib.): Madam Speaker, I want to make a few comments on what I have heard in the last hour. The member who spoke before me talked about the sort of indicting nature of this correlation between corporate donations and the Liberal Party. I guess this is the danger with statistics.

If we were to look at the funding in political processes in modern democracies, what we would find is that the party in government receives more corporate donations. It is not getting money because the party is of any particular stripe but because it is perceived to have its levers on the power mechanisms of the machine. I do not think it is necessarily a fair comment to say that the Liberals are getting this corporate money simply because they are Liberals. In the brief periods in the history of this country when the Liberals have not been in government, the governments of the day received equivalent shares of this corporate money.

I think this underscores what the bill is trying to do. The bill is trying to take that element out of the equation because, real or perceived, I think it has no value being there.

I am going to speak a little about the concept of what we are trying to accomplish. Certainly this piece of legislation needs to be vigorously debated. I am glad to see that it is.

I was fortunate enough to attend business school in the United States. One of the courses I had to take in the United States in business school was a course on government relations, or lobbying. Let me say that the relationship between business and government in the United States is a much more sophisticated and complex arrangement than what we have here. I honestly say that we have something worth preserving here. We do not have public policy influenced to the same extent by political action committees and by funding through what is called the black money or the dark money or the grey money in the American political system. I think we can agree that what we are trying to accomplish is to take that out of there.

The thing that seems to be sticking in the teeth of the Alliance is that we are going to transfer this to the taxpayer. I do not see the problem in that because we are representing the taxpayers.

An hon. member: Oh, oh.

Mr. Joe Jordan: That is all well and good, but let us remember something. Let us remember that during the Kyoto debate the Alliance critic for the environment said that the Alliance stand on Kyoto was going to help its fundraising.

So thanks very much. Thanks very much for pulling the curtain aside and admitting the worst fears of Canadians: that the legitimate interests of public policy, and we can hear that the silence here is deafening now, should not be influenced by money. Maybe those members should look up democracy in the dictionary.

The other issue is that we had an MP stand up and say that the image the public now has of politicians is just horrible. Let me say that no party has done more to destroy the public perception of politicians than the Reform-Alliance, when its candidate in a debate—

An hon. member: How about a billion dollars for the gun registry?

An hon. member: The truth hurts.

The Acting Speaker (Ms. Bakopanos): Order, please. The hon. member was not even in his seat when he was shouting.

● (1315)

Mr. Joe Jordan: Madam Speaker, in a former life I was a teacher. I just hope Canadians understand that I am presenting what I think are some reasonable facts and I am being confronted with behaviour from the Alliance that I would not tolerate in a grade two class.

The problem the Alliance members have, I think, is that they have a three second solution to every problem. Every problem is black and white. If they repeat it enough they seem to think they are right.

We are balancing interests and I think that it is at least a legitimate debate that we are trying to have.

Government Orders

To get back to the point of image, I can remember my 1997 campaign and going into debates. There was the Reform candidate talking about the pension. This was the most horrible thing on the planet, this gold plated pension, and MPs were just at the trough. Let us just follow this through to its natural conclusion, because every single Alliance MP or Reform MP is now collecting that pension. That issue seems to have gone away.

Mr. Werner Schmidt: Madam Speaker, I rise on a point of order. He said that every one of the Canadian Alliance and Reform has done that, and that is not true.

The Acting Speaker (Ms. Bakopanos): That is not a point of order. I thank the hon. member.

Mr. Joe Jordan: Madam Speaker, through you to Canadians, you understand now that when I present the issue as black and white, they freak out, saying, oh, no, it is more complicated than I am presenting it.

They campaigned against the pension. They took the pension. Black. White.

They can answer to Canadians. I am not going to go on with that point anymore.

The only reason I stood up was to talk about the level of debate that I heard. The member talks about truth. I think that what we are trying to do with this legislation is bring the political process back down to where it is accessible by people. In my riding, for example, I can spend \$73,000, I think, and I think that is too much. I do not think I need to spend \$73,000 to run a campaign for a federal election, but let me say that if we do not de-escalate the role of money in the system, we are going to price ourselves so that there is only going to be a certain kind or class of Canadian who will be available to run, and I think that the system is less if we go that route.

An hon. member: You are the ones who appoint candidates.

Mr. Joe Jordan: Madam Speaker, I hope all these interruptions are not coming off my time.

One of the issues that came up yesterday is third party spending. I am not saying I am right. I am just saying let us talk about it. I am not rubbing salt in anybody's wound. I am trying to discuss the issue.

Let us say that there are third parties like the National Citizens' Coalition, although as my hon. colleague yesterday pointed out, it certainly is not made up of citizens and it is a strange name for this group. If they have unlimited spending power to target, then the political side, the politicians, has to be able to defend itself. That is not democracy. That is the politics of money. Let us just de-escalate it. Let us take money out of the system. Let us make sure that for anybody in any town who decides they are not happy with the way things are going, then let us get them get into politics. Money should not be a barrier.

What the member talked about in terms of corporate donations is that the party in power seems to be able to raise more money than—

An hon. member: Oh, oh.

The Acting Speaker (Ms. Bakopanos): I apologize to the hon. member again, but everyone will have their ten minutes of glory if they will just wait.

Mr. Joe Jordan: Madam Speaker, I am confused by the reaction. I am just trying to participate in the discussion.

If we can get money out of the way as a hurdle, then what is a legitimate debate is how we do that. I have no problem with the discussion about how we do that, but I think that the goal is worth pursuing and the goal is worth legitimate debate and informed debate.

One of the things that drove me away from my shepherd's pie to come in here was that I was picking up a sort of partisan element that I would hope we could water down a little bit. I am a border MP. I have a colleague, a congressman, I work very closely with in northern New York and let me say, based on discussions with that member's office, that the amount of time and staff and the machinery required to raise the money to even be in the game should disturb us all. If members want to do something interesting, they can get a copy of an American publication called *Campaigns & Elections* and take a look at what drives the political industry in the United States, and it is Uncle Sam's pocket liner. It is money.

Now, let us debate the how, but for goodness' sake, let us not get bogged down in a partisan discussion of the why, because I do not think that is serving the people who sent us here.

• (1320)

Mr. Jim Abbott (Kootenay—Columbia, Canadian Alliance): Madam Speaker, I just listened to my Liberal friend. Saying that we should not become involved in a partisan debate. That rings rather hollow against the comments he was just making. Let that be as it may.

I would like to speak specifically about my own constituency. As you know, Madam Speaker, I am very proud of the people in my constituency, as I am sure you are of yours. In my constituency, the issue of money relative to politics is simply non-existent, because there are people in my constituency, up to 400 people in every election I have been involved in, who have freely contributed to my campaign. These are people who believe in the goals and objectives that I have set on behalf of the Canadian Alliance. These are people who are choosing to support the Canadian Alliance. This is part of democracy.

It has always been my belief that when we involve a person's wallet we somehow have their entire attention. That really is what this is about. Here is what we would be replacing. Instead of the involvement of people like my constituents in my campaigns and in the whole election process in Kootenay—Columbia, instead of them continuing to be involved in the democratic process, it would be the Liberal vision, the NDP vision, the Bloc vision, and we would be replacing their involvement with the involuntary involvement of the Canadian taxpayer, and more's the shame.

My colleague from Crowfoot put it very well, very succinctly and in great detail. I would commend his speech to any readers of *Hansard*. He outlined in detail where the dollars would be coming from and how the Canadian taxpayer would be paying.

Government Orders

To give an example of how the current system works and how there is a true involvement of Canadians in the process, I would like to give a very succinct history of what has happened, first in Kootenay East, now the renamed Kootenay—Columbia constituency.

Going back to 1992, our constituency organization was solvent. It had a sufficient amount of money in the organization to be able to function. As I have said, the money was coming specifically from people in Kootenay East. As we entered into the Charlottetown accord referendum debate, we were faced with the challenge of requiring more money. We went out with broadsheets, which simply showed in detail what the Charlottetown accord was about. People took a look at those sheets and saw how wrong-headed the NDP was, how wrong-headed the Liberals were and how wrong-headed the Conservatives were in trying to push for the Charlottetown accord. As a consequence, they were motivated to write the cheques. They were involved in the democratic process.

Those same people who wrote the cheques to fight in favour of the no side of the Charlottetown accord were the people who were also putting up the signs and going door to door with these same broadsheets. They were the people who were doing the telephoning for our no campaign. In fact, our no campaign in Kootenay East came in at a vote of 87% no to the Charlottetown accord. I put that down to the involvement of the people in my constituency.

Let me fast forward now to the election of 1993. Again we started the election of 1993 solvent, but just, which is fine. We then went to the people. I had been campaigning at that point, on and off, for a period of about eight months. We went to the people and asked them this: if they believed in what we wanted to do, if they believed that we were going to be changing Canada as we moved into Parliament, as we were drawing the attention of the government to issues like health care, immigration, justice reform and things of that nature, would they contribute? Indeed, over 400 people contributed to my campaign at that time and I was very fortunate in receiving the approval of 49% of the people who voted in the 1993 election.

Following the 1993 election, of course, under the current rules we were in the position of receiving a rebate of 50% of the amount of money that we had spent on election expenses. My constituency organization, being the very sound body that it is, then went to work to decide what we were going to do with that money, how we were going to save the money, put it aside and make sure that it was in existence for the 1997 election.

● (1325)

My constituency organization, along with myself and the president of our constituency organization, were engaged in a process of making sure that we were taking care of, first, of the people's money from our constituency who had contributed to it, and second, the amount of money that had come back from Elections Canada.

We then went into the 1997 election far stronger financially. Again, in the 2000 election we were far stronger financially, where I was fortunate enough that my campaign received 68% of the popular vote. I put that down to the fact that we have people in our constituency who believe in what it is that I am here for and believe that I am here to truly represent them in this place.

What would happen under the proposed bill is that all the hard work, all the savings, all the good management that has occurred on behalf of the people of Kootenay—Columbia, would be set aside. Under this political financing bill, we would be put in the position, along with all Canadian taxpayers, of funding the election expenses of the Bloc Quebecois.

I have nothing against any of the members of the Bloc Quebecois but I totally reject the premise of that party. Why should I and why should my constituents have their tax dollars going to support the Bloc Quebecois?

Some people in my constituency do support the direction of the NDP but the NDP do not share the same political point of view as I do. However, why should the NDP supporters in my constituency end up with their money going to the Canadian Alliance, any more than my supporters of the Canadian Alliance should end up having their money going to the NDP?

It is massive intervention and basically takes away the individual rights and responsibilities of the people of Canada. That is why this is so wrong-headed.

My constituency organization is healthy. In fact, we have well over 1,000 members in my constituency alone. These are people who are active and who are paid up. We have maintained those numbers over a period of time because there is a sense of ownership of what it is that is happening in my constituency and through my office.

In my judgment, the bill, as it presently sits, particularly with the replacement of the voluntary funding to the extent that it is specified and the replacement by tax dollars, is one of the most divisive, negative influences on democracy that I could ever possibly imagine.

What the Liberals are doing is institutionalizing democracy. There is nothing healthy about institutionalized democracy. Grassroots democracy, where Canadians have the opportunity to be involved, is where the strength of our country lies.

I cannot imagine a worse legacy for the Prime Minister than the one that he is bestowing on the people of Canada, which is to take the people of Canada out of the democratic process.

● (1330)

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Madam Speaker, Bill C-24 is supposed to make the whole electoral process and the funding in particular more transparent. In fact, the bill is envisioned to make the whole thing a little more democratic than what we have at the present time.

It covers a number of areas. It would require the registration of all political parties and it would ban political donations by corporations and unions. It would limit individuals' contributions and would regulate nominations for candidates and for leadership personnel. It also would establish a very controversial provision, which is the public funding of electoral campaigns.

Government Orders

I want to address two areas that are glaring loopholes in the legislation regarding financing. This legislation in the first instance is supposed to make the financing of campaigns of political parties more transparent. One of the statements to support this thing was that the reason unions and corporations would be banned from making contributions was to sort of make the influence of the large donors less on the political process.

There is a particular provision that exists in the world that this act studiously avoids and does not deal with at all, that is, the creation of trusts. Trusts are a very interesting construct. This would allow for individuals, corporations, unions or anyone to set up a trust account.

We have before us now the requirement that financial institutions, if they want to merge like the banks or the insurance companies, must go through an approval process. I can easily conjecture the possibility of one of these institutions, or a number of them, establishing a trust fund for a particular individual who has political influence, and telling that individual that it will set up a \$1 million trust fund so the individual can access expenditure funds, as long as they are not electoral, to buy motor homes, houses, land or whatever with it. The individual would be told that it was his or her trust fund but that it had the condition that when the legislation came before the House, the individual would support the merger or coming together of certain business ventures.

If there were ever the possibility of a direct connection between big money and political influence, it would be through the arrangement of a trust situation. That is studiously avoided in the legislation.

I suggest that it might be very difficult to enforce particular legislation with regard to trust that does not do away with the fact that there is a vehicle which can be used and clearly ties contributions to a politician through a trust which is outside the provisions of this particular legislation.

If the purpose of the legislation is to make democracy more transparent and to make individuals more accountable, to avoid this particular provision is to deny dealing with exactly one of the major issues that apparently was the motivation for bringing this legislation into being in the first place.

I also wish to draw to members' attention the complexity of the legislation. When a constituency registers, there are clear provisions for the processing of expense claims, deemed contributions, that is, claims that are unpaid after 18 months, financial reporting, contributions to be forwarded to the receiver general in certain cases, and corrections and extended reporting periods. An auditor's report is required if the contributions or expenses of the electoral district association exceed \$5,000. Provision is made for the payment of audit expenses to a total of \$1,500, and, pursuant to clause 30, the returns of registered associations shall be published.

I want to go further into that business of financial arrangements. I think the people who are watching this would be very interested in listening to some of these things that the Library of Parliament researchers have put together.

• (1335)

The intention appears to be to compensate parties for the removal of corporate and union donations, which are largely made at the

party level rather than to individual candidates or constituency associations. Political parties are at the heart of a modern political electoral system and, arguably, are essential, which is correct, and I agree with that.

At present, registered political parties are publicly funded through the tax system. I agree with that. It is roughly about 40%. The provisions in this bill would raise that total contribution attached to the public purse to somewhere around 70%. Bill C-24 proposes to extend and enhance the extent of access to political parties to the public purse.

The rate of reimbursement of electoral expenses for candidates is currently 50%. Bill C-24 proposes to raise to 50% the reimbursement rate which is now 22.5%. With respect to individual candidates, the bill proposes that the percentage of votes that a candidate must obtain in his or her riding to qualify for reimbursement of electoral expenses be lowered to 10% from the current 15%. Fewer votes would be required in order to qualify for the rebate.

The controversial part is that the bill would provide for an annual allowance to registered parties in the amount of \$1.50 per vote received by the party in the previous general election, provided that the party had received in the last election either 2% of the valid votes cast nationally or 5% of the votes in the riding where the party ran candidates. The figure of \$1.50 is apparently based on the calculations of potentially lost income to parties as a result of the changes in eligibility of donors.

It appears that several provinces in Canada provide allowances to registered parties based on their electoral results. That does not make it right. Just because somebody is doing it does not mean that it is the right thing to do. This is a controversial issue and largely a matter of policy and philosophy as to whether one subscribes to that.

The reason I have difficulty supporting this kind of thing is because it would give the party that won in the last election a financial advantage over any other party that might be contesting the next election. That is not democratic. That is building on a bias which is false, which is bias in its interpretation and which gives an advantage to a particular group.

As an incentive to encourage contributions by individuals, the bill also introduces amendments to the Income Tax Act to double the amount of an individual's political donation that is eligible for a 75% tax credit, from \$200 to \$400, and to increase accordingly each other bracket. All of these are different ways of getting more money out of the public purse.

The question really becomes: Where is the individual's choice in the matter?

Government Orders

I want to point out another loophole in the bill that all members of the House ought to be aware of. A deemed contribution does not apply to an unpaid claim that on the day referred to in the previous subsection has been written off by the creditor as an uncollectable debt in accordance with a creditor's normal accounting procedures. This can be read very clearly, and I have checked it out with some legal beagles who have told me that the reading is correct. This is a possible reading. It would then be possible for someone to extend a loan to either a candidate or to a party and then declare, according to his or her particular pattern, that the loan is uncollectable. What could that be? It could be that a bill is extended to the party or to the candidate and the candidate agrees not to pay it. If it has not been paid for 19 or 20 months, the company says that it is not collectable because that is the time a bill is usually written off. Therefore it is an uncollectable debt and not a contribution to a party and not a deemed contribution.

That is a loophole that exists in the legislation. I suggest that not only does this hide a lot of things, but it provides for the chicanery to allow the political, misleading statements and the clever arguments that really hide the truth in this legislation. I cannot support the legislation for those reasons.

● (1340)

Mr. Jim Karygiannis (Scarborough—Agincourt, Lib.): Madam Speaker, today and the next couple of days we will be discussing a very important piece of legislation. This legislation is asking us, for the first time in 30 years, to reform how we go about collecting and disbursing funds for our elections.

Democracy is 2,502 years old. It was created in my birthplace. People gathered together and said, "This is the way we want things done". At that time the leaders of the people of Athens took a straw vote and continued in their infinite wisdom to rule the country and to prosper.

Here we are 2,502 years later continuing the process of democracy and building on what those people felt democracy was all about. Members are elected and come to the House of Commons; it is 50% plus one. We are here to represent the wishes of our constituents. We are here to listen to the grassroots and to apply what the grassroots tell us.

The bill in front of us is probably one that will outline the legacy of the Prime Minister. The Prime Minister in his wisdom wants to make sure that when he leaves the House we will have the means to have fair elections.

However, I have a problem in that I have been elected four times and every time I have been elected, it has been under the same set of rules. When the rules suddenly change, people ask why the changes are needed and if there is something wrong with what we have had in the past. Maybe there is and maybe there is not.

Perhaps changes are needed. However, a lot of people are saying that because the way we do things and the way we define democracy are so embedded and entrenched, we have to take a step back and consult with the grassroots, whether they be people in our political parties, people who actually make political contributions, or average Canadians.

I am sure my colleagues across the way would give me a standing ovation for this, but under this legislation if a party such as the Reform Party back in 1988 wanted to make itself known on the political scene, it would not have had the ability to do it. At the time it wanted to established itself, there were five or ten people who contributed \$10,000 and that was how the party started. At that time no one knew that the Reform Party and subsequently the Canadian Alliance would gain credibility and that one day, lo and behold, that party would be the opposition. One never knows, that party may go into oblivion the next time. The legislation would not have allowed the party to be formed. There was absolutely no means of financing the political aspirations of those people.

We have to look at how we enhance and protect the new parties that want people to come to the House of Commons and represent their constituents. That is one of the difficulties I have with the bill.

There is another difficulty I have with the legislation. Indeed we are here for a very short time and we need to make these changes, but the Canadian public, the grassroots Liberals, Alliance, Conservatives and NDPers need time to talk to their colleagues, their members of Parliament to make sure this is the way they want to go.

It is incumbent upon us to take a step back, take this process to the Canadian public and to the political grassroots of our parties and our ridings. The people who knock on the doors for us and who put up the signs for us must be asked what they think. I am sure that all my colleagues in the House would agree that extensive consultations are needed. We must take two steps back, slow the process down and ask for public consultation.

● (1345)

At the end of the day it may be that the bill in front of us is the best thing since apple pie and ice cream. However, we have to consult with the grassroots Liberals, and the grassroots Alliance if there are any left after the next election. One never knows, there is always room for more parties.

Mr. Darrel Stinson: You are a species at risk in my constituency.

Mr. Jim Karygiannis: A friend of mine, and a good colleague, mentioned species at risk. I am sure that is not new political parties, maybe existing ones.

We have to tone down the political and partisan rhetoric, see what is good and bad in the bill, and come up with suggestions for alterations.

The bill is asking for accountability and transparency. That is fine. It is something on which all of us in the House agree. However the treasurers and presidents of our political associations are volunteers. They are not lawyers or chartered accountants yet the bill is asking them to become lawyers and chartered accountants and to have audits. Audits, yes, but can we not be a little more friendly? Let us be a little more friendly to the presidents and the treasurers who have been volunteering for the Alliance, the Conservatives, the NDP and the Liberals for the past 20 years.

Government Orders

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Madam Speaker, Bill C-24 will make a severe shift in the sources of funds for political parties. That shift will be from the voluntary actions of people and organizations to a mandatory imposition upon the taxpayers of Canada. That is what we are talking about today.

The previous speaker talked about consulting with the people. I certainly agree with that. He also mentioned that this very important piece of legislation would be on the agenda for a couple of days, probably tomorrow and the next day, once we get the budget out of the way. I have a problem with the whole thing.

Today the whole world and all Canadians are focusing on the possibility of war in Iraq, the problems we have in dealing with terrorists, the fear that is in the hearts of a lot of people and where we are going with all those issues. Hundreds of thousands of Canadians have petitioned the government, this body of people, to deal with the pedophiles who are hurting our children through child pornography and our failure to raise the age of consent. They are begging us to do something about the problems we are facing.

Canadians are focusing on being able to make ends meet and being able to feed their families. In most cases both parents are working hard trying to keep food on the table. They are struggling day in and day out. They are focusing on how they can do that. Today many Canadians across the land are wondering how they will pay their heating bills and how they can possibly keep gasoline in their cars. There are problems facing them economically.

The government, this body of people, should be here today focusing on the needs of society and on the needs of Canadians. What are we focusing on? We are focusing on a bill that would enhance a financial gain for political parties. We are focusing on a bill that the Liberals hope would get them re-elected.

If we stop and think about it for a moment, there are priorities. The world is focusing on a possible war. Parents are wondering if their children will be safe in our society because so many things are getting out of hand. Instead of spending a day dealing with child pornography, for example, getting it off the face of the earth and being determined to do it, we are in here talking about what we can do in order to get re-elected and how we can gouge more money out of the taxpayers.

I have news for the Liberals, if they have not learned it by now. Most of the taxpayers are at their limit. I do not know if Canadians have enough money left even to pay that extra amount to keep their houses warm. There are lots of problems out there in society and we are not dealing with them. That is what we were elected to do.

Instead we are focusing on how to gain politically and financially and what we can do to get re-elected. Are the Liberals not a proud bunch? They should hang their heads in shame if that is all they can talk about during this time, during the next few weeks with the difficulties we are facing as a country and as a world. If all they can focus on is how to get re-elected and how to get more political and financial gains in their pockets, then every one of them should hang his or her head in shame.

I for one cannot understand how after 10 years we are still concentrating on how the Prime Minister can put some sort of legacy in place so that he will be remembered.

•(1350)

Unfortunately for him I know there will be a lot of people who will remember this government and the legacy that will be formed, and it is formed. They will talk about and remember golf courses, hotels and water fountains. They will talk about pepper spray that was used in a peaceful demonstration, which supposedly we are allowed to have in Canada. They will talk about the billion dollar boondoggle in HRDC. Last but not least, right up until today, they will remember the nearly billion dollars that has gone down the tubes through a gun registry.

The Prime Minister should not worry, his legacy has been laid out. There are many things that this country will remember about this government. I hope I live for a long time because I will keep reminding Canadians exactly what has taken place.

The greatest country in the world to live is Canada. It could be so much greater if we would focus on the needs of society that face us today and get away from this idea of what can we do to get re-elected and how can we build our party coffers. That is what we will do today and that is what we did yesterday. Bill C-24 will come up again in midst of all these crises and we will still be talking about what can we do for ourselves, not what can we do for Canadians.

Yes, we are waiting for a budget today. "Wait for the budget", I hear. We suspect it will be a pretty good budget. Who knows, the government might find more money for health and defence, but I know it will find more money to throw away on useless programs like gun registries, billion dollar boondoggles and handing money out to friends. The government is really good at that.

We will talk about Groupaction. We will continue to remind people about the contracts that were paid for but were never done. We will keep copies of the Auditor General's reports year after year, blasting government department after department for their lack of accountability to the Canadian people and answering to the taxpayers. Now we are discussing legislation to see how much more money can be gouged from the taxpayers, whether they want to pay it or not.

I think about big industry being subsidized or a guaranteed loan going to a corporation. I think about finding out that those corporations have donated huge amounts of money to the Liberal Party. Then I realize that the money which has been used to subsidize that corporation or that loan guarantee is part of my money, because I am a taxpayer. I would not want a lot of people to think that part of my money has gone to support the Liberal Party. My father would turn over in his grave if he thought one nickel of my money went to support this kind of government.

We will keep this thing in the eyes of Canadians. Let them decide voluntarily who they want to support as a party. Why should they be forced into supporting someone who has policies, standards and values with which they do not agree? That should never happen but this legislation will guarantee it. Some of the goals in this document are not too far off but it needs some amendments to close these huge loopholes that will be devastating to the taxpayers of Canada. I hope the government will think about it.

As a final note, for heaven's sake, why in the world are we concentrating hour after hour on a document that will give a personal benefit to us as individuals and we are not addressing the problems in society?

Yes, there will be a legacy. Remember farmers going to jail? Remember when pedophiles were on house arrest? Remember those kind of things? That is a legacy. I know a lot of people in my riding will not forget it. One day I think the people of Canada will wake up and realize that what we have is not real representation of the needs of our society. What we are facing today is representation of what we can do to get re-elected. That is a shame

• (1355)

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Madam Speaker, it is amazing that when we discuss important issues in the House for the benefit of the country, such as health care, the security of our nation, criminal justice or more defence funding, we never see the Prime Minister speak to those issues in the House. On issues of real national importance does the Prime Minister ever come to the House and put forward his point of view? No.

When did we see the Prime Minister? When he stood in the House with Bill C-24, his little, private, personal bill, designed to give him and his government even more tools to manipulate taxpayer money to the benefit of that party. He is not fooling anyone in the House.

When I looked at the bill, when I listened to the Prime Minister and other Liberals, I thought, "My God, the sheer hypocrisy of it all". The Prime Minister stood up in the House and talked about how this system would behave more equitably and with more integrity. This coming from a Prime Minister who since 1993 has been followed by scandal after scandal—

The Speaker: I hesitate to interrupt the hon. member in full flight, but it is two o'clock and he has eight minutes left. When the debate resumes, he will be able to go on for a full eight minutes. In the circumstances we have to proceed with statements by members.

STATEMENTS BY MEMBERS

[Translation]

ASSOCIATION COOPÉRATIVE D'ÉCONOMIE FAMILIALE DE LAVAL

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, I would like to inform the House of the wonderful work done by the Association coopérative d'économie familiale de Laval, which has helped residents of Laval for five years now.

This community organization helps people budget, manage their debts and bills, and is an advocate for consumer rights.

The association helps people to balance their household budgets and provides support to consumers in their dealings with businesses, by informing them of their rights and available remedies.

It is thanks to an organization like the Association coopérative d'économie familiale de Laval that people will become informed consumers.

• (1400)

[English]

S. O. 31

SUMAS ENERGY 2

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, the National Energy Board has now postponed hearings into the Sumas Energy's application to hook up its proposed power plant to the North American power grid in my riding. While any delay in this project is welcome, it also typifies the chaotic process that has haunted this project from the beginning.

The people of B.C. are united in their opposition to this project because of concerns for the sensitive Fraser Valley airshed. We also share a disappointment that our federal Minister of the Environment has failed to take the leadership role expected of him, and so the project continues its slow but inexorable march toward completion. Where is the minister when we need him?

Recently I met with our ambassador to the United States to once again encourage the development of a process so that projects like SE2 are not handled in such a haphazard manner.

With dozens more of these co-generation facilities planned along our border, a workable bilateral agreement with our American neighbours is in the best interest of both nations. More important, it is in the best interest of the environment that we both share and that recognizes no borders at all.

* * *

BIATHLON COMPETITION

Mr. John O'Reilly (Haliburton—Victoria—Brock, Lib.): Mr. Speaker, congratulations to Coach Barrie Ward and his team of seven cadets who turned in top performances at the recent Regional Biathlon Competition: Cory Gorrill, gold junior male, silver team relay; Katelyn Jones, silver junior female, silver relay; Beth Ward, bronze junior female; Riley Ward, bronze senior male, silver relay; Nicole Ward, silver senior female; Jessica Frankland, silver relay; and Tyler Sage, silver relay.

Good luck in the upcoming provincial championships and I hope to see them in March as they compete at the Nationals in New Brunswick.

* * *

[Translation]

DAIRY INDUSTRY

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, on February 14 in Val-d'Or, I met with a number of farmers from the Syndicat des producteurs de lait de l'Abitibi-Témiscamingue, including president Gabriel Rancourt and vice-president Édith Lafond, about their concerns over the federal government's delay in recognizing their right to recover their production costs as well as ensuring greater protection against imported dairy products.

S. O. 31

Foreign countries such as the United States and others have created substitutes to get around tariff quotas. These substitutes are used increasingly in food production but, because of current labelling rules in Canada, consumers are unaware of the composition or origins of such foods.

After softwood lumber, Bush is now imposing illegal butter oil on us. The Canadian government must close the U.S.-Canada border to such products and put the truth back into food labelling for the health of Canadians.

* * *

[English]

JUNO AWARDS

Mr. John Harvard (Charleswood—St. James—Assiniboia, Lib.): Mr. Speaker, I am proud to rise today to congratulate the many exceptionally talented Manitobans who have been nominated to receive this year's Juno Awards.

The 2003 Juno nominations reflect the diversity of Manitoba's talent. The nominees include: Doc Walker, nominated for Country Recording of the Year; Remy Shand, who has received four nominations, including Artist of the Year and Songwriter of the Year; Fred Penner for Children's Album of the Year; James Ehnes, with two nominations including Classical Album of the Year; the Duhks, nominated for Best Roots and Traditional Album of the Year; and Holly McNarland for Best Album Design.

Last week's announcement of the Juno Award nominations solidifies Manitoba's reputation for being a dynamic and outstanding force in both the national and international music communities.

Congratulations to these remarkably talented Canadians.

* * *

ETHICS

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, the Liberal government, the Prime Minister and the former finance minister who wishes to be Prime Minister have brought discussions on ethics and accountability to a new low. They have redefined the term blind trust so that it is neither blind nor trustworthy.

Canadians want to have a government that they can trust. When ministers say that they have temporarily divested themselves of personal interests so that they can function in cabinet without personal bias and without potential for personal gain, then what they say is what they should mean.

It is unconscionable that the former finance minister was giving briefings about his holdings and business deals while he was in office. It shatters what little trust Canadians have left. It is the apex of disappointment and disillusionment.

* * *

• (1405)

2010 WINTER OLYMPICS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, before the International Olympic Committee evaluation commission visits Vancouver and Whistler in March, the residents of Vancouver will

take part in a plebiscite. On February 22 they will express their views on Vancouver's bid to host the 2010 Olympic and Paralympic games.

My constituents and I encourage all Vancouverites to go out and vote yes on that day. All Canadians can show their strong support for the bid by participating in on-line polling. The Vancouver 2010 website is www.winter2010.com.

Canada is competing against Austria and South Korea to host the world in 2010. We are confident that Canada can bring home the games. Let us make this dream come true for our athletes and our youth. Let us continue to support Vancouver 2010 Bid Corporation in its quest for gold.

Let us bring the Olympic and Paralympic winter games home in 2010.

* * *

[Translation]

BEAUPORT BAY

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, I was extremely pleased recently to hear that the Quebec Port Authority had decided to hand over more than 2 million square feet so that Beauport Bay could be developed.

After several years of stalling, Quebec Port Authority management finally understood that it had to consider local needs and priorities and hand this site over to the community so that it could be developed and permanent facilities put in place. This is an excellent decision and I would like to congratulate the Quebec Port Authority for recognizing the tourism and recreational potential of this site.

I would also like to thank the citizens that have supported my many initiatives since 1995, among other things by signing a petition calling on the federal government to return the Beauport Bay site to the people of the greater Quebec City area.

This victory is the result of a concerted effort by elected representatives at the federal, provincial and municipal levels, from all party lines, and by representatives of the Association nautique de la baie de Beauport.

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[English]

EAST COAST MUSIC AWARDS

Mr. Joe McGuire (Egmont, Lib.): Mr. Speaker, I would like to honour all the east coast musicians who won East Coast Music Awards this past Sunday, in particular the four Islanders who won five awards.

Lennie Gallant received two major awards: the male artist of the year and the best francophone recording.

Nathan Wiley of Summerside, who burst onto the entertainment scene a year ago with an album he recorded himself in his basement, won the alternative artist of the year award.

Scott Parsons, another veteran musician from Charlottetown and also a veteran of The Landing: Oyster House & Pub in Tyne Valley, won the best African-Canadian recording award.

Finally, the francophone group Barachois won the roots/traditional group of the year award.

I would also like to mention that the parents and uncle of the Arsenault performers in Barachois also won the Queen's Jubilee medal this past summer for their work in Acadian culture.

* * *

HOCKEY

Mr. Brian Fitzpatrick (Prince Albert, Canadian Alliance): Mr. Speaker, the Liberal government's decision to tax amateur junior hockey is killing the hockey dreams of thousands upon thousands of young Canadians.

Canadian junior "A" hockey teams do not want government welfare, but the Liberal government wants to tax them. Why should amateur junior hockey not be treated the same as other amateur sports in the Olympic program? This injustice must stop. Junior hockey is about making dreams come true. The government's decision to tax junior "A" hockey teams is killing those dreams.

Hockey is Canada's official national sport. Apparently it is not the Liberal game. Why does the Liberal government insist on attempting to bankrupt junior "A" hockey teams?

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SCOUTS AND GUIDES WEEK

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I rise to recognize Scout/Guide week which takes place February 16 to 23 of this year.

This is the time of celebration for Scouts Canada and Girl Guides of Canada. It is a time when both organizations come together in the spirit of friendship to honour their heritage. It is a chance for the public to recognize the limitless potential of Canadian youth and the work that scouting does to help build a better world for our nation's future leaders.

Scouting instills values of leadership, honour and teamwork through the many exciting outdoor programs it provides for over 120,000 boys, girls and youth nationwide. These programs are developed and maintained by 40,000 energetic, dedicated Scouts Canada volunteers who give selflessly of their time and deserve our whole-hearted praise and thanks.

I would like all members to join me in wishing both Scouts Canada and Girl Guides of Canada continued success as they move forward into a new century.

* * *

●(1410)

FLOODING IN NEWFOUNDLAND AND LABRADOR

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I wish to bring to the attention of the House, and for that matter all Canadians, the terrible tragedy that is happening in the great community of Badger, Newfoundland and Labrador.

Last Saturday when the Badger, Red Indian and Exploits rivers backed up with an ice jam the ice flowed through the town and well

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over 1,000 people went through an absolute horror. They saw their personal possessions and houses covered with ice.

Although the provincial government is doing all that it can, we are encouraging the federal government, especially the Prime Minister, to make an unequivocal statement that the people of Badger, Newfoundland and Labrador, will not have to face this tragedy alone.

I want to encourage all members of Parliament, and all Canadians, to support the Red Cross in its efforts to support the good people of Badger, Newfoundland and Labrador. We cannot let them go through this alone. We need to assist them in any way we can.

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[*Translation*]

FOREIGN AFFAIRS

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, it has been almost one year to the day since Ingrid Betancourt was kidnapped and taken hostage by the Revolutionary Armed Forces of Colombia.

This courageous and determined young woman, a Colombian presidential candidate at the time of her kidnapping, must not be forgotten.

Ingrid's daughter Mélanie has not relented in her efforts to have her mother freed. Tonight, at the University of Montreal, she will meet with many people who are interested in this humanitarian cause, including many people who take part in the marches on the 23rd of each month organized by the Ingrid Betancourt Canadian Support Committee.

The Bloc Québécois wishes to assure Mélanie of its full support and hopes that the Colombian commission responsible for negotiating humanitarian exchanges will obtain the immediate and unconditional release of Ingrid Betancourt.

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[*English*]

REPUBLIC OF SOMALILAND

Mr. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, I rise to welcome to Canada a delegation from the Republic of Somaliland led by Mrs. Edna Adan Ismail, the Minister of Family Welfare and Social Development.

Many Canadians are unaware of the existence of Somaliland, which became independent from British rule in 1960. It joined the former Italian Somalia to form the Somali Republic. The union did not last and led to a civil war from the 1980s onwards and eventually to the collapse of the Somali Republic.

After the collapse of the Somali Republic, the people of Somaliland decided to reinstate Somaliland's sovereignty. Somaliland today is a peaceful country that abides by the rules of law, which I had an opportunity to witness first-hand while there last August. It must not be confused with the strife torn violence that is continuing as we speak, in Somalia.

Oral Questions

I would like to urge the Government of Canada to offer what assistance it can to support emerging democracies such as Somaliland and help ensure its rightful place among other stable countries of the world.

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BLACK HISTORY MONTH

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, it is with great pride that I stand in the House today to lend my voice to the chorus raised in recent weeks in celebration and support of our African Canadian communities.

My riding of Pictou—Antigonish—Guysborough is home of vibrant African Nova Scotian communities in Trenton, New Glasgow, Antigonish, Monastery, Upper Big Tracadie, Sunnyville and Lincolnville.

From the Afrikan Canadian Heritage and Friendship Centre in Guysborough to the Black Community Development Centre in New Glasgow, to Brothers and Sisters of the African Diaspora in St. Francis Xavier University in Antigonish, African Nova Scotians in the riding are intricately involved in weaving the rich tapestry of culture, music and economics that is Nova Scotia.

With this year's celebration of the Black Business Initiative, African Nova Scotians continue the tradition of community development groups like the Tracadie Baptist Church.

On behalf of the Progressive Conservative Party of Canada, and my Nova Scotia colleagues, I wish to offer my congratulations and thanks to the African Nova Scotian communities which continue to be part of Nova Scotia's forward and upward movement into the new millennium.

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BOBSLEIGH WORLD CUP

Mr. Rodger Cuzner (Bras d'Or—Cape Breton, Lib.): Mr. Speaker, Canada is truly a winter sport nation. This was underlined again recently as we saw success on the ski slopes and trails, on the skating track, and on the bobsled run.

Edmonton, Alberta's Pierre Lueders, along with brakeman Guilio Zardo of Montreal, Quebec, won the two-man bobsleigh world cup title this past weekend at Calgary's Canada Olympic Park. Mr. Lueders, a 13 year veteran of the national bobsleigh team, has now won five world cup titles. This was the first title for Mr. Zardo who is a second year national team member.

On behalf of all Canadians I would like to congratulate these two athletes on their recent victory.

* * *

• (1415)

HOCKEY

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, Canadians from coast to coast joined together last Saturday to celebrate Hockey Day in Canada. Excitement was everywhere except in the city of Saskatoon where the board of governors of the Saskatchewan Junior Hockey League were meeting to decide the very future of the league.

Revenue Canada had placed fines and penalties on each team who in turn had to pay these fines with borrowed money. There are 135 junior teams and 3,375 players across Canada. It is estimated that there are 2,000 volunteers supporting these teams.

I received a letter from the Canadian Junior "A" Hockey League asking us to lead a campaign to stop Revenue Canada's taxation. It is cheap, chintzy and above all it is a national disgrace to junior hockey in a country that calls hockey its game.

ORAL QUESTION PERIOD

[Translation]

ETHICS

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister was unable to answer the question I asked yesterday about blind trusts. He has had 24 hours to find an answer, so I am asking the question again.

Is it normal practice for ministers to be allowed to receive regular private briefings about the business of companies they own?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member for LaSalle—Émard, like all ministers, is required to follow the rules set out in the guide we provide to all ministers when they are appointed. When he was Minister of Finance, he fulfilled all his obligations. He followed all the rules he was given, and managed his affairs so as to be totally free of conflict of interest. That is what Mr. Wilson replied yesterday when he was questioned about this.

[English]

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I am simply asking what those rules actually are. Canadians have been led to believe that ministers of the Liberal government operated under a blind trust. Now we all know that the former finance minister was apparently allowed to know about his company's business dealings and sit in on numerous meetings concerning those dealings.

Is it true that the former finance minister could know about his company's business dealings under these so-called blind trust rules?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have only to ask the Leader of the Opposition to do his homework. These regulations are on Mr. Wilson's website. He has only to check and it is all there. It describes how they have to operate when they have a situation of that nature. When people have their own company, they have to put it in a blind trust.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I would ask the Prime Minister to do his homework and after 10 years be able to answer a question on this subject.

Oral Questions

Could the Prime Minister confirm that the former finance minister was not actually under the rules of a specific blind trust but had a so-called special supervisory agreement? Under this arrangement, the Liberal ethics counsellor has reportedly stated that the former finance minister could also provide direction to his companies.

Could the Prime Minister explain how such an arrangement could possibly prevent conflict of interest in a cabinet portfolio?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there are a few instances like that where a member of the cabinet is the owner of his own company and he has set that up to be managed by trustees and has not given any instructions to the trustees. However he has the right to be informed of the trend of the company, because there is no other way. It is not like having stocks that belong to the trust, it is a private company.

He acted on that file completely according to the rules and what was needed for good administration.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, anybody could operate under those rules. I happen to have the conflict of interest guidelines in front of me and there is zero mention of any such supervisory agreement.

Since there is no mention of such an agreement in that conflict of interest guideline, why did the Prime Minister approve an arrangement where the former finance minister looked like he was in a conflict of interest?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the text is available on the website of Mr. Wilson who has to manage these situations that are different than when they have shares in other companies. It is a management organization where they have trustees who decide everything. However, like anybody who has a trust, he can be informed once or twice a year about the orientation of the company. He is still in a position to know what is going on without making any decision, but be sure that his assets are being protected as well as possible.

Mr. Grant Hill (Macleod, Canadian Alliance): Mr. Speaker, the former finance minister had the most to lose and the most to gain in his personal finances when he was in the cabinet. That is why a blind trust was so important for this individual. That is why he could not be in conflict of interest if he did have true blind trust.

I ask again, why did the Prime Minister approve an arrangement where it looks like the former finance minister could have been in a conflict of interest?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have explained it is a situation that does not occur very often, that it is a privately owned company. He named a trustee to run this asset and he ensured that he was briefed in the presence of Mr. Wilson once or twice a year about the results of what was happening. It is the same thing as a blind trust. We have the right to know once a year if we still have money in the blind trust. It is the same thing for the former minister of finance.

[Translation]

IRAQ

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday the Bloc Québécois asked the Prime Minister to flatly reject any Canadian participation in a coalition of willing countries formed by the United States to wage war against Iraq.

The Prime Minister sidestepped the question even though the public has a right to know. This is a matter of principle which is in no way hypothetical for a Prime Minister who claims to support the United Nations.

Will the Prime Minister state that under no circumstances will Canada give in to the United States by participating in a coalition of willing countries against Iraq?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have not been asked and we do not intend to take part in a voluntary group. The government's policy is very clear. If there must be a war in Iraq, we want it to be approved by the Security Council. There may be another Security Council resolution. When the issue has been debated, we will see what we will do. However, our policy is to follow the directives set out by the Security Council.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I think that we will soon come to the same objective. I want to know one thing clearly. Ms. Rice, Mr. Powell, Mr. Bush and Mr. Rumsfeld are saying, "We are going ahead, regardless of what the UN decides, and we are counting on allies".

Is it very clear that Canada is not one of these allies, without the United Nations? That is the question.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, they can say whatever they want. Canada's policy will be clearly set by the Government of Canada. We have said that we want to abide by the provisions of resolution 1441. The inspectors are pursuing their work right now. There will certainly be another report soon, and there will be another debate at the Security Council.

Canada's policy is well known. If they want to go ahead alone, they are free to do so. However, we have said that they should only go in with the authority of the United Nations. If they do so on their own, the international peace and security system will likely be destabilized more than it should be.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, in spite of the fact that the Prime Minister argued in his speech in Chicago that it was important that action in Iraq be taken through the United Nations, the Americans continue to maintain that there is a possibility they could act in Iraq without the United Nations.

Does the Prime Minister not realize that by cultivating ambiguity, as he is doing by playing both sides and remaining evasive in his statements, he is making the speech he made in Chicago meaningless?

• (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the hon. member cared to read the document adopted yesterday by the Europeans, she would notice that it is almost a carbon copy of my speech of last Thursday in Chicago.

Oral Questions

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, the Americans, who are unabashedly stating they will move on Iraq with or without the United Nations, are undermining the credibility of the organization.

Will the Prime Minister admit that, as a nation that believes in the role of the United Nations, Canada has a responsibility to tell the U.S. administration that it will not let the U.S. give the UN ultimatums by threatening to act without it?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, what is very clear is that, in making representations, the Government of Canada has above all steadfastly supported the UN. The Prime Minister and the government have argued that it is up to the Security Council to face up to its responsibilities and set the terms and conditions of resolution 1441.

This approach enables us to contribute to making an eventual resolution of this crisis possible. Taking rhetorical positions is not conducive to any real solution.

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[English]

CONFLICT OF INTEREST

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is related to the issue of blind trusts for cabinet ministers, but it goes beyond what might be called the peeping Paul provisions. It has to do with coal and the Kyoto accord.

Does the Prime Minister, who would know that the future of coal as an energy source may be intimately related to the implementation of the Kyoto accord, not think that the conflict of interest guidelines should be amended to make sure that no future Prime Minister responsible for the implementation of the Kyoto accord should be involved in the coal shipping business.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, they are really running out of steam here.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, I wonder if what is also running out of steam is the promise that the former finance minister made to firefighters with respect to changes in the accrual rules for their pensions. This is something that could be done in the budget this afternoon.

Could the Prime Minister, whose caucus has repeatedly promised firefighters this change, tell us whether firefighters will be disappointed this afternoon or delighted with changes made in the budget?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I can tell the member of the NDP that he does not need a lot of steam to wait until four o'clock.

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ETHICS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, the government has a Venetian blind trust, which a minister can open or shut, so long as the ethics counsellor agrees. The guidelines say a minister can go back to his business "only in exceptional circumstances where an extraordinary corporate event is likely to materially affect the assets".

I have two questions for the Prime Minister. How many times did the former minister of finance claim that exceptional circumstances warranted a meeting with his private shipping line? How did the contract with the Indonesian company constitute an extraordinary corporate event?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am not involved in the management of these companies. The minister of finance of the day followed all the rules and ensured that he was not in a conflict of interest. When there was that meeting, he ensured, as the rules state, that Mr. Wilson was present to listen to the discussions that occurred between the managers of the trust who wanted to inform him of this so-called important decision to be made.

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, these rules of course were changed when this government came to office.

Was the former minister of finance, the member for LaSalle—Émard, the only minister covered by these changed guidelines, which allow updates on assets covered by a blind trust? If not, will the Prime Minister publish a list this week of the other ministers, past, present or in Denmark, who made use of this extraordinary provision?

However, if the member for LaSalle—Émard was the only one to use the loophole, was he the person who asked that the rules be changed in the first place, and why did the Prime Minister agree to those changes?

• (1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, every member of cabinet has an obligation to report conflict of interest to Mr. Wilson, file the application and have the proper arrangements. However it is not for me to talk about it publicly, what happens between an individual in there. It is a private matter.

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GOVERNMENT LOANS

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, the Minister for International Trade told this House yesterday that over 90% of EDC's clients are small and medium sized enterprises. That is misleading. The fact is that loan guarantees to clients of Bombardier and Nortel are designed to assist those two companies.

Again I would like to ask the minister this. Why is over 50% of EDC's loan portfolio directed to help Nortel and Bombardier?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I would like to inform the Alliance that the EDC is there to help Canadian exporters and it so happens that Nortel and Bombardier are two extraordinary and outstanding exporters from Canada.

EDC helps many thousands of small and medium sized enterprises. They have made money every year since EDC was created in 1944, but for one year. We have a pretty good deal with EDC.

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, if these two companies are so extraordinary in and of themselves, why do they need \$11 billion of taxpayer funded money to help them?

Oral Questions

I asked another specific question yesterday which the minister did not answer. Will the government and that minister make EDC more accountable to Canadians and publish a complete list of loans and loan guarantees, including the amounts received by each individual company? Yes or no.

Hon. Pierre Pettigrew (Minister for International Trade, Lib.):

Mr. Speaker, the deal EDC negotiated, which was at arm's length from the government, was to cover bonds for third parties that actually do business with EDC. Thousands of jobs in Canada depend on exports. Every country in the world has an export credit agency like ours but we pretty much have the best one on the planet. Thousands of workers depend on EDC to continue financing Canadian exporters.

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[Translation]

GASOLINE PRICES

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, since January, the profit margin of oil companies at the refining level has increased from 6¢ to 12¢ per litre, thus demonstrating that the lack of competition between oil companies is a significant factor in the skyrocketing increase in the price of a litre of gas at the pump. Profits at the refining level have increased 100% in one month, and this is definitely no coincidence.

Will the Minister of Industry put an end to his complicity with the oil companies by saying that there is no collusion between these companies, and will he do what the public expects him to do, which is to use his authority to demand that the Competition Bureau, which is accountable to the minister, look into this?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the Competition Bureau is constantly monitoring the situation with oil companies. I should also point out that the monitoring or regulating of retail prices is a provincial jurisdiction.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, how much longer is the government going to laugh at gasoline consumers by refusing to call on the Competition Bureau to investigate the obvious collusion between oil companies, which have agreed among themselves to set the price of a litre of gas as they see fit?

Will the government stop laughing at people through the Minister of Industry?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, I understand that the Standing Committee on Industry will be examining this issue. I am very pleased to know that the committee will be looking into this situation.

As for the Competition Bureau, it is constantly monitoring markets. However, at some point, the hon. member will have to recognize that what he is really proposing is that retail prices be regulated, which is a provincial jurisdiction. This is why I suggest he contact his head office.

• (1435)

[English]

NATIONAL DEFENCE

Miss Deborah Grey (Edmonton North, Canadian Alliance):

Mr. Speaker, this weekend we witnessed a fantastic rescue operation by our Cormorant search and rescue helicopters. They deserve a hand but the government certainly does not.

We need that same capability and more in any replacement of our Sea Kings.

For 10 years now the government has dithered, thinking about the lowest price being the law. We cannot afford to barter away the safety of our troops.

Why does the government insist on ordering and procuring Sea King replacements based on bottom bid over best value?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, I am sure all members in the House will join the hon. member across the aisle in congratulating the members of the Canadian Forces for their magnificent rescue operations which we have seen in the last few weeks. They truly have been superb.

In terms of the member's question, some time ago I explained to the House that we were re-bundling the contract so we would get the helicopter with less risk and more quickly. That process is on track.

Miss Deborah Grey (Edmonton North, Canadian Alliance): It is true, Mr. Speaker, there is nothing like a re-bundled helicopter.

In 1993 the Prime Minister said that he would take his pen and write zero for the EH-101. It is 10 years later and that is exactly what we have; zero.

It has been a dangerous decade for our shipborne helicopter program. Why has the Prime Minister put his pride and prejudice and his personal retirement ahead of the safety of our military?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, as I have explained many times in the House, it is deep in the psychology and the psyche of the military that safety always comes first and that we never sacrifice safety for schedule.

As I also have explained in the House, with the re-bundling of the helicopter contract the process is underway. We are guaranteed to have lower risk and the helicopter delivered faster than would otherwise be the case. That is where the matter stands and I think it is in a very satisfactory state of affairs.

Oral Questions

[Translation]

SUPPLY MANAGEMENT

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, the Minister for International Trade has always maintained that the agricultural supply management system would be protected during WTO negotiations. Yet the gradual phasing out of marketing agencies is on the WTO's negotiating agenda.

How can the Minister for International Trade explain that, despite his assurances to us in the past, supply management is nevertheless on the WTO's negotiating agenda?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I will clarify this if I may. The matter of supply per se is not negotiable, or not under negotiation. The document Mr. Harbinson has submitted is about negotiating lower duties.

Of course, supply management depends on very high duties, so if these were to be lowered there would be a problem with supply management. So what is being negotiated is not supply management; this is not negotiable.

I have a very clear mandate from the Government of Canada: there is no question of negotiating supply management within the framework of the WTO at this time.

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, yet the Minister for International Trade has already said "We are working in close conjunction with the dairy industry", while the President of the UPA has been quoted as saying, "We can feel the rug being pulled out from under us". This contradicts the Minister's fine words of reassurance.

Can the minister guarantee that he is not, as is often the case, in the process of confronting us with a done deal?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I do not exactly know why the member is saying that it I often confront people with done deals.

What I can say is that I have a very clear mandate. We have always defended our dairy producers. We have supported them since the supply management system was started by a Liberal government. A Liberal government set up this system, and my mandate is to support it at the World Trade Organization, in conjunction with my colleague the Minister of Agriculture. We will succeed in doing so.

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• (1440)

[English]

COAST GUARD

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, coast guard staff have been advised that their vessel traffic control centre in Vancouver will be closed.

The centre controls ship movements in Vancouver harbour, everything from large supertankers to container ships to commercial fishing vessels. Vessel traffic control will be downloaded to the Vancouver Harbour Authority.

How will this closure better protect the environment from the aftermath of a collision or grounding? How will it improve national security and marine safety?

Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, there is no intention of compromising security or compromising the environment. Quite to the contrary, the government has taken measures to improve environmental protection and to improve security.

We made an announcement a few short weeks ago that we would have an automatic identification system for all ships within hundreds of miles of our coast, and we will continue to improve our system.

Mr. John Cummins (Delta—South Richmond, Canadian Alliance): Mr. Speaker, the waters of Vancouver are the busiest in Canada. Ferries and cruise ships with hundreds of passengers share the waterways with large tankers, container ships and countless smaller vessels.

A single, seamless vessel traffic control system from the entrance of Juan de Fuca to a berth in Vancouver harbour is the best choice.

Why does the minister believe that closing the coast guard's vessel traffic control centre in Vancouver will improve vessel traffic management and national security?

Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the function of safety is a function of the equipment and training of the personnel who run it. I am very proud of the work we do.

We continue to seek to improve by using better technology and by using modern methods. This system is under review. We have no announcements to make, but the hon. member should stick around. We will improve our system as we have in the past, and we will continue to do so.

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[Translation]

HAITI

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, my question is for the Secretary of State for Latin America and Africa and the Francophonie.

Given the fact that the political news reminds us daily of the harsh reality of the situation in Haiti, can the secretary of state tell us what Canada's concerns are in this regard?

Hon. Denis Paradis (Secretary of State (Latin America and Africa) (Francophonie), Lib.): Mr. Speaker, Canada is very concerned by the situation in Haiti. There are 8.5 million people living in extreme poverty and misery.

With regard to the Francophonie, we have the Bamako Declaration, and within the Organization of American States, we have the charter. These two instruments apply Canadian values, values of democracy, human rights and good governance, values that do not seem to be part of the Haitian vocabulary.

Canada is calling on the international community to support the Organization of American States, so that we may come to the help of the Haitian people.

Oral Questions

[English]

LIFE INSURANCE COMPANIES

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, my question is for the Prime Minister.

The \$7.3 billion merger of Great West Life and Canada Life will create the largest life insurance company in this country, with assets of over \$150 billion. That may seem attractive to shareholders, but my concern is for the 21,000 people who work in those companies, including 900 who work in Regina.

This merger requires the approval of the Minister of Finance. Will the minister assess the merger in terms of job losses as he would for banks and make a condition of his approval the job security of all Canadian employees?

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, the Competition Bureau will review it. OSFI will review it. I understand from the president of the company that there may be no foreseeable job loss. In fact, jobs may go up, particularly in the City of Regina. Therefore, until all the details are on the table, at this point it looks very positive.

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PERSONS WITH DISABILITIES

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I want to find out how well the Minister of Finance has listened to Canadians with disabilities.

Thousands of letters, a committee report and a unanimous vote of the House called on the minister to do three things: amend the Income Tax act to allow for broader access to the disability tax credit; streamline its application process; and, finally, re-examine all tax measures relating to Canadians with disabilities, especially looking to make the disability tax credit refundable for those with no or low incomes.

Has he done these things? Has he listened?

• (1445)

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I am sure the member will get her answer in about an hour and fifteen minutes.

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ETHICS

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, the government's guidelines on blind trust stipulate that the peekaboo practice can occur only in exceptional circumstances where an extraordinary corporate event is likely to materially affect the assets. That means that the transaction between Canada Steamship Lines and the Indonesian company must have been exceptional or extraordinary.

Did the then minister absent himself from all cabinet discussions on the APEC summit, on the Asian market meltdown or other issues that might have affected the exceptional circumstances—

The Speaker: The right hon. Prime Minister.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the minister of finance of the day followed all the guidelines very strictly during the term he was minister.

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NATIONAL SECURITY

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, after September 11, the Prime Minister announced that the finance minister would now be in charge of coordinating the nation's security. However last week Transport Canada was advertising for an intelligence analyst to coordinate intelligence among various agencies.

Yesterday the Solicitor General said that he was in charge of national security.

Who really is responsible for the nation's security today? Who is coordinating all the departments involved? When will Canadians be updated?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of Finance and Deputy Prime Minister is the chair of a committee that these ministers sit on. We work as a team on this side.

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FOREIGN AFFAIRS

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, the expulsion of Zimbabwe from the Commonwealth expires next month unless the suspension is renewed.

Given the fact that people are still being tortured and murdered by Mugabe's thugs, and that the economy and social structure of that country continues to be torn apart by Mugabe's actions, will the Minister of Foreign Affairs support the continued expulsion of Zimbabwe from the Commonwealth, yes or no?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, we certainly regard, with great preoccupation, the problems in Zimbabwe, as does the hon. member. We have been following this extremely closely. We continue to urge on President Mugabe to change the conditions in his country.

We recognize that there are serious problems in that country but we remain in contact with our colleagues, Mr. Obasanjo, Mr. Mbeki, and Mr. Howard, the Prime Minister of Australia, to see if we can work something through with the troika before we make any precipitous steps.

This is a matter that concerns us greatly but we want to work through it in a way that recognizes the best interests of the people of Zimbabwe. This is not an easy political decision to make.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, half the population in that country is dying. This is the same non-answer that the government has been giving for a year.

Oral Questions

My question is simple. No one is coming to the defence of the innocent people of that country, who are dying in torture centres and who are being murdered. Half the population is being starved to death. It is that simple. This country is a member of the Commonwealth. Will the government stand up in the defence of these people's lives? Will it ask for the continued expulsion of Zimbabwe from the Commonwealth? Yes or no.

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, as I said to the hon. member and as the government has recognized in the House, we are very preoccupied by the status and the state of the people of Zimbabwe.

I ask the hon. member to work with me and to work with the government to take responsible decisions that are in the best interests of the people of Zimbabwe.

We are working with the Commonwealth. We will continue to do this. The Prime Minister follows this very carefully with his colleagues. We will take the right decision at the right time in the interests of the people of Zimbabwe and in the interests of making sure that the Commonwealth disciplines Zimbabwe in the right way.

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[Translation]

HEALTH

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, a few years ago Health Canada promised to improve the drug approval process. The drug safety review process now takes 717 days and as a result, patients here have to wait for access to new treatments that are already available elsewhere.

Can the minister explain why, eight years later, Health Canada still has not reached its objective of conducting new drug reviews within 365 days?

• (1450)

[English]

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, I am very pleased that hon. member has raised this question, because I am sure he read the Speech from the Throne, where in fact the government made a very important commitment in relation to smart regulation.

In fact, we understand the challenge in relation to drug approval times. We are reviewing and in fact are in consultations now to determine how we can put in place a renewed drug approval process that meets the needs of all Canadians.

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, the innovative pharmaceutical industry spends \$40 million a year in drug review fees. Does the minister believe that she is able to meet the review deadlines and, if not, should Health Canada not reimburse the review fees for lack of efficiency?

[English]

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, we are looking at all aspects of our drug approval process. We are looking at the time it takes. We are comparing those approval times with other countries' standards. We are working with the private sector, including drug companies.

We take this very seriously, which is why in fact this was an important commitment made in the Speech from the Throne.

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INTERNATIONAL COOPERATION

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, we have learned that the budget today will increase foreign aid. Without stringent controls, we know from past experience that money can find its way into terrorists' hands.

Will the minister assure Canadians that no foreign aid money will find its way into terrorists' hands?

Hon. Susan Whelan (Minister for International Cooperation, Lib.): Mr. Speaker, I think we will have to wait until this afternoon to see what the budget has to say about dollars, but I can assure the hon. member that indeed we work with reputable organizations and institutions around the world. We do not fund terrorist organizations. We thoroughly vet the organizations and we have reviewed the companies and the organizations that we are working with.

Mr. Deepak Obhrai (Calgary East, Canadian Alliance): Mr. Speaker, recent correspondence from Len Good, the president of CIDA, talks of aid money going to China for years to come. This is a country that least needs foreign aid. Projected aid to China and India will almost equal the increase of foreign aid in the budget.

On the one hand they increase aid saying the poor need it, and on the other hand they blatantly waste it by funnelling to countries that do not need it. Why?

Hon. Susan Whelan (Minister for International Cooperation, Lib.): Mr. Speaker, I am sure the hon. member knows that one-fifth of the world's absolute poor live in China. The mandate of my department is to reduce poverty through sustainable development.

Around the world we are working with countries where there are poor people. We are working on human rights issues in China, which I believe are very important to most members of the House, and we will continue to work with the absolute poor in China.

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[Translation]

FOREIGN AFFAIRS

Ms. Raymonde Folco (Laval West, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs. One year ago on February 23, senator Ingrid Betancourt was kidnapped and is still being held hostage by Colombian guerillas.

Given that this situation concerns a large number of Canadians, we would like the Minister of Foreign Affairs to advise us of his intentions with regard to diplomatic efforts to bring about the release of Ms. Betancourt.

Second, is he prepared to support a motion of members of this House seeking the immediate release of Ms. Betancourt?

Oral Questions

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, I thank the hon. member for her question. I am very concerned about Ms. Betancourt's situation. This morning, I spoke to the Colombian foreign affairs minister. Last night, I met with Ms. Betancourt's daughter. It is a tragedy that people are taken hostage for political reasons in this world.

I believe that if the House were to adopt a motion condemning such activity, it would send the message to FARC that the world condemns this type of activity and that Canadians want Ms. Betancourt and all the other hostages to be released—

The Speaker: The hon. member for Cypress Hills—Grasslands.

* * *

[English]

AGRICULTURE

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Mr. Speaker, in June of last year, Naber Seed & Grain went bankrupt. The federal government's system for bonding licensed grain dealers was supposed to protect farmers but clearly failed. More than 100 farmers were owed money and will now receive only 52¢ on the dollar.

The government is so quick to regulate but so slow to take responsibility. Does the Minister of Agriculture accept responsibility for this fiasco? What is he doing to remedy the situation?

• (1455)

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, one of the jobs of the Canadian Grain Commission is to see that handlers and buyers of seed and grain in western Canada are bonded. It does that on a frequent basis to try to ensure that there is sufficient bonding in order to cover the liabilities it would have, but I have to say that it does not do it every month because of the costs of doing that and the administration there. It was anticipated that it would have sufficient coverage, but it is working with the farmers and with the company in order to do the best that it can.

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Mr. Speaker, the facts surrounding the case are clear. If the government had monitored its own financial guidelines, these prairie producers would have been paid in full for their grain. Instead, the licensing system, which is supposed to protect farmers, failed.

Even though the shortcomings of this system were well known long before the Naber Seed bankruptcy, the government did nothing to fix the situation. Will the Minister of Agriculture admit that his failure to act early left farmers on the hook and out of money?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I repeat that in the view of the Canadian Grain Commission, in conjunction with the monitoring of the actions and the economic activity of the Naber Seed & Grain Company, it was viewed to have sufficient bonding. However, there was a situation that occurred such that the assets of the company, for a short period of time, did exceed its bonding, and unfortunately it was not all covered.

[Translation]

IRAQ

Mr. Antoine Dubé (Lévis-et-Chutes-de-la-Chaudière, BQ): Mr. Speaker, a secret UN document obtained by an American NGO predicts that 1.5 million people will be displaced in Iraq in the event of a war. Worse still, 30% of Iraqi children under the age of 5 could die from malnutrition, yet no assistance plan has been developed.

Can the Minister for International Cooperation tell us if the government is ready to put as much energy into helping possible civilian victims of war in Iraq as it is into preparing for war by sending officers to Qatar?

[English]

Hon. Susan Whelan (Minister for International Cooperation, Lib.): Mr. Speaker, we have been involved in humanitarian efforts in Iraq since 1991, and in the surrounding area. There is presently a contingency planning effort going on by the United Nations call for \$37 million. We have already committed \$1.7 million to that. The new call came yesterday for \$123 million from all countries and we are looking at that. We definitely are looking at the humanitarian needs of Iraq.

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[Translation]

HOUSE OF COMMONS

Ms. Hélène Scherrer (Louis-Hébert, Lib.): Mr. Speaker, in three months, three of our colleagues have experienced heart problems.

This emphasizes how important it is for us, with our fast-paced schedules, to adopt lifestyle habits that will prevent health problems.

Could the chief government whip tell the House what measures she plans on proposing to the Board of Internal Economy with regards to a fitness consultant to help us?

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, several members of Parliament have raised concerns to me about this issue. As you know, I have already spoken about this issue and written to ask that it be put on the agenda for the next meeting of the Board of Internal Economy.

[English]

Like any good employer today, the House of Commons has to be concerned about the health and well-being of those who work here. I can assure the member that the board will address her concerns, and soon.

Government Orders

[Translation]

HIGHWAY INFRASTRUCTURE

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, Ind. BQ): Mr. Speaker, my question is for the Minister of Transport.

Last Friday, Longueuil mayor Jacques Olivier indicated to me that the economic development of the new city was stagnating because businesses will not move there or investment further in the area until the uncertainty surrounding the extension of highway 30 has been cleared up.

Could the Minister of Transport tell us what the timeframe is for the extension of highway 30?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, I appreciate the question of the hon. member, who is well known to the House.

I want to assure the House that my colleague, the Minister of Industry, who is responsible for infrastructure, and the officials at Transport Canada are working on this issue together with the Government of Quebec. I hope that an agreement will soon be reached.

* * *

● (1500)

[English]

FIREARMS REGISTRY

Mr. Howard Hilstrom (Selkirk—Interlake, Canadian Alliance): Mr. Speaker, the Prime Minister's attempt to force every Canadian to register their rifles and shotguns has been a dismal billion dollar failure.

Canadians living in Nunavut have a court order saying that they do not have to register their firearms. First nations people have said they will not register as it is against their treaty rights. Hundreds of thousands of law-abiding Canadians have not registered as of January 1 and have sworn that they never will.

My question is for the Prime Minister. Instead of forcing firearms registration on some Canadians and not on others, why does he not treat everyone equally and repeal the gun registration law?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the member should come on side with the government and talk about Canadian values and public safety as well.

In terms of numbers, I must mention in the House that 1.9 million owners' licences have been issued, 6 million guns registered, 9,000 licences revoked or refused to potentially dangerous individuals, and police forces are using the registry 2,000 times per day.

We are talking about values. The government is firmly committed to keep proceeding with gun control and this is exactly what we will do.

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TAXATION

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, three times since February 2001 my colleague from Windsor—St. Clair

has raised the issue of Canadians paying unfair tax levels on American social security benefits.

In June 2001, my predecessor, the former deputy prime minister, assured us that the former finance minister, the member for LaSalle—Émard, was looking into the matter. Of course, that member himself failed to give an answer to the question.

Could the Prime Minister tell us if two years is long enough to keep his government's promise to look into this situation? Will he address this injustice or will he continue to build the surplus at the expense of seniors, the disabled and working Canadians?

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, this is an important issue for members on this side of the House. In less than an hour, the member will get his answer.

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PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of Her Excellency Ilinka Mitreva, Minister of Foreign Affairs of the Former Yugoslav Republic of Macedonia.

Some hon. members: Hear, hear.

[Translation]

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of Marc Laffineur, Deputy to the French National Assembly and President of the French branch of the France-Canada Interparliamentary Association, with an accompanying delegation.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

● (1505)

[English]

CANADA ELECTIONS ACT

The House resumed consideration of the motion that Bill C-24, an act to amend the Canada Elections Act and the Income Tax Act (political financing), be read the second time and referred to a committee, and of the amendment, and of the amendment to the amendment.

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, I know that members opposite really want to be reminded of the scandals and corruption that have followed the government and the Prime Minister since 1993. They also want to be reminded that when the House debated issues of national importance, issues that affected our children, the way families provide for themselves, national security and how we get along with our international partners, the Prime Minister never was involved in those debates. Apparently they were not that important to him. Probably he was spending a lot of time with his lawyers and advisers trying to figure out how to stay one step ahead of the scandals and corruption that have followed the government since 1993.

Government Orders

Then the Prime Minister suddenly appeared in the House and wanted to speak. This is his pet bill. Bill C-24 is an act to amend the Canada Elections Act and the Income Tax Act as it applies to political financing. What a bill of monumental importance to the country.

Do people understand how this pet bill of the Prime Minister's is going to change the face of our nation and make it so much better for everyone who lives in this country? Our children will be safer on their way to school and while playing in the park; criminals that commit heinous crimes in our country will be given time that reflects the crime; the homeless will have homes; people who are suffering from social injustice will be treated equally; all because of this nation-changing bill of the Prime Minister's. Mr. Speaker, does that sound like a lot of poppycock? Well you bet it is, just like the bill.

This bill that the Prime Minister finds so important will serve no other purpose than to provide yet another tool for the government, the Prime Minister and whoever follows him, to continue even more so to manipulate the taxpayers' money within the treasury of the government. The bill will be of monumental benefit to whom? The governing party.

The Prime Minister is trying to create the facade that he is a person who believes in integrity, in ethics, in what is right and wrong, through this bill. This is despite the last nine and a half years of the country watching him dodge scandal bullets through his political days as Prime Minister, from the Grand-Mère golf course and hotel episode to exonerating his friends and ministers who have been involved in scandals and corruption.

It is a facade. It points to the sheer arrogance and hypocrisy of the Prime Minister, who through this bill wants Canadians to think that he is a nice guy. Well it ain't going to sell because all the bill is for is to extract more dollars out of the taxpayers for political use.

The bill simply replaces the government's addiction to corporate and union political funding with its addiction to taxpayer funding. That is not the answer. Taxpayers cannot be forced to support a political party they normally would not support in the polls, but that is exactly what the bill is trying to do.

• (1510)

The Canadian Alliance is opposed to direct subsidization of political parties. Any public funding must be tied to voluntary donations coming from individuals. Why would a government that purports to believe in democracy and fairness, through a piece of legislation, force Canadians to support a political party financially that they would not support in the polls? That is the big question.

Why is the Prime Minister doing it? It is part of a bigger scam of some sort. Given time, we will figure out exactly what he is up to, we can bet on it, given his record as Prime Minister. Scandals have followed him from 1993 to the present. Scandals have followed the ministers whom he has sent off to places where they can be out of touch and away from the long arm of the law in many cases.

This bill is a cover up. The Prime Minister is trying to make us believe through the bill that he is concerned about how the political system has been funded through corporate donations and even individual donations in the past, that he is concerned about the perception that there may be something wrong with the way politics

has been funded. In the same breath he is saying that through his bill he will make everything transparent and ethical.

Canadians almost choke on the word "ethics" as it comes from the Prime Minister. Some days in the House we wait for the lightning to come through the ceiling when the Prime Minister talks about ethics in his party.

We cannot support the bill. It represents a massive shift in the sources of contributions to political parties, from the voluntary actions of Canadians to the mandatory imposition on Canadians to support political parties, whether or not they would support them in the polls. We cannot and will not support the bill.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, one of the advantages of being a Liberal is there is no need to throw away dollars on lottery tickets. As a Liberal, all one does is raise taxes when there are dreams that must be realized.

This legislation is a lottery win for the Liberal Party and its huge debt. We know that debt was a major concern because one of the Prime Minister's aides was reported to have said this legislation would wipe out the party debt within months.

Canadians who have taken time to look at this legislation do not like it. They see it for what it is. It would force all Canadians to participate, no matter what party they support and no matter how deeply or not they want to be involved in politics. It would force every living Canadian to spend money on something that might or might not be a personal priority. We must remember it would eliminate the debt of the Liberal Party of Canada.

The legislation claims that it would open up the nomination process to more candidates. How can that be when the Liberal Party believes that candidates for election should be appointed by the Prime Minister? There cannot be an open nomination process when a dictatorial decision is made by the Prime Minister about filling certain quotas. If we look closely at this bill, it would do just the opposite to what the Liberals are saying about nominations. It would make it more difficult for a new person to walk along and join the process. The Liberals can hire an official agent or someone else, but a lot of people just cannot afford to do that.

It is obvious to anyone watching this place that the governing party looks kindly on the benign dictatorship style of governing. It is certainly obvious to those backbench members who have recently learned that they are no longer able to speak to certain issues that arise in this place. As we understand it, unless members opposite are prepared to stand and cheer for their leader, they will not be allowed to stand in the chamber to address any issue of their own.

We go beyond any benign dictatorship when a government forces citizens to give their hard earned tax dollars to parties they do not support. It should be noted that Canadians are learning with each passing day that any support they gave the Liberals in the past was probably a mistake.

Government Orders

The party to which I belong has long been a proponent of real democratic reform. We have been proposing and promoting democratic reform in Canada since 1987. Because of that, plus many other reasons, we have enjoyed tremendous financial and moral support from thinking Canadians. The Liberals, if they ever were a party of reform, lost the right to claim that decades ago.

Ours is a party where candidates for the leadership would not restrict membership sales in their own party so as to strengthen their grip on the party. Candidates would strangle their own party if that is what it takes to lead it.

I hope Canadians will take note of this legislation and remember it at the next election. If they do not remember, we will be only too happy to remind them. We will tell Canadians that the Liberals, their kissing cousins the Conservatives, their closest kin the New Democrats and yes, those great patriots the Bloc Québécois, all supported this legislation.

The Liberals like it because it fits their philosophy, "make taxpayers cough up for every hare-brained scheme that comes along". The Progressive Conservative kissing cousins like it because they think it would buy them a little respectability and a few days more of life. The New Democratic Party closest kin like it because they too have debts and believe that hard work and earning one's way is for someone else. The super patriotic Bloc Québécois likes it because it loves the idea of joining hands to pockets with Canadians from coast to coast.

If the Prime Minister thinks this legacy legislation would whitewash the record of his tenure, he has another thing coming. No one will ever forget his cavalier attitude and dismissal of the millions that were stolen in the advertising scandal. No one will ever forget the scandalous firearms registration fiasco or the HRDC billion dollar boondoggle. Nor will anyone ever forget the billion dollar GST fraud scandals as it becomes an increasing part of the public consciousness. As our leader said so succinctly, "The true nature this bill is simply the replacement by the government of its addiction to large business and union donations with an addiction to taxpayer funding".

Another point should be made. If a governing party falls from favour with the electorate, that party will have no worry about its future. It would not have to worry about individual or corporate contributions shrinking because the party would no longer enjoy the confidence of the country. This legislation would guarantee the survival of the party because by law the taxpayers would be forced to give it life support. It means that no matter how incompetent, despotic, arrogant or undeserving of support, that party would continue to exist because taxpayers would be forced to support it.

• (1515)

Let me put it another way. In 1993 the Progressive Conservatives went into a campaign with a loaded war chest. It did not matter. The people were fed up and threw them out. The war chest was empty at the end of that campaign and it is still empty because Canadians have never forgiven them and probably never will.

The Liberals, knowing their days are numbered and how ragged and down at the heels the Conservative Party is, took precautionary measures. They concocted this scheme to guarantee their survival.

No matter how disgusted the voters are, it means that when the ancient mariner takes over he will have all those lovely crisp Canadian taxpayers' dollars to toss around like rose petals.

It could happen that the Prime Minister, who knows a bad idea when he sees one, might withdraw the legislation. If he thinks it would in any way help his successor, he might decide to take a pass on the legislation. Canadians would like to take more than a pass on the legislation. I will leave it to them to make that point to the Liberals when they meet in their constituencies.

Taxpayers should take notice of some facts and figures. They are already subsidizing slightly less than 40% of the funding of the parties in Canada. The legislation would push that direct subsidization to beyond 70%. It would not matter which party they support, where they live or what they believe. They would be paying into a huge pot of money that the Liberals are forcing them to fill. Of course the Liberals would be only too happy to be the first at that pot so they can get rid of their embarrassing debt.

Is this really an advancement for democracy? No, it is not. Our leader nailed it when he called it an autocratic solution to a democratic problem. The Liberals, the governing party which replaced the Conservatives, created the democratic problem. Canadians began to lose faith in politics when the Conservatives governed. It grew into a landslide after they had a few years of Liberal arrogance to watch.

If people thought they saw an angry electorate in 1993, wait till Canadians get wind of the legislation. Right now it has not hit the public consciousness, but when it does, the reaction will hit like a freight train.

It is not democracy when individuals are forced to support parties they do not favour. It takes even more control out of the hands of individual citizens and puts it in the hands of political operatives. Supporters of the Canadian Alliance will be outraged when they learn they are subsidizing the New Democrats or the Bloc Québécois; forget about the Liberals.

The two or three dozen Canadians who support New Democrats will be outraged when they learn that they are being forced to support the Canadian Alliance. A similar number of people who still think Conservatives have credibility will be shocked and appalled, and write letters to the editor expressing their outrage at being forced to subsidize the Liberals.

We must admit that the Canadian Alliance would benefit from the legislation, but we can and will argue that we had no idea that this legislation was coming and no hand whatsoever in its drafting. We can argue that even if corporate donations were banned outright, the Canadian Alliance would survive because our supporters give generously as individuals.

The figures do not lie. In 2001 the Liberals received donations from fewer than 5,000 individuals which accounted for 19% of their total fundraising. That same year nearly 50,000 individuals contributed to the Canadian Alliance and that provided over 61% of our funding. Why is the Prime Minister doing this?

Government Orders

In 2004 the Liberals would haul \$8 million out of this forced fund that would nicely dispose of their \$6.5 million debt, so the unable and the incompetent would have their debts and mistakes covered by the unwilling. It is the Liberal way. When the Liberals lose \$1 billion to boondoggles they call in the taxpayers. When they lose \$1 billion to GST fraud they call in the taxpayers. They lost a few million to fees and advertising and gave the minister an ambassadorship knowing that taxpayers would cover the cost.

This is bad and arrogant legislation. It is undemocratic and self-serving. It is disrespectful legislation that, as Canadians become more aware of it, will harden the resolve of Canadians to throw the Liberals out at the next election.

• (1520)

The Alliance will vote against it. If there is some reasoned thought on the other side to withdraw the legislation, we would be happy to offer a suggestion on how it could be improved. The only problem is that the suggestions we would make would not yield a windfall for the debt-ridden Liberals, Conservatives and New Democrats, so I am not optimistic that we will be asked for very much advice.

This is bad legislation. Canadians will see it for what it is and they will tell their members when they go home on the spring break. I am sure some common sense will take place and we can look at some proper way to fund election time.

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, I am thankful for the opportunity to speak to this bill that seeks to enhance confidence in our political system. This is particularly interesting because it allows me to discuss an issue of great importance to my constituents, namely, how we ensure that our political system reflects high ethical standards.

I would like to focus in particular on public financing measures included in the bill and their importance in this legislation which would enhance Canadian confidence in the honesty and openness of our political system.

The Canadian electoral system belongs to all citizens and the support of taxpayers for the maintenance of an effective electoral system is vital. Public funding of the federal electoral process is a longstanding principle in Canada. The reimbursement of party and candidate electoral expenses, and tax credits for contributions, have been around since 1974 when the Election Expenses Act established a new regime for the financing of federal elections in Canada.

The legislation was a response to a growing concern about the fundraising and financing of political parties. In addition to providing for improved disclosure and spending limits, it was recognized at that time that public financing was an important part of the political financing equation.

The importance of public financing to a healthy democracy is such that all provinces have introduced public funding measures to a lesser or greater degree. All provinces provide tax credits for donations, some nearly as generous as the tax credit that is proposed in this legislation and some less. Reimbursement of party expenses is provided in Quebec, Ontario, Manitoba and Saskatchewan.

In Quebec, for example, the rate of reimbursement is 50%, as is proposed in this legislation. Reimbursement of candidate expenses is

provided in all provinces except Alberta and British Columbia. Three provinces, Quebec, New Brunswick and Prince Edward Island, provide annual public allowances to political parties.

Quebec in particular has been providing a public allowance since 1975. The current allowance is 50¢ per elector. New Brunswick provides an allowance of \$1.69 per vote obtained in the last election. Prince Edward Island provides for an allowance of \$2 based on the number of valid votes for a party's candidate in the previous general election.

When the Lortie Commission studied these issues in the early 1990s it noted that the value of candidate and party reimbursements to our electoral democracy had been clearly established.

At that time the commission focused in on candidate and party reimbursements and recommended that reimbursement be tied to a subsidy per vote received. In retrospect, this recommendation is interesting in the context of the current legislation which in fact proposes a public allowance for parties tied to votes received.

When the Chief Electoral Officer examined this issue in his report on the 37th general election he noted that the purpose of public funding was to increase access to the political process. Together with election expense limits public funding is intended to contribute toward a more level playing field in the electoral process.

In his report he recommended that the threshold for candidates to be qualified for reimbursement should be lowered to 5% of the valid votes cast in their electoral district in order to increase access to the political process and broaden national participation. I understand that, since then, the Chief Electoral Officer has also suggested that the rate of reimbursement for election expenses for parties should be increased from 22.5% to 50%.

Clearly, the measures that are proposed to prohibit corporate and union donations and to limit individual donations will have a cost, a cost that is justified to remove the perception of influence over the political process. If we ban corporate and union campaign contributions and restrict large donations by individuals, how do we make up for the resulting shortfall in revenues that parties and candidates might experience?

• (1525)

Candidates and parties need adequate funding to fulfill the important role they play in our political system.

How do we encourage individual Canadians to pick up some of the slack?

The financial measures introduced in Bill C-24 build on existing measures in the bill, as well as previous recommendations and practices in other jurisdictions, in particular, the provinces.

Government Orders

I would now like to speak a little bit about financing measures. The rate of reimbursement for electoral expenses would be increased, according to the bill, from 22.5% to 50%. This would cover in part some of the potential losses that registered parties would incur under the reform.

It would also provide parity between parties. The reform would also add polling expenses to the definition of allowance expenses for reimbursement and raise the ceiling for expenses correspondingly.

Also, according to the bill, the threshold for candidates to qualify for reimbursement of election expenses would be lowered from 15% to 10%. This reflects the reality of our multi-party system.

Also, the bill introduces amendments to the Income Tax Act to double the amount of an individual political contribution that is eligible for a 75% tax credit from \$200 to \$400.

One of the objectives of the government is to encourage transparency. I would submit that this is exactly what the legislation does.

By voting, citizens would be effectively directing to which party their tax money would go. This would provide a direct link between the voter and the party that the leader of the opposition has been calling for. This is well balanced legislation. I am surprised and shocked to see some of my colleagues standing up in the House and challenging the legislation.

In fact, members of other political parties have seen the merits of the legislation and have stood up and endorsed it because they knew it was the right thing to do.

In our democracy Canadians and taxpayers deserve better than the partisanship that is being advanced by members of the official opposition. It is high time they spoke about the facts in the legislation and moved away from the fiction that they have been talking about over the past few weeks.

I commend the Prime Minister on the leadership he has taken on these issues. I also commend the House leader who has continuously done everything he could possibly do in consultation with the other House leaders to ensure the fast passage of the legislation so it can pass through the other House and become law.

I would also like to see the legislation go further, or an amendment to the legislation go further by making it a law that every Canadian must vote, as is done in Australia, Brazil, Italy and other jurisdictions around the world.

It is high time for us to move forward with the legislation as it has been proposed. At the end of the day it would need the collective action of all of us in order to move forward with such wonderful legislation. I would like to see my colleagues voting for it.

• (1530)

[*Translation*]

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, frankly I must say loudly and enthusiastically that I would never have thought a day would come when I would stand in this House to speak on a bill modelled after the public financing legislation passed in Quebec in 1977, at the instigation of René Lévesque. It has happened, and I must say that I take pride in that.

I was in attendance when the Prime Minister made his speech, and I want to point out that he paid tribute to René Lévesque. Let me read what he said. This is Jean Chrétien speaking, “I was not always in agreement with René Lévesque—”

The Acting Speaker (Mr. Bélair): I am sorry to interrupt the hon. member. You are a veteran of this House and, as such, you know very well that you are not to refer to the Prime Minister by name.

Ms. Francine Lalonde: Mr. Speaker, what a blunder. It was enthusiasm.

I repeat what the right hon. Prime Minister said:

I was not always in agreement with René Lévesque on everything. But there is no doubt that the party financing legislation he passed in Quebec has served as a model for democracy. It has worked well. This bill builds on that model—

And he added, and I am not totally in agreement with him on this, that the bill:

—corrects some of its flaws.

First, let us focus on the essentials. The Prime Minister of Canada said that this law was a model for democracy and that it worked well. I want to stress that, as a representative of Canadian parliamentarians on the Council of Europe, I had the opportunity to take part in a meeting on the best legislation on party financing. Quebec's law is one of the ones that stood out.

I am happy to point out that this “model” law was inspired by other work done, for example, in California. The people of California recommended that Quebec exclude financing by all corporations, in other words by all business or unions. In a curious turn of events, the United States Supreme Court prevented California from passing such legislation because it ruled that the law violated the American constitution.

The basic principle included in the Quebec act, which this bill sort of tampers with, is that only voters can contribute. voters. Only someone who is eligible to vote can contribute to a political party.

I heard some bad words that hurt me and upset me. I told myself that these people do not understand what the public financing of political parties means. The financing of a party by a citizen involves public participation for the funds that the citizen cannot provide, given the costs of an election nowadays.

This public financing follows certain rules. It is proportionate to the number of votes obtained in the previous election. Of course, this will likely change, but the principle is that businesses, unions—albeit to a much lesser degree, and corporations must not finance political parties.

The bill before us sets the contributions made by corporations at the relatively low amount of \$1,000. This amount must go through the ridings. I stress the fact, as other Bloc Québécois members have done, that this amount is not high and could result in some slippage, thus making it necessary to have controls that should not be required. I think that these provisions should be eliminated.

Government Orders

We also find that the annual limit of \$10,000 for individuals is high. Even though we are told that this amount represents the \$3,000, adjusted for cost of living, that was included in the 1977 Quebec bill, the fact is that, in Quebec, the limit is still \$3,000. We feel that \$10,000 is a lot of money. I should also mention that we would like returning officers in ridings to be appointed by the chief electoral officer. This should be included in the same legislation.

• (1535)

That said, the important thing is that this bill finally signals public financing of political parties. It is regrettable that it was so long in coming, but I am pleased we have it now.

I would like to stress that the bill in Quebec was passed in 1977 by a party that was not a party of the mighty but a party financed by the party faithful, yet it transformed the practices of the Liberal Party of Quebec. That party was obliged to make adjustments and to go after its party faithful for funding thereafter, rather than the usual well bankrolled corporate contributors.

As a result, the bill transformed the Liberal Party of Quebec, making it into more of a party of the people, because it too had to be financed by those who supported and voted for it.

The focus of all this was democracy. Democracy must enable any citizen, rich or poor, to take part in political life and in the election of the candidate of his choice. This meant a pretty heavy impact on the entrepreneurs who used to—and I emphasize “used to”—turn up with \$25,000 or \$30,000 and could not help but have some influence.

I do not want to hear anyone say that there was no influence peddling, I will not believe that. Let no one dare tell me that there were no secret slush funds, I will not believe that either.

The bill would be a good one for all parties, including the Canadian Alliance, which would also have to continue to look to its donors, but only individual donors. Entrepreneurs may continue to contribute, but only as individuals. That is the idea.

The bill would, I am sure, bring about a healthier democracy, built on the very foundations of democracy, that is that citizens, voters, have equal rights, regardless of their financial situation.

• (1540)

[*English*]

Miss Deborah Grey (Edmonton North, Canadian Alliance): Mr. Speaker, on budget day, when we talk about money, one would wonder what unbelievable sums of money Bill C-24 will take out of the hands of taxpayers.

I was amused by my colleague for Ottawa Centre. In fact he is my member of Parliament when I hang around Ottawa. He seemed absolutely indignant that anyone should even question the government having nothing but good healthy motives. He will have to read the *Hill Times* because several of his colleagues are in it and are pretty concerned about the bill.

I would have loved to have been a fly on the wall in their caucus room as they discussed this. He said that it was transparent and I think he meant that in a very health way. However as soon as Canadian taxpayers find out more and more about it, they will find it

transparent all right. They are asked to show their pockets and send the cash.

There will be unbelievable amounts of money flowing into Ottawa for the political purpose of taxpayers, rightly or wrongly. Some support political parties and some do not. We know that. We had a tremendously low voter turnout in the last election. Now they will be told from on high to send in a subsidy of \$1.50 a vote to political parties, in addition to corporate donations.

It is unbelievable if one thinks about it. It will be transparent all right. It is transparently ridiculous for a government to do this for such little reason. Nobody knew this was on the horizon, even the Liberal caucus. It was a great surprise. I know the Prime Minister has surprises up his sleeve but it is pretty hard to believe that this legislation would be brought in during the last year of the Prime Minister's mandate. It does look a touch personal, I might say, that he is going to start sticking it to colleagues and/or friends.

Let us just look at a few items and characteristics of the bill if one were to answer the question; what is this bill about? We could say that first, Bill C-24 would restrict the amount of contributions allowed to political parties, riding associations and candidates, including candidates for nomination or party leadership. We know one has to get the nomination first to run as a party candidate.

Second, it would compensate political parties for the anticipated loss in revenue from large corporate and union donations. I am not sure how it would gain and a donation would be lost but anyway I am sure somebody has that math figured out.

Third, it would extend the regulatory aspects of the Canada Elections Act in terms of registration and financial accounting to riding associations as well as nomination and leadership candidates. It does seem passing strange that there would be a leadership race underway while this legislation is going through.

We could look at it and say that it almost makes sense. There are three criteria in it and it sounds like it is a good thing because it would in fact be making it more transparent. Corporate donations would not be banned totally but certainly lessened to not very many thousand dollars.

Then we know how the oil of this place works. We know how the wheels of political parties and leadership races are greased. We know also that even if these corporations are not going to be getting receipted paperwork for making contributions, I think all of us understand and not one of us is naive enough to think that the money will not be flowing anyway. I am certainly nervous that the money will start going under the table and there will be absolutely no accounting for it.

The Canadian public should start thinking about that. It is not just a matter that the corporation cannot give money anymore, even if it is appreciated and the money buys influence, but “hey, wink, wink, how about if you tuck it in my pocket under the table”. No one will have any idea where the money is. As well, neither will the Canadian taxpayer who will be on the hook for it.

Government Orders

My colleague for Ottawa Centre called it transparent. He should just let us know what it really is. It is a tax and it is nothing more than that. It will be a tax on every Canadian taxpayer, many of whom choose not to participate in the political process. One has to respect them for that.

My life was profoundly changed after I sat at coffee tables for too many years whining and complaining about the government. Somebody told me to get off my duff and do something about it. Here I am being long in the tooth in Parliament but certainly being involved in the political process. Many people choose not to do that but they certainly have that right. It is sad because it is better for the country if people become involved.

● (1545)

If people choose not to be involved in the political process, they get it in the left ear anyway. They get stuck with tax credits if they choose that, if they do not they do not get tax credits.

I am sure many Canadians know this. We certainly in here know how the rules go. If I get 15% of the vote, I get 50% of my expenses back. Who pays for that? The Canadian public. Then political parties get a certain percentage back as well. There are already millions of dollars flowing from the Canadian taxpayers. We estimate it is up to about 60% of political financing. Now the bill will increase that to 70% or 75%.

I think there will be several million people out there saying that they can take care of their own money and that the government should keep its paws off it. They have too many taxes already and this is nothing more than a tax. The government will call it a subsidy, cleaning up, transparency or any pretty word of which it can think. However make no mistake, and we need to be pretty clear on this, this is nothing more than a tax on the Canadian public.

The government should be ashamed of itself. I would love to know if it will put it in its budget this afternoon or if it will just show up somewhere, sometime when we least expect it.

I would like to make reference for a couple of minutes to the *Hill Times*. I will read a couple of excerpts from it. On Monday, February 17, in the "Money & Politics" Issue, it states that political "Parties will be rolling in the dough". The subtitle is "The Libs will get an extra \$3.43 million and the Alliance will get an extra \$4-million". It would be easy to sit in here, celebrate and say that we just won the lottery without even buy a ticket.

Who pays this money? Every person who files and pays tax to the Government of Canada. Every person will chip in a little for it. Will people not be happy thinking they did this? They are already getting stuck for millions of dollars. If people looked at that subtitle, they might think that if the Alliance were to get an extra \$4 million, why would it squawk about it? Why would it not just keep its mouth shut and take the cash? Four million dollars is a lot of money.

I know you have probably read this cover to cover yourself, Mr. Speaker, but if you look at contributions from corporations and unions, the Liberal Party received contributions of \$6,691,000 from corporations. That is a pile of cash. The Alliance received \$874,000, which is considerably less. Because of that we would get the subsidy top up. One would think we would just keep our mouths shut and take the cash. One could hardly do that with a clear conscience.

We are fundamentally opposed to the bill because we think that those who choose to be involved in the political process should be free to spend their money on it and those who do not take whatever government they get.

A whole new tax regime would be put into place under this wonderful guise of it is a good thing to do, it is transparent and the corporations will not have so much of the ear of the government. Let us talk about Groupaction. Let us talk about sponsorship programs. Let us talk about all kinds of corporate welfare. I know it is just my naivety and a sense of clear irony I am sure, but when we look at the Elections Canada list, those who get these enormous contracts from government are hefty donors to the Liberal Party. It is kind of like the price of doing business.

I find this is wrong. I think it is irresponsible of a government to say "send in the cash". We need to fight this. The Canadian public needs to be very aware of this. We are trying to make people aware of this.

When we hear Liberal members saying that it is a good thing, it is because it benefits them. They are in government and they will get \$1.50 subsidy per vote. The number of valid votes cast in the last election were 5,252,031 for the Liberal Party. If we multiply that times \$1.50 a vote for a subsidy, that is a pile of cash. The Alliance was next with 3,276,929 votes. We would get a lot of money for that. However the fundamentals of it are wrong.

The government needs to address this probably sooner, between now and four o'clock when it delivers the budget. Shame on it.

● (1550)

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, just for the folks at home who are listening and watching, the bill is about political party financing. I will play a bit of game with some of my colleagues around the House and ask them some questions on this and they can feel free to chime in.

Is the bill about lack of harbour police in this country or is it about political party financing?

An hon. member: Political party financing.

Mr. Rob Anders: Political party financing I think the member behind me from Edmonton would say.

If we were to ask people in the House what are the priorities of the government, is a priority of the Liberals a registry of pedophiles or is it political party financing?

Some hon. members: Yes.

Mr. Rob Anders: Yes, the Liberals are more concerned about political party financing than they are a pedophile registry.

What about consecutive sentencing? I see the member for Prince Albert paying attention. Do you think the Liberals are more concerned about consecutive sentencing for criminals or political party financing?

Some hon. members: Political party financing.

The Acting Speaker (Mr. Bélair): Order, please. Please address your comments to the Chair.

Government Orders

Mr. Rob Anders: Mr. Speaker, I am talking about the priorities of the Liberal government. If you want the questions directed to you, Mr. Speaker, I can direct them to you.

Mr. Speaker, do you think the Liberals today are more concerned about Senate reform or about political party financing? I would say it is political party financing. For example, are the Liberals more concerned about diplomatic immunity for terrorist supporting states or are they concerned about political party financing?

I can see you are loving this speech so much, Mr. Speaker, that you are actually leaving the chair.

I would say that the Liberals are more concerned about political party financing.

Are the Liberals more concerned about foreign aid to China, especially when we consider its occupation of Tibet, recent executions and dismemberment of Tibetan monks, the torture and murder of Falun Dafa practitioners and the suppression of freedom of speech in Hong Kong? Are the Liberals more concerned about that or are they more concerned about political party financing, Mr. Speaker?

Some hon. members: Political party financing.

Mr. Rob Anders: They are more concerned about political party financing.

Are they more concerned about the Commonwealth status of Zimbabwe and Robert Mugabe's murder and starvation of half his population, or are the Liberals more concerned about political party financing?

An hon. member: Political party financing.

Mr. Rob Anders: They are more concerned about political party financing.

Are the Liberals more concerned about the Wheat Board monopoly and the jailing of farmers for freely selling their grain, or are the Liberals more concerned about political party financing?

An hon. member: Political party financing.

Mr. Rob Anders: That is what I thought, Mr. Speaker.

Are the Liberals more concerned about eliminating the capital gains tax or are they more concerned about political party financing?

An hon. member: Political party financing.

Mr. Rob Anders: That is what I thought.

Are the Liberals more concerned about reducing fuel taxes in this country or are they more concerned about political party financing?

An hon. member: Political party financing.

Mr. Rob Anders: That is what I thought too.

Are the Liberals more concerned about replacing our helicopters with something viable like the EH-101 or are they more concerned about political party financing?

An hon. member: Political party financing.

Mr. Rob Anders: Yes, that is what I thought too.

Are the Liberals more concerned about replacing our supply ships that are 40 years old and go half as fast as the slowest ship in the American fleet, or are they more concerned about political party financing?

An hon. member: Political party financing.

Mr. Rob Anders: Political party financing: that is what I thought too.

Are the Liberals more concerned about heavy lift capability for the armed forces, such as C-17As, or are they more concerned about political party financing?

An hon. member: Political party financing.

Mr. Rob Anders: Political party financing, and are the Liberals more concerned about corporate welfare or are they more concerned about political party financing?

Some hon. members: Political party financing.

Mr. Rob Anders: Right, political party financing, and do you know, Mr. Speaker, I am sensing a trend here. The trend that I am sensing is that there is a whole bunch of issues that are top of mind for Canadians, that people really deeply care about and are concerned about, and yet that party over there is concerned about political party financing. The \$64,000 question is: Why do the Liberals care so much about political party financing? Because it is \$1.50 for every single vote. That is \$8 million for the Liberal Party from the last election campaign. That would just about fill the Liberal Party coffers.

I have the member for Yorkton—Melville here and I will ask him this question. Are the Liberals more concerned about fixing the crazy cost overruns in the gun registry or are they more concerned about political party financing?

An hon. member: Political party financing.

Mr. Rob Anders: Yes, political party financing, just checking. It does not matter what important public issue I run down the list of today, the Liberals are more concerned about political party financing. Shame on the Liberals.

What is really sad about this is that they want to almost double the amount of money they take out of our pockets to finance their election campaign. They are even concerned about subsidizing their polls. They want to make sure that they get access to the money for \$13 million worth of polling that was done in the last election campaign. Where is that on the top priorities for the voters in this country?

● (1555)

When I go knocking on the doors in my riding not a single one of the 131,000 constituents, when asked what thing they most want to see changed about the federal government, say that they are really concerned that the Liberals did not get taxpayer subsidies for all the polling they did during the last election. None of them asked me to make sure that we change the Canada Elections Act to make sure the Liberals get subsidies for all the polls they did in the last election campaign. None of them were bothered by that.

The Budget

Nobody in my riding is concerned about the party across the way being subsidized for its political polls. That is how off track the government is. I am so glad they are all here to hear what I have to say about this. Nobody in my riding said, "You know, Rob, I'm really concerned because in the last election a party running in the race had to get 15% in order to get a reimbursement from Elections Canada". Nobody said that they wanted to make sure it goes down to 10% so that everybody who had 11%, 12%, 13% and 14% of the vote last time gets the reimbursement. Nobody said that. Did anybody have any electors tell them that was really a concern?

Some hon. members: No.

Mr. Rob Anders: Yes, I would say that collectively here we probably have knocked on a couple hundred thousand doors and nobody said they wanted to see subsidies for polls. Nobody said they wanted to see the reimbursement go down to parties that only got 10% of the vote.

Out of curiosity, during the last campaign did any member have anybody say that the Jehovah's Witnesses never vote and that they wanted to make sure that the Jehovah's Witnesses were subsidizing the political process and subsidizing the Liberal Party of Canada against their will? Was there anybody here who knocked on the door of anyone who said that they wanted to make sure that the Jehovah's Witnesses subsidized the Liberal Party of Canada?

Some hon. members: No.

Mr. Rob Anders: No, I did not think anybody here knocked on the door of anybody who was concerned that the Jehovah's Witnesses were not subsidizing the Liberal Party of Canada.

Do you see how crazy this is, Mr. Speaker? We have prime time here and we could be talking about all these other issues. We could be talking about Senate reform. The Prime Minister used to talk about Senate reform. I remember that in Calgary, my hometown, when in 1990 he was trolling around for votes in western Canada, he came to my fair city and said he supported a triple E Senate, but is he talking about a triple E Senate? Is he talking about reforming the process of how senators are elected and selected? Is he talking about putting Bert Brown into the Senate, the man who won more votes in Alberta than all the Liberal candidates in Alberta combined, including the minister from Edmonton looking at me from across the way? That is right. He got more votes than she did, more than she and all of her colleagues combined did, but are they talking about putting Bert Brown into his duly elected seat in the House of Commons? No, they are talking about political party financing. That is crazy.

Nobody I talked to in the last election would have said they thought it was more important that I get that financing for the Liberal Party of Canada than it was to look into those slush funds with regard to Groupaction or Shawinigate. Did anybody talk about that? No, they did not.

They recognize it. Even the Liberals across the way, Mr. Speaker, recognize that they do not have the priorities of Canadians at heart. Even the Liberals across the way recognize they are doing wrong and I am—

●(1600)

The Speaker: Order. It being 4 o'clock, the House will now proceed to the consideration of Ways and Means Proceedings No. 2 concerning the budget presentation.

* * *

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.) moved:

That this House approves in general the budgetary policy of the government.

He said: Mr. Speaker, I am tabling the budget documents, including notices of ways and means motions. The details of the measures are contained in the documents and I am asking that an order of the day be designated for consideration of these motions. I am also announcing that the government will at the earliest opportunity be introducing bills in order to implement the measures announced in this budget.

First, I would like to extend my thanks to all those who have participated actively in preparing today's budget. Most notably I would like to thank my colleague, the Secretary of State for International Financial Institutions, along with the hon. member for London West and the members of the Standing Committee on Finance for the time and the effort that they have given to the prebudget consultation process.

[*Translation*]

I also express my gratitude to the Prime Minister for his support and confidence.

[*English*]

I am proud and honoured to stand in the House today to present to the people of Canada this government's sixth consecutive balanced budget, and it is our sixth in a row that will reduce the nation's debt burden, a result of the determination and discipline of the Prime Minister and my predecessor as Minister of Finance, the hon. member for LaSalle—Émard.

It has been more than half a century since any government has maintained such a record. Canada stands alone among its G-7 partners in keeping its finances in the black. This is a remarkable Canadian achievement.

●(1605)

[*Translation*]

In the course of preparing for this budget, I have travelled to every part of this country and met with thousands of Canadians. They told me about "the Canada they want". Their voice rings loud and clear in this budget. Canadians told us that the budget choices we make have to be about more than the tallying of accounts. Our choices must reflect the sum of our values. They must reflect Canadians' pride in their country and, above all, their hope and determination that their children will inherit an even better Canada and a better world.

*The Budget**[English]*

That we inhabit a resource-rich land is self-evident, but the true richness of Canada lies in its people. We are a nation defined not by commonalty of race or religion, but a nation whose purpose lies in shared values and beliefs, shaped in part by history, by the risk takers and asylum seekers who came to these shores in search of freedom and opportunity, shaped by those who fought in wars and struggled in peace for democracy, social justice and the rule of law.

This budget responds to these values, to what we have heard from Canadians across the country: reform our system of health care; confront the issues of poverty and affordable housing; help our cities become more competitive and our communities more liveable; invest in new technologies and alternative energy, in clean air and water so that our growth is sustainable; help business become even more competitive in the North American and global markets; and make Canada's voice strong in the world.

[Translation]

Over these past 18 months Canadians have again been reminded of the dangers that confront us in this uncertain world. And in consulting with them, events beyond our borders frequently became the subject of discussion.

There can surely be no greater responsibility for any government than to provide for the security and safety of its people. And this budget does so. It also delivers on our responsibility to provide global leadership in finding solutions to the problems which give rise to instability—the problems of hunger and disease, of exploitation and poverty. Today's budget also delivers security to Canadians in what we most value here at home—in the quality of our society and the strength of our economy.

[English]

Beyond these crucial investments in our future, Canadians expect accountability from their governments. They want respect for the investments that they make in us, of their tax dollars and their trust. I am therefore announcing today a new, rigorous, ongoing review of government spending.

In short, this budget is about the society that Canadians value, the economy that Canadians need, and the accountability that Canadians deserve.

Today ours is a confident Canada. We are a people who can compete and win on any field and in any market. This country is moving forward and we are doing so from a position of considerable strength. We are a true northern tiger.

Canada's economic success can be translated into human terms by the most important measure of all, the 560,000 jobs that our economy created in 2002, the majority of these full time jobs. This marks the best yearly performance for us on record. Our interest rates are near 40-year lows, benefiting Canadian families and businesses alike. Our current account has been in surplus for almost three years running, driving down our foreign indebtedness. And imagine, for the first time in our history, it is now below that of the United States.

● (1610)

[Translation]

The result is a Canadian economy that expanded by a solid 3.3% in 2002—considerably faster than the 2.4% recorded by the U.S. and faster than that of all other G-7 countries. The average of private sector forecasts indicates a similar pace of expansion in Canada this year, and 3.5% growth in 2004.

But, as everyone in this House knows, we live in a very uncertain world. The economies of Europe and Japan remain subdued. Most significantly, the United States has had an uneven recovery to date. Furthermore, the possibility of armed conflict in Iraq has done much to heighten uncertainty about the prospects for more stable global growth in the near future.

Canadians can take pride in our resilient performance during this time of economic unease, but we must also take care. We must continue to demonstrate vigilance in the face of global uncertainty. There will be no return to deficit in Canada. We are reducing our debt, already down more than \$47 billion since 1997. And we will do more. We are implementing in full the \$100-billion tax cut package that was introduced in 2000. And we will do even more than this. We will maintain our distinct economic and social advantages. And, above all, we will maintain the capacity to control our own destiny.

[English]

Keeping a balanced budget, cutting debt and getting the best value for money are a constant challenge and a constant imperative. These are the bedrock of our fiscal and economic strategy. They are also part of the plain reality that most Canadian families live in. It is certainly the one that I was raised in. And it must be the one that a responsible government acts in. Canadians remember well the sacrifices that were made to set our country on the right track in the mid 1990s. We will not turn back.

I am pleased to announce today that we will again balance our books this year. We will have a balanced budget next year and beyond. We will do this while continuing to set aside a \$3 billion contingency reserve and maintaining economic prudence in the face of global uncertainty.

These fiscal projections are, as usual, based on the average of private sector economic forecasts. Responding to the recommendations of the Auditor General, they are also based, for the first time ever, on the full accrual standard of accounts.

Under full accrual accounting, Canadians will have a more comprehensive and up to date picture of the government's financial position. As a result, they will see greater transparency in the management of public moneys in Canada.

The Budget

Providing responsible economic stewardship is never going to be a finished job. It is not simply a box that gets checked off and then is forgotten. The budget measures that we announce today will continue to treat this country's resources with respect. They enhance our fiscal sovereignty and strengthen our economy, which allow us to reach higher, to find new solutions to enduring problems, to set new goals and ambitious targets, to take responsibility for building the Canada we want for ourselves and for future generations.

•(1615)

[*Translation*]

In building the country we want, Canadians have told us that our public health care system is their number one priority. It is a profound reflection of our values—of the idea that Canada is a place where people can count on each other. It demonstrates our will to share risk and our commitment that access should depend on need, not the ability to pay. It is part of the Canadian advantage.

[*English*]

Our health care system is part of the Canadian advantage. Canada's governments recently reached an agreement on health care renewal, an agreement that does more than respond to immediate cost pressures, one that sets out a firm commitment and a plan for change. It is a plan for timely access; for quality care and for the sustainability of this Canadian advantage; for reform of family and community care; for access to home care; for coverage of catastrophic drug costs; for reduced waiting times for diagnostic services; for innovation; and for real accountability to Canadians. I wish to congratulate the Minister of Health, without whom this historic plan for reform would not have been possible.

This budget sets out the financial tools to put that plan in motion. Federal support to health care will increase by \$17.3 billion over the next three years and \$34.8 billion over the next five years. This includes a \$9.5 billion increase in transfers to provinces and territories over the next five years; a \$2.5 billion immediate transfer to the provinces and territories to deal with existing pressures; \$16 billion for a health reform fund over the next five years, targeted to primary care, home care and catastrophic drug coverage; and a further \$5.5 billion investment by the federal government to promote the health of Canadians, including diagnostic and medical equipment, health information technology and research hospitals.

•(1620)

[*Translation*]

But health reform is not simply about hospitals and treatment. That is why this budget also provides financing for environmental health, for sport and fitness, for prevention and immunization, and for health promotion and protection.

We must also acknowledge the unacceptable gap in health status between Aboriginal and other Canadians. We must do more and we must do better. And we will. This budget therefore provides \$1.3 billion over the next five years for measures that will help improve the health of Aboriginal Canadians; and an additional \$600 million is being targeted to improving the quality of water and wastewater treatment on reserves.

[*English*]

Our renewed commitment to health care recognizes the individual contribution of Canadians in building a healthy and compassionate society. Those who are gravely ill and dying often want to be cared for in the place they know best and by those they love best, that is, in their own homes and by their own family. Too often family members must make difficult choices between work and being able to provide compassionate care. This budget expands the employment insurance program to allow compassionate care leave from work for those who must look after a gravely ill child, parent or spouse.

This budget recognizes the leadership of Canadians like Rick Hansen, whose achievements have inspired not only our country but the world. The Rick Hansen Man In Motion Foundation provides hope for the 37,000 Canadians who suffer from spinal cord injury. I am pleased to announce a contribution by the Government of Canada to the funding of this foundation's important work.

[*Translation*]

Canadians can count on this government's commitment to a sustainable and accountable system of publicly funded health care, one where Canadians are assured of a clear, long-term framework for growing federal investment in their health care. Our cash transfers to provinces were \$15.5 billion in the year 2000. By 2010 they will have more than doubled to \$31.5 billion. Canadians have the commitment they have asked for—and they will have results they deserve.

[*English*]

Canadians have the commitment that they have asked for, and they will have the results that they deserve.

In addition to health, Canadians have told us that they want their governments to tackle the issues of poverty, homelessness and dependency. It is an affront to our values that while most Canadians benefit from our economic advances, some still cannot find shelter to meet their basic needs. Canada is a very prosperous country, but not all Canadians share in that prosperity. We may have tackled the fiscal deficit, but we have not yet adequately addressed our social challenges.

Canadians want to see more power in the hands of individuals to seize, or better still, to create opportunity for themselves to break the cycle of poverty and dependency. They want more power in the hands of communities to identify and solve problems and to share responsibility for building a better quality of life for their members.

The Budget

In the last half of the 20th century, we committed, as a national project, to confront poverty among the elderly. The challenge of this generation is to provide the same attention and the same focus to dealing with child poverty and to ensure that all Canadian children have a good start in life. We have already come a long way.

• (1625)

[Translation]

In 1997, together with the provinces and territories, we established the National Child Benefit to lift children out of welfare and to make sure that their parents no longer faced the “welfare wall”, afraid to work because they would lose their benefits and be unable to cover the basic needs of their children. The National Child Benefit is working. Since its introduction we have seen a reduction in welfare dependency, and we have seen a real reduction in child poverty. We must, however, do more—much more.

With this budget, we are making long-term investments to help working families with children break through the welfare wall and take control of their future.

[English]

We are making long term investments to help working families with children break through the welfare wall and take control of their future. This budget puts in place a long term investment plan to help low income families. I am announcing a significant increase in the benefits to children living in poor families so that by 2007 a first child will receive \$3,243, more than 30% higher than today and more than double the level before 1997. For a poor family with two children under the age of seven, this will mean a \$563 cheque every month. For low and modest families raising a disabled child, I am also pleased to announce that we will supplement these benefits by a further \$1,600 per year.

We must also provide Canadians with disabilities with the tools they need to participate actively in Canadian society. Today I am announcing that we are renewing our funding commitment of \$193 million per year to assist disabled persons in strengthening their prospects for employment. No one understands better the challenges facing persons with disabilities than they themselves and the people who care for them. Our government will work directly with these groups through a new independent advisory committee on disability issues. In total this budget raises the level of tax assistance for persons with disabilities and special medical needs and for those who care for them to about \$1.3 billion per year.

Families need more than income support. They need real choices. Parents, and particularly single parents, should have the option to accept a good job that will help them to build a better life for their children and still have access to quality child care.

Today, as a result of the work of the Minister of Human Resources Development, I am announcing a new federal investment of \$935 million in child care over the next five years.

• (1630)

[Translation]

No approach to poverty will be successful if we do not do more to address the issue of homelessness. There can be little dignity in living on the street or in substandard housing. And there can be little

opportunity without an address. We must put more power in the hands of communities to tackle the diverse problems underlying homelessness. This budget extends our commitment to the Supporting Communities Partnership Initiative over the next three years. And this budget provides an additional investment of \$320 million over the next five years to increase the supply of affordable housing across Canada. By 2007 this will bring total federal expenditure in this area to \$1 billion. We are also extending our housing renovation program by a further three years. I wish to acknowledge the excellent work of the hon. member for Mississauga West, whose dedication to these issues is unrelenting.

This budget also provides new significant investments to help our Aboriginal communities build a better future for themselves and generations to come. Today's budget dedicates new resources to address their health and water quality. It addresses Aboriginal day care and education, as well as Aboriginal business development.

[English]

We are also committing funds today for the urban aboriginal strategy, for the first nations policing program and for the preservation of native languages and culture.

Our economic prosperity, our quality of life and our standard of living require Canada to be a world leader in innovation and learning, and to be a magnet for talent and investment, the mark of a northern tiger.

The most precious commodity of today's economy is knowledge. We have invested heavily in access to post-secondary education and in excellence in university research.

[Translation]

We believe that our future lies in providing young Canadians with the best education possible, with the best universities that produce the best knowledge and the best graduates, and with an education system that can compete with the best in the world.

We have connected all of Canada's schools and libraries to the Internet. We are now one of the most connected societies on earth. This government created the Millennium Scholarship Foundation to give young Canadians better access to post-secondary education. This government created the Canada Foundation for Innovation to modernize the infrastructure of our universities. Already it has awarded research grants to more than 2,400 projects, almost half of them in the health sciences. This government created the 2,000 Canada Research Chairs to ensure that our universities can attract and retain the best faculty.

The Budget

We must now ensure that the best faculty and the best facilities are attracting and developing the best students. I want to thank the Minister of Industry, as well as the hon. member for Peterborough and our caucus committee on post-secondary education, for their excellent work in helping us to shape this agenda, and to take the next bold steps forward today.

•(1635)

[English]

We are indeed taking bold steps forward today. We are increasing the budgets of the federal research granting councils by \$125 million per year. We are making permanent a substantial federal contribution to the indirect costs of research.

We are doing more to help students better manage their debtloads by amending the Canada student loans program. We are now making protected persons in Canada, like convention refugees, eligible for student loans.

We are increasing our investment in the Canada Foundation for Innovation by \$500 million, specifically for the infrastructure needs of Canada's research hospitals. I am pleased to announce that we are also extending new research funding to Genome Canada and the ALMA astronomy project.

•(1640)

Most important, I am proud to announce a bold new initiative to attract and support graduate students in Canadian universities. With this budget, the government will create the Canada graduate scholarships. When fully in place they will support 2,000 master's and 2,000 doctoral students every year, and support them at levels that make graduate programs in Canadian universities competitive with the best in the world. This new program will increase the number of graduate scholarships offered by the federal government by more than 70%—to around 10,000 a year. And 60% of the new scholarships will be in the humanities and social sciences.

Further, I am announcing today a \$12 million endowment for the National Aboriginal Achievement Foundation to help expand its scholarships for aboriginal students. I want to commend its President, John Kim Bell, for his remarkable work. We are today contributing \$100 million towards the creation of the Canadian learning institute, which will help Canadians to make better decisions about the education of our children.

Canada's distinct knowledge advantage is built by expanding the skills of our labour force and by helping all Canadians who want to work, including new Canadians, to apply their talent and initiative to productive enterprise. And so we will invest \$41 million over the next two years to help new Canadians to integrate quickly into our economy, whether it is second language skills, or faster recognition of foreign credentials, or pilot projects to attract skilled immigrants to smaller communities across the country. Our goal is clear: a new level of opportunity and potential to contribute for all Canadians, particularly young Canadians.

Knowledge and ability are transformed into opportunity and prosperity when a strong economy exists to support them.

[Translation]

Enhancing the well-being of Canadians through higher living standards and a better quality of life lies at the heart of the government's economic and social agenda. It requires that economic and social progress advance together, and that we capitalize on the dynamism, talent and initiative of the Canadian people. Our tax system must encourage economic growth and job creation, along with investment in new technologies and research.

I have just spoken about our new investments in learning and skills development, in research and innovation, and in our families and communities.

Today we are also introducing measures to build on our five-year tax plan and to create new incentives for savings and investment. This budget encourages savings by Canadians by increasing registered retirement savings plan limits to \$18,000 by 2006, and by making corresponding increases for employer-sponsored registered pension plans.

With this measure, Canadians will be able to better plan for their retirement. They will be able to rely upon the sustainability and strength of all three pillars of Canada's retirement system: the Canada Pension Plan, Old Age Security and registered pension and retirement savings plans.

[English]

I will also add that, as long advocated by the hon. member for Dufferin–Peel–Wellington–Grey, we are recognizing the unusual hazards faced by Canada's firefighters. Therefore, to enhance their quality of life in retirement, we will accelerate their pension accrual rates.

This budget goes even further in supporting entrepreneurs and small business in Canada. I am announcing today a long overdue change for small business owners. For two full decades, the maximum limit to which the 12% small business tax rate applies has stayed at \$200,000. This budget raises that limit to \$300,000.

Canadian employers and employees alike are benefiting from a steady reduction in employment insurance contribution rates. There have been nine reductions since 1994. Today I am announcing an even lower EI contribution rate in 2004 of \$1.98—12¢ lower than the current rate.

The government is committed to competitive business taxes to attract investment and support jobs and growth for Canadians. Today I am announcing several important new measures.

The Budget

We know that capital taxes negatively impact the decisions of foreign and domestic investors in choosing whether to invest in Canada. This is a tax that hits businesses even when they have tough years and this is a tax that hits growing businesses when they need capital to expand. In short, the capital tax is a significant impediment to new investment, and that hurts us all. Today we are adding to Canada's competitive advantage by legislating the elimination of the general federal capital tax over the next five years. Smaller, and in particular medium-sized firms, will be the first to benefit from this change. As of 2004, 25% of the businesses currently subject to this tax, many Canadian-owned, will no longer be required to pay.

We will also improve the taxation of resource income in Canada. We will reduce the corporate tax rate of this sector to 21% over five years, while making changes to the tax structure of this key sector.

• (1645)

[Translation]

But our efforts to create and sustain a strong Canadian economy must go far beyond taxation measures. We have heard many good ideas from the Canadian Federation of Independent Business, from women entrepreneurs and other Canadian business innovators on how we can further support entrepreneurship and small business in Canada. And so this budget includes additional measures such as the extension of a further \$190 million in equity to expand venture capital investment by the Business Development Bank of Canada.

[English]

We are providing a 25% increase to the highly successful Aboriginal Business Canada program.

Canada's farmers are among the most productive agricultural producers in the world, but drought and pressure from unfair trade practices have brought on tough times. The government is supporting our farmers, and today's budget confirms that \$5.2 billion will flow to them over the next six years under the new agricultural policy framework and its early bridge-funding arrangement.

We are also advancing new funding to the Federal Crop Reinsurance Fund and to key agencies like the Canadian Grain Commission and the Canadian Food Inspection Agency. We have dedicated \$113 million for Canada's veterinary colleges in Saskatoon, Charlottetown, Guelph and Saint-Hyacinthe. We will also extend \$20 million over the next two years to increase venture capital investments by Farm Credit Canada in the agriculture sector.

These measures and others contained in our budget plan have a clear goal: to support a climate that rewards hard work and entrepreneurship, that encourages innovation and stimulates economic growth, and that provides a secure future for all.

[Translation]

Our growth must be sustainable as well as strong. That means we must deal effectively with the challenge of climate change to protect the natural legacy that we will leave for our children. Years into the future all of us want to be able to say to our children and grandchildren that we recognized what had to be done, and that we acted. I also want to be able to say that we faced up to our responsibility to show global leadership, as Canada has always done,

and that we did our part to develop a plan with our partners to protect our atmosphere. That is why this House voted overwhelmingly to ratify the Kyoto Protocol, following on the tireless efforts of the Minister of the Environment and the Minister of Natural Resources. It is why so many Canadians, including many parliamentarians, have stepped forward to meet this challenge with new commitment and with new ideas.

Addressing climate change is a political responsibility and an ecological imperative, but it is also an economic opportunity for Canada. This country's capacity in knowledge and innovation will be key to how we meet this challenge.

• (1650)

[English]

Canada is already one of the world's leaders in environmental technologies. But we can, and must, expand both our environmental and our economic advantage as we move forward on our Kyoto commitments.

That is why the government has already dedicated \$1.7 billion to addressing climate change since 1997. And it is why we are dedicating another \$2 billion in today's budget to help implement the climate change plan for Canada. This includes \$250 million for Sustainable Development Technology Canada to encourage the development of greenhouse gas reducing technologies. It also includes \$1.7 billion over five years to support partnership, innovation and targeted measures to promote energy efficiency, renewable energy, sustainable transportation and alternative energy sources. We are today providing additional support for scientific study in an area where Canada alone can make a unique contribution in addressing global climate change—and that is in the science of the Far North.

Our environmental agenda extends beyond the challenge of climate change. As I said earlier, we will improve water quality and waste water treatment on first nations reserves, where the need is so great.

This budget provides investments of more than \$340 million over two years in other environmental priorities, like implementing a new Canada-U.S. agreement to improve air quality. We will also follow through on our commitment to protect species at risk, to address toxic substances, and to clean up federal contaminated sites. We will also work with our provincial and municipal partners on remediation of the Sydney tar ponds. I am very proud that this budget provides funding for the completion of Canada's national park system, including the creation of 10 new national parks and 5 new marine conservation areas.

The Budget

Canada's magnificent natural environment is inseparable from our sense of national identity. Canadians also need to feel pride in the places that they know best: in the cities and communities where they live. Our cities must be places of dignity and of productive enterprise, and the focal points for both our culture and our competitiveness.

• (1655)

[Translation]

Virtually every initiative I have described today can be placed in the context of renewing urban and community life in Canada: the strengthening of health care; addressing child poverty; providing new opportunities to learn and to work for all Canadians, including new immigrants.

[English]

Our cities and communities are also strengthened by enhancing Canada's business climate and supporting a growing and environmentally sustainable economy. These advantages must be supported by an infrastructure that allows our economy to work and our society to prosper.

An important study prepared by the hon. member for York West, as head of the Prime Minister's task force on urban issues, made clear that infrastructure renewal tops the list of challenges faced by Canada's cities and communities.

We have made some important investments to date in urban, border, highway and strategic infrastructure. The last two budgets announced investments totalling more than \$5 billion, and which are leveraging additional resources from the private sector and other levels of government. Today we reaffirm our commitment to the renewal of Canada's infrastructure well into the future. I am announcing a further \$3 billion federal investment over 10 years in strategic and municipal infrastructure.

[Translation]

Healthy communities and dynamic cities are central to quality of life for all Canadians. But beyond having a strong economy and a secure society, I believe that our concept of quality of life in Canada also means living with dignity and pride, and being able to celebrate our culture and our freedoms. Quite simply, Canada is a model for the world—a model of diversity and inclusiveness, a model of openness to people from all over the world, and a model of opportunity in what each person in this country may achieve.

[English]

Linguistic duality is at the heart of Canada's collective identity. Knowledge of another official language is a matter of both cultural and economic enrichment.

[Translation]

It helps to open the door to a different vision of the world, and improve access to global markets and the opportunities they offer. Over the last quarter century, what Canada has achieved in the teaching, promotion and use of the second language is nothing less than remarkable. And with this budget—as a result of the work of the Minister of Intergovernmental Affairs—this government will invest in a five-year action plan to renew its support for official languages in Canada.

[English]

We are also investing today in measures to promote Canadian culture, including the preservation of our heritage properties, which the Minister of Canadian Heritage has supported so passionately.

During my consultations on this budget, Canadians across the country told me that they wanted their governments to be more accountable and transparent. Simply put, Canadians want to know what they are paying for and they want to get what they are paying for. They want results. They want value for money. They know that every dollar counts, whether we are managing a household or a G-7 economy.

We have a responsibility to the people of Canada, which is why we are making accountability a cornerstone of this budget.

First, we are implementing our commitment to reallocate spending from lower to higher priority needs and from less effective to more effective approaches.

• (1700)

[Translation]

Under the leadership of the President of the Treasury Board, this government is launching an ongoing examination of federal programs, to be conducted on a five-year cycle. Our goal will be to ensure that government programs continue to be relevant, effective and affordable. All departments and non-statutory programs will be reviewed. They will be asked to demonstrate results and be challenged to find new approaches to service delivery.

[English]

To demonstrate our commitment to reallocating spending and improving efficiency, beginning in 2003-04 the government will reallocate an ongoing \$1 billion per year from existing spending to fund higher priorities of Canadians.

Second, in consultation with parliamentarians, parliamentary committees and the Auditor General, the government will identify opportunities to improve parliamentary reporting in order to better meet the needs of Parliament and the public.

Third, the government is responding to the advice of Canada's Auditor General and, from this budget forward, is presenting its financial statements on a full accrual accounting basis.

Fourth, to improve accountability and transparency, the Treasury Board will require comprehensive reporting of all user fees to Parliament and the public, both on a government-wide and a departmental basis.

Fifth, we are increasing the accountability and governance arrangements of arm's length foundations established by the government.

[Translation]

Sixth, I am today announcing the launch of consultations on a new employment insurance rate-setting mechanism for 2005 and beyond, to be based on the principles of transparency and of balancing premium revenues with expected program costs.

The Budget

Seventh, governments have made accountability a centrepiece of the new Accord on Health Care Renewal. First ministers agreed this month to create a Health Council to report publicly to Canadians on the progress of health reform. And I am confirming today that the Government will legislate an end to the combined Canada Health and Social Transfer. Effective April 1, 2004, a new Canada Health Transfer and a new and separate Canada Social Transfer will be created, providing the accountability that Canadians want.

• (1705)

[*English*]

Eighth, this budget advances our commitment to improve corporate governance, enforcement and regulations to strengthen confidence in Canadian markets.

Finally, hon. members will recall that the air traveller's security charge was introduced as a direct means of funding new air security measures in Canada in the aftermath of the events of September 11, 2001.

With the move to accrual accounting, I am pleased to announce that for air travel tickets purchased starting March 1 of this year, we will be reducing the charge on domestic flights by over 40%; down to \$7 for a one-way flight or \$14 on a return ticket.

The accountability measures announced in today's budget are about more than program efficiency. They are about respect and the integrity of our democracy. They are about Canadian values.

In my travels across Canada these last months, Canadians everywhere, and especially the young people in the high schools and universities that I visited, made clear their passion about the role that this country plays in the world. They are proud that our Maple Leaf, whether it is seen on the shoulder patch of a soldier, sewn on to the top of a backpack, or stamped on a bag of flour, represents hope, compassion and determination everywhere that it is seen. This has always been Canada's contribution and, even within a world of so much change, this will always be so.

Our government has made a clear commitment to double our international assistance by the year 2010. This goal is more than a spending target. It represents the tangible promise of a better future for the world's most vulnerable citizens. It sustains Canada's leadership in the campaign against landmines. It delivers further on our commitment to a new partnership for Africa.

Half of these new moneys will be devoted to Africa to promote health, to fight HIV/AIDS, to provide clean water and, quite simply, to make a difference where it is needed most.

Above all, our commitment today reflects the understanding that we cannot have a world of peace unless we address the world of need.

[*Translation*]

We are fulfilling this commitment, and we are starting with an 8% increase to Canada's International Assistance Envelope—meaning an additional \$353 million this fiscal year. And we will continue increasing our international assistance until we reach our goal.

Our conception of what constitutes security in this world is ever-evolving. In some places it is counted in armaments; in many others it is just having food to eat each day.

[*English*]

Today Canadians are preoccupied by international tensions and by the threat of war and the spectre of terrorism. I know every member of the House shares these preoccupations.

No matter what changes in the world, Canadians will always look first to the men and women of our armed forces to ensure the security of our nation. We look to them with gratitude, with pride and with deep respect for the sacrifice that they are ever ready to make in the name of Canada and in the name of peace.

However all Canadians agree that gratitude, pride and even respect are not enough to ensure their safety or our security. Therefore, to support the Canadian Forces, we are today providing \$1.6 billion in new funding over the next two fiscal years. We will sustain this level of funding increase at \$800 million per year thereafter. We will make a further commitment to reassess their future needs following a review of Canada's foreign and defence policy.

We are also dedicating new moneys for Canada's Coast Guard, which is so vital to the safety and security of our waters.

• (1710)

[*Translation*]

As well, we are allocating \$270 million this fiscal year to address the most urgent requirements of our military.

Canada's peacekeeping tradition is a proud one. Last week this House was informed by the Minister of National Defence that Canada has agreed to send security and peacekeeping forces to Afghanistan as part of the UN-mandated mission there. This is a dangerous and difficult commitment but, as always, the Canadian Forces will undertake their mission with the courage and professionalism for which they are known throughout the world. The increased resources I have just announced, along with the funds we have set aside for military contingencies, are expected to cover the incremental costs of this mission.

[*English*]

However, if we as a nation are to summon the resolve to face our future challenges, we must never forget the courage and sacrifice of the past. And so, this government has and will continue to pay tribute to Canada's veterans.

[*Translation*]

I have spoken a lot today about the thousands of Canadians, from every region of our great land, whose voices were heard in the preparation of this budget. Canadians are confident about their place in the world and they are excited by their prospects.

*The Budget**[English]*

I have met with thousands of Canadians who spoke with passion about the nation they love, both the one we have today and the one we can build. The Canada they want never loses sight of its commitment to the core values of fairness and opportunity that unite us.

[Translation]

These are core values.

[English]

Today we have taken serious steps forward in our quest to build the society Canadians value, the economy Canadians need and the accountability Canadians deserve. That Canada is now within our reach. It is a matter of will, wisdom and work.

Let us seize this opportunity for the generations of today and tomorrow, for our challenge and privilege as parliamentarians is to work together, united in national purpose, living up to the trust confided in us by the people of this country to work to build an even greater Canada, a Canada of economic excellence, fiscal responsibility and social equity.

[Translation]

A Canada of economic excellence, fiscal responsibility and social equity. That is our task.

[English]

That is our task. That is the commitment that we must and that we will honour.

Some hon. members: Hear, hear.

• (1715)

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I heard the Prime Minister say he is thinking about calling an election. He might want to talk to the member for LaSalle—Émard about that.

Before I move adjournment of the debate I would like to take the occasion to give my polite congratulations to the member for Ottawa South for the delivery of his first wintertime budget performance. There was some skating in there and even a couple of twirls. I do not think I saw any falls, but we will reserve our full scoring until tomorrow.

I would say this, though, that the member has a reputation as a fiscal conservative, as a real fiscal blue, if I can use the expression, but I will observe that it is easy to have burgundy look blue among a red sea of tax and spend Liberals over there.

I thought the spending list would never end and I think a lot of Canadians will be scratching their heads trying to figure out why a supposedly fiscally responsible minister is continuing down a tax and spend path. The simple fact is that Canadians pay too much tax. Ordinary Canadians eliminated the deficit, they built the surplus, they deserve some of it back in their pockets and they did not get it from this budget.

When we reconvene tomorrow I will present the Canadian Alliance view of this budget. I will show the finance minister where he could have made some tax cuts and where he could have saved Canadian families a lot of money.

Therefore I move:

That the debate be now adjourned.

(Motion agreed to)

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move:

That the House do now adjourn.

(Motion agreed to)

The Speaker: It being 5:19 p.m., the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 5:19 p.m.)

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