



CANADA

House of Commons Debates

VOLUME 138 • NUMBER 067 • 2nd SESSION • 37th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, February 25, 2003

—

Speaker: The Honourable Peter Milliken

CONTENTS

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

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

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

HOUSE OF COMMONS

Tuesday, February 25, 2003

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)
[English]

TRANSPORTATION

Hon. David Collette (Minister of Transport, Lib.): Mr. Speaker, pursuant to Standing Order 32(2) I have the honour to table, in both official languages, two copies of a document entitled “Straight Ahead: A Vision for Transportation in Canada”.

* * *

TRANSPORTATION AMENDMENT ACT

Hon. David Collette (Minister of Transport, Lib.) moved for leave to introduce Bill C-26, an act to amend the Canada Transportation Act and the Railway Safety Act, to enact the VIA Rail Canada Act and to make consequential amendments to other acts.

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

* * *

PETITIONS

REFUGEES

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am pleased to rise in the House today to present a petition from thousands of people who live in the Ottawa and Montreal areas who are concerned about the desperate situation of Algerian refugees.

The petitioners call upon Parliament to immediately end the deportation of non-status Algerians, to re-establish the moratorium on deportations to Algeria, and to regularize the status of all non-status Algerians.

RIGHTS OF THE UNBORN

Mr. Janko Peric (Cambridge, Lib.): Mr. Speaker, pursuant to Standing Order 36 I have the privilege to present to the House a petition from hundreds of concerned citizens from my riding of Cambridge. In Canada, one out of four children dies before birth from induced abortion. More than half of all Canadians agree that

human life should be protected prior to birth and yet there is still no law protecting unborn children.

The petitioners pray and request that the Parliament of Canada enact legislation that would provide legal recognition and protection of children from fertilization to birth.

EMPLOYMENT INSURANCE

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, pursuant to Standing Order 36 I would like to present two petitions from constituents in my riding in the greater Nanaimo area.

The first petition deals with the employment insurance program. The petitioners state that over \$35 billion in unpaid insurance benefits have been taken out of the program by the federal government since it started the EI program and that in 1999 the EI program paid more money to the Department of Finance than it did to people who were unemployed.

The petitioners ask that Parliament enact legislation that would modernize the employment insurance program according to the plan proposed by the Canadian Labour Congress.

• (1010)

CHILD PORNOGRAPHY

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, the second petition deals with child pornography. It is signed by 43 petitioners asking that the House adequately address the problem of child pornography in Canada so that it would in no way, shape or form be legal at all.

STEM CELL RESEARCH

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present a petition signed by a number of Canadians, including in my own riding of Mississauga South, regarding stem cells.

The petitioners would like to bring to the attention of the House that Canadians do support ethical stem cell research, which has already shown encouraging potential to provide cures and therapies for the illnesses and diseases of Canadians. They point out 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 focus its legislative support on adult stem cell research to find those cures and therapies for Canadians.

The Budget

CHILD PORNOGRAPHY

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, I wish to present a petition put forth by many concerned Canadians. These petitioners ask the Prime Minister and the Minister of Justice to stop the exploitation of our children in child pornography. They demand that Parliament take all necessary steps to ensure that all materials that promote or glorify pedophilia with children be outlawed.

FREEDOM OF RELIGION

Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.): Mr. Speaker, I rise under Standing Order 36 to present two petitions.

The first deals with Bill C-250. The petitioners call upon Parliament to protect the rights of Canadians to be free and share their religious beliefs without fear of prosecution.

CHILD PORNOGRAPHY

Mr. Bob Speller (Haldimand—Norfolk—Brant, Lib.): Mr. Speaker, the second petition deals with child pornography. The petitioners call upon Parliament to protect our children by taking all the necessary steps that are available to ensure that all materials which promote or glorify pedophilia are outlawed.

* * *

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 Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 19 consideration of the motion that this House approves in general the budgetary policy of the government; of the amendment; and of the amendment to the amendment.

Hon. Jean Augustine (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, I will be sharing my time with the member for Yukon.

As Secretary of State for Multiculturalism and the Status of Women, I would like to comment on the 2003 federal budget regarding its relevance for the realization of the objectives of the multiculturalism policy and how it will help to advance the status of women in Canada today and in the future.

A budget is more than a simple accounting of finances. It is the expression of a nation's values and priorities. It is a tool to protect and help build the kind of society Canadians value. It also recognizes that a secure society is the foundation for a strong economy.

Recognizing the critical link between social and economic policy, the 2003 budget contributes to building the Canada we want by emphasizing investments in individual Canadians, their families and communities.

This approach to building a better Canada by linking social and economic priorities was heralded in the 2002 Speech from the Throne when the government reaffirmed its commitment to helping children and families out of poverty, to building competitive cities and healthy communities, and attracting and retaining talent and investment from other parts of the world.

We feel that these priorities are of great importance to all Canadians and that the 2003 budget reflects the engagement of the Canadian government to their realization.

The federal budget presented by the Minister of Finance on February 19, 2003, features several elements which are of particular relevance for multiculturalism. These include: foreign credentials recognition, facilitating the economic integration of newcomers to Canada, the promotion of healthy communities and cities, and the celebration of all cultures and values. Of particular importance to women are initiatives in the areas of health care, poverty and affordable housing, making our communities more livable, support to aboriginal communities, and increases in international aid.

The first element concerns the financial support in the 2003 budget for expanding the skills of our labour force and helping all Canadians who want to work, including new Canadians, to apply their talents and initiatives to productive enterprise.

The government will invest considerable sums over the next few years to help new Canadians integrate quickly into our economy by providing more funding to second language skills, supporting faster recognition of foreign credentials and through pilot projects to attract skilled immigrants to smaller communities across the country.

Helping new Canadians integrate quickly into our economy, including the faster recognition of foreign credentials, directly affects immigrant women. At present, regardless of their educational qualifications, women wanting to enter Canada tend to be allowed in through temporary foreign worker programs that place them in low skilled, precarious employment situations—factors that increase their vulnerability to violence. Better recognition of skills earned abroad will provide immigrant women with the conditions they need for economic autonomy, access to opportunity, and a better quality of life.

The Department of Canadian Heritage, through the multiculturalism program, has worked in collaboration with Citizenship and Immigration Canada and Human Resources Development Canada on the issue of recognition of foreign credentials. I am very pleased to see what our collective efforts have achieved and will continue to achieve.

The Budget

In this regard, the government will continue to work with its partners to break down the barriers to the recognition of foreign credentials and will fast track skilled workers entering Canada. It will also position Canada as a destination of choice for talented foreign students and skilled workers by more aggressively selecting and recruiting through universities and in key embassies abroad.

● (1015)

The second element that I wish to highlight concerns the investments the Government of Canada has announced for Canadian families and their communities. The Minister of Finance said:

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.

Some of these challenges may have a greater impact on women, ethnoracial and ethnocultural communities, and on newer Canadians. Stronger, healthier communities reflect the government's commitment to social justice and contribute to enhanced social cohesion, both of which are cornerstones of the Canadian multiculturalism policy.

The 2003 budget will contribute to both improving quality of life for all Canadians, and easing the burden on some communities and families who may be facing particular challenges.

For example, the report on *The Future of Health Care in Canada* has stressed the importance of considering and involving ethnic communities and new Canadians in identifying needs and designing programs to meet those needs. By focusing and improving access to health care for all Canadians, the government is improving our capacity to work in partnership with communities across Canada to ensure that institutions and government services are responsive to the needs of ethnoracial and ethnocultural communities and newcomers to Canada.

High quality health care is a key priority for women who must often assume the caregiver role. This budget provides funding for primary care, home care, catastrophic drug coverage, and also invests in promoting the health of all Canadians, including diagnostic and medical equipment, health information technology and research hospitals.

I believe that funding directed at strengthening the quality of life in Canada's large urban centres can contribute directly to improving the outcomes for women as well as ethnoracial, ethnocultural and immigrant communities that represent a significant share of a city's population. In the budget, the government is making significant investments to address homelessness and increase affordable housing in Canada. Funds to enhance existing affordable housing agreements with the provinces and territories, and to extend the government's housing renovation program speak to this opportunity to improve quality of life in these cities.

The budget also demonstrates a commitment to families by increasing the national child benefit supplement which works to support low and modest income families, including sole support women-led families, in raising children. A new child disability benefit will provide significant additional assistance to low and modest income families raising a child with a disability. Initiatives in the budget also provide funding for child care and early learning.

We have expanded the employment insurance program to allow for compassionate family care benefits for those who must look after gravely ill and dying family members such as a child, parent or spouse. Again, this responsibility often falls on the shoulders of women.

The budget continues to offer support to aboriginal communities in Canada by investing in health and water quality issues, and in the first nations policing program, which will have positive benefits for aboriginal women who are victims of violence.

Added funding for the national aboriginal achievement foundation to expand scholarships for aboriginal students will widen opportunities for aboriginal youth, including young aboriginal women who remain among our society's most vulnerable and least advantaged members.

The government's commitment to education and excellence in post-secondary education is reinforced by its investment in the Canada student loans program.

● (1020)

I also want to draw attention to the investments we have made in the promotion of Canadian culture and values. I think all of those speak to the commitment that we have on this side of the House to relieving a number of problems facing women and multicultural communities. The items in the budget, which speak to values, cultures and international aid, are all helping to advance the status of women and to strengthen Canadian multiculturalism.

I encourage and ask all members to support these items as presented in the budget.

Mr. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I am delighted to rise today to speak to the budget, especially in relation to my riding in northern Canada.

I am delighted at the number of references in the budget to northern Canada, and I will mention those in my speech today. I have about 25 points but I will go through as many as I can.

The first item, which I am delighted to see in the budget and for which I lobbied hard, is the extension of support to the communities partnership initiative. This is the homeless initiative that was so popular across the nation. In Yukon in particular we had some very unique and innovative projects with an excellent local committee. It had more work to do and wanted the initiative extended for three years.

The Budget

I was also happy to see \$175 million for federal abandoned contaminated sites. It referred specifically to northern mine sites. We have some abandoned mines in northern Canada that have to be cleaned up. The Yukon salmon committee, for instance, asked me to pursue this, which I did. Therefore I am delighted to see that there is a fund to start working on these high risk sites in Canada.

I am sure we are all very happy about the excise tax exemption on bio-diesel fuel and other provisions to help the atmosphere.

The ongoing schedule of the biggest tax cut in history of \$100 billion for personal and corporate taxes continues. Many people are quite happy with that.

One of the tax cuts that will have a great effect in the north is the cut in the resource tax rate from 28% to 21% over five years. The north has a very resource based economy and this should be helpful. Throughout history the biggest economic sector in Yukon has been mining. The above reduction, the deduction in the mine royalties tax and a new tax credit for eligible mineral exploration will all help the sector that has been most important to Yukon over the years.

The other type of mining in Yukon is gold placer mining which needs our support. It is the second largest private sector employer at the moment in the Yukon. In fact, it also attracts people to our largest sector which is tourism. Therefore it is very important that we provide our support for that.

The funding formula in the territories is unique in that if we lose revenues the funding formula from the federal government tops it up. If the Yukon government loses income tax revenues for instance, it is topped up. Therefore it is very important that we do not lose revenues from placer mining or any other sector because there is a major cost of millions of dollars to the federal government to replenish that.

We need economic stimulation in Yukon. With the third highest unemployment rate at the present time, we look forward to any future provisions to help the economy. I am delighted the government sent a team to Yukon and British Columbia to check the great potential megaproject of a railway from Alaska through Yukon and through B.C., which would be a very exciting project.

The \$3 billion for infrastructure will go a long way toward economic development. The three northern territories have always talked about how important basic infrastructure is to the development of their economies. The \$2 billion is an addition to the strategic infrastructure fund, plus \$1 billion over 10 years for municipal infrastructure.

Something else that I was delighted to see, which specifically relates to the north, was the \$32 million fund for the environmental and regulatory framework for the northern gas pipelines. The Alaska gas pipeline, which is one of the two, would be the largest such project in the history of the world. There will be huge benefits of hundreds of thousands of person years right across Canada.

We are also happy to see the skilled immigrants to rural areas initiative because we would like to access those skilled workers. People have known for years that a large majority of immigrants go to Montreal, Toronto and Vancouver.

I have been approached over the years on issues relating to child care. I am delighted to see \$935 million in child care contributions and \$35 million for aboriginal early learning and child care. We have a program in the Yukon called Head Start which has been exceptionally successful. I am constantly requested to get more money into that program because other new sites would like the successes of the communities that have used it. I am delighted to see that money because I have been asking for that for a long time.

• (1025)

Health care is the number one issue for Yukoners. We are delighted with the whole health care accord and the improvements. In the new areas, who can argue with drug assistance, better access to primary care and to home care? However we do have some problems that are unique and specific to the north, one being the recruitment of professionals. Therefore the human resource strategy should be very helpful to us.

The biggest thing Yukoners brought to me relating to health care was waiting lists. We are sort of hostage to the B.C. and Alberta system for waiting lists for major surgery and specialists. We are delighted that the new system put in place will reduce those lists.

The \$1.3 billion in health care for first nations and Inuit people is very important to my riding. I worked on some issues in that area last summer so I am very happy to see that funding. Both in this budget and the last budget, I compliment both finance ministers on maintaining the \$250 million green funds for the Federation of Canadian Municipalities. It has been an excellent program and I have always encouraged that it be continued.

Many Yukoners are in post-secondary educational institutions right across Canada so I am delighted to see the 2,000 new post-graduate degrees for master's and another 2,000 for doctorates. It is expensive enough for our students to survive the distance they have to go.

Another area, which specifically relates to the north and which I was once again delighted to see, is the \$16 million for northern science research. This year the industry committee held hearings relating to how the granting councils distributed their large quantities of funding. During those hearings I was constantly lobbying for more money for the north. I was delighted and excited that the budget stated:

The granting councils will also be asked to enhance their support for northern research as part of the increased funding they receive in this budget.

The Budget

For small businesses, people who are not on government pensions, an increase in RRSP contributions will allow them to take more control of funding their own old age security. There are lots of provisions to help small business. Small business is very important in my riding. They will now be allowed to keep their low 12% tax rate, up to \$300,000 from \$200,000, and the capital tax has been eliminated, which many businesses had requested.

I was also asked before the budget for money for national parks. There are some beautiful national parks in Yukon and I hope everyone will visit. There was \$74 million and I am sure more to come in future years for not only the creation of 10 new parks and 5 marine areas, but in maintaining the biological integrity of the existing parks.

As chair of the foreign affairs and defence caucus I am happy to see the increased money for defence, for trade promotion in the United States and a doubling of international aid by 2010. Many Yukoners support international aid.

I am happy to see the increase in support for the military and coast guard, but with a caveat, of course, that some of that go toward protecting Canadian sovereignty in the north especially with the melting and opening of the Northwest Passage.

The national child benefit having gone up over 100% since 1996 is a great effort to reduce poverty. I only have one minute left but I want to mention all the items for aboriginal people, post-secondary education, water and waste water, aboriginal skills and training, money for the northern gas pipeline training first nations people, the urban aboriginal strategy and Aboriginal Business Canada at \$20 million.

I am happy about the immunization strategy. My constituents have asked about that. I am also happy about the child disability benefit, the five year action plan for official languages for Association franco-yukonnaise, the money for historic places and the venture capital for BDC which will be important in my riding.

● (1030)

Climate change is important but it is more important in the north. We depend upon ice bridges for our economy. A lot of our permafrost affects our sewers and buildings. The budget contains \$50 million for studying and research and it says specifically relating to northern Canada: \$2 billion for things like wind energy—we have windmills in the north—alternative energies and fuels.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, it was interesting to listen to the number of nice to haves on the spending list. That certainly is a characterization of this budget. It looks like it was a Christmas shopping list coming a little late.

However there is an underlying, very worrying principle that I want the member to address. The increase in spending projected over the next three years is larger than any of the most optimistic increases in the development of the economy. When a future plan for a nation is laid out where the government will continue to tax at high levels and increasingly spend at greater and greater levels, faster than the economy can ever grow, that means that we are not in wise hands and we are going to get into great difficulty.

It is the old adage: the government taxes too much, therefore winds up spending too much and we still owe too much.

On the calculation of the national debt it is interesting to see that there has been a little correction. Somehow the national debt calculation has been revised by just a mere \$27 billion. That certainly affects the overall debt to GDP ratio. One wonders what happened with the bookkeeping when \$27 billion is misplaced somewhere.

How wise is it to increase spending each year far beyond what the economy will grow? That certainly is heading for trouble as far as I am concerned and I do not see anything in the budget to address it.

● (1035)

Mr. Larry Bagnell: Mr. Speaker, I would disagree with the member's assertion that the spending comes too late. It is only because of our prudent fiscal management over the years. When we did have a large deficit it restricted our ability to fund. We were spending money on interest and deficit payments.

Now that the deficit has been eliminated, we have the ability to provide the biggest tax cut in history of \$100 billion, which, as I said, is continuing on. It also allows us to invest in programs for aboriginal people; to increase the disability tax credit for people with disabilities; and to invest in health care.

I am not sure on which items the member has suggested we might be overspending. Is it on health care? Is it the money for people with disabilities? Is it the investment in the tax cuts? Is it the investment in the infrastructure? Is it the investment in the military? I am not sure which one he is referring to.

In spite of the fact that we are helping in all these very needy areas, we also have huge tax reductions and contributions to pay off the national debt. I agree with the member fully that we should be doing as much as we can to pay the national debt, but in the 2003 calendar year we will be reducing the personal income tax by \$18 billion, corporate income tax by \$2.5 billion and employment insurance by \$3.6 billion. In the following year of 2004, the increases are even more dramatic: \$22 billion in personal income tax; \$3.7 billion in corporate income tax and \$4.4 billion in employment insurance.

I think it is very balanced and this is what I have heard from many people. It has spending. It has serious tax reductions, especially for my riding, in the resource sector, in mining and in small business. It has provisions for contingency and provisions to pay down the national debt from the funds that remain.

The Budget

[*Translation*]

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, there has been so much criticism of the budget since it was read last week that I will rise today to add my voice to the voices of other Quebecers who have found nothing in it to help them.

The Minister of Finance's budget was a spectacular non-event. The former finance minister took pleasure in underestimating revenues and overestimating expenditures. He took pleasure in finding pretexts to conceal billions of dollars in surplus funds. This was how he kept those billions from being debated in the House in connection with the priorities for improving taxpayers' quality of life.

The minister who replaced him is not doing much better. Journalists and analysts everywhere in the country have not had much good to say about the budget plan. Government MPs are often quick to say, "We all know the opposition is opposed to everything", but this time I think all of the political analysts are unanimous in the verdict that all this is nothing but a big showy fireworks display, made up of thousands of little squibs exploding in every direction.

It has even been described as a Liberal symphony in the key of S major, S for spending that is. There is nothing surprising about that, considering the orchestra leader's propensity for waving his baton indiscriminately over every section of the orchestra, every possible and imaginable social program.

The Minister of Finance's behaviour is proof that this government had no priorities, but rather a single-minded ongoing objective to increase its visibility, even if this means callously ignoring the provinces and continuing to interfere in areas of provincial jurisdiction. Under this Liberal government, Canada continues to be built without consideration for the provinces. This is known as wall to wall "nation building".

Furthermore, that is what we will remember as the undying legacy of this Prime Minister, who is on his way out and who, for over a decade, has accumulated staggering surpluses at the taxpayers' expense. We must also point out that, under the Liberals, fighting between Ottawa and the provinces has increased.

The Prime Minister has never hesitated to interfere in provincial jurisdiction, creating perpetual trouble for provincial governments. This budget, the first for the current Minister of Finance, stays the course and continues to perpetuate the Liberals' bad habits.

I will give a few examples of encroachment on provincial jurisdiction. First, the government created the Canadian Coordinating Office for Health Technology Assessment, which provides for an integrated Canadian strategy on new technologies. On numerous occasions, we have pointed out that health care and education are provincial responsibilities.

The allocation of additional funding to the Canada Student Loan Program is another example. Once again, education is a provincial responsibility. The Canadian Learning Institute was created. What is the federal government doing sticking its nose in learning?

These examples prove that this government has continued with its centralizing, pan-Canadian vision.

Last week, the government began a vast seduction campaign. The amounts involved are huge and so is the number of initiatives affected. This government and its members are focusing on the big bucks they have announced in this budget. Of course, it amounts to billions of dollars, but when it becomes \$3 billion over 10 years divided by 10 provinces and 3 territories, that amount is substantially less at year-end, about \$300 million or less for the provinces and territories.

The amounts are huge but divided over several years. Who can say whether the next Prime Minister and the next Minister of Finance will keep the promises contained in this budget?

• (1040)

The government—and even the Minister of Intergovernmental Affairs—has already denounced the fact that the Conference Board, which reviewed the fiscal imbalance between the provinces, projected some figures over a ten-year period. The ministers and government members laughed at this so-called hypothesis.

Now we are led to believe that there is \$3 billion available over the next ten years. Talk about speaking from both sides of your mouth.

The investment announced for infrastructure speaks volumes. I will give the example again: \$3 billion over ten years, or \$300 million a year; \$300 million for the ten provinces and three territories is very little.

I would like to quote one of my constituents, the president of the Union des municipalités du Québec and Mayor of Drummondville, Francine Ruest-Jutras who said,

The budget plans for \$3 billion over ten years to improve existing infrastructure, of which only \$1 billion is earmarked for municipal infrastructure—

I should point out that \$1 billion is paid directly to the municipalities, yet as we see it, municipalities are provincial entities. The federal, central government has no authority to pay the municipalities directly. It has to go through the provinces.

Ms. Ruest-Jutras continues:

—\$1 billion is earmarked for municipal infrastructure in the entire country. By the time this is divvied up there is only \$25 million a year left over to upgrade the water supply, sewers and highways in Quebec. This clearly is not enough given that Quebec's needs add up to more than \$1 billion a year for 15 years.

The cost for upgrading the water supply, sewers and highways in Quebec has been estimated at \$1 billion a year for 15 years and we are told we will be given an extra \$25 million.

The statements made by Ms. Ruest-Jutras, the Mayor of Drummondville, who is known for her enthusiasm for economic development, proves that this government does not listen to the needs of the public.

The \$2 billion that will be made available for strategic infrastructure will again be divided among the ten provinces and the three territories; that does not leave much for Quebec either. Note that only one kilometre of highway costs \$1 million. This will not go very far.

The Budget

When he rises in the House, the Minister of Finance keeps saying that his government has reduced taxes by billions of dollars over the past few years. The minister is neglecting to say that if direct taxes have been cut, indirect taxes are taking up the slack.

Think of the current cost of heating oil and gasoline. These are indirect taxes. If there is one such tax that I want to mention, it is the gasoline tax. The government gets 1.5¢ per litre to pay down the deficit, when there has not been a deficit for four years now. Where is this money going? Eliminating this tax would help the taxpayers who need to put gas in their cars to go to work.

But no, this government prefers to sock away the surplus and take precautionary and preventive measures. The little that remains is spread all over the map, over a period of five or ten years. It seems like tonnes of money but, in reality, it is just crumbs.

The Bloc Québécois has condemned on numerous occasions the fiscal imbalance between Ottawa and the provinces. From one end of the country to the other, all the provinces, all the premiers, as well as economists, associations and federations, notice the fiscal imbalance between the central government and the provinces, and they also notice that the federal government is collecting more money than it needs for its operations.

•(1045)

This government is the only one to deny the existence of fiscal imbalance and to lay the blame on the provinces. There are all manner of justifications given for this. How can it be that everyone, political analysts, economists, all stakeholders, provincial premiers, finance ministers, the official opposition and all parties in opposition, can see a fiscal imbalance while the government closes its eyes and denies its very existence? That is something to think about.

As far as the federal strategy on fiscal imbalance is concerned, I have already said that the government continues to underestimate its revenues. For the next two years, I should point out that the figure being talked about is more than \$14 billion, maybe as much as \$20 billion. These amounts are being concealed from the public so as to avoid debate and to make it possible to have a budget where a few crumbs are tossed to everyone, in the belief that this will enhance visibility. But rest assured, the voters and the taxpayers are not taken in.

The proposed capital tax measure is one illustration of fiscal imbalance because it allows us to see the disproportion between the means available to the federal level and to Quebec and the other provinces. At the present time, Quebec has a plan to reduce its capital tax, which will enable it to halve the contribution rate by 2007. The federal government is announcing it will do so now. This shows the disproportion between the two levels of government.

As well, there was an expectation that the Minister of Finance would put an end to the theft from the employment insurance fund, this method of virtual accounting which lets him get his hands on the contents of the fund. We are now being told that the Minister of Finance has merely said he would consult. Maybe a committee or board will be created, and it will set the contribution rate. This will happen within two years.

According to calculations, the surplus this year and next in the EI fund will be between \$3 billion and \$4 billion. This is money the minister will siphon off into his coffers, thus creating imbalance. This accounting method lacks transparency.

Remember that the employment insurance fund is insurance for people who are unemployed. The current government no longer contributes money to the fund and is not entitled to use the surplus from it for all sorts of sketchy reasons. The budget does not establish an independent fund. The Bloc has been asking for an independent employment insurance fund for a long time.

The Prime Minister, the former Minister of Finance who wants to replace him, and the member for Ottawa South are all the same. It seems like for the past ten years they have all had the same speech writer. I wonder which one of them does the dictating.

The Minister of Finance is not even embarrassed. I asked him why, when we have such large surpluses, the government continues to help itself to a fund belonging to workers.

•(1050)

The same taxpayer who contributes to the employment insurance fund has also been paying a special gasoline tax since 1995 in order to reduce the deficit.

In less than 18 months, the cost of heating oil has gone from 39 cents to 62 cents a litre. Remember that often the people who use oil to heat their homes are seniors. These are people who receive a meagre pension which the federal government has never indexed. It has no wish to do so and has not made it a priority. And it leaves these people to continue paying 62 cents a litre for heating oil.

Soon these people who are living on the brink of poverty—because we know very well that the federal pension now falls below the poverty line—will have to choose between heating or eating. Is that right when the government currently has a huge surplus?

The Liberal government's insensitivity to ordinary Canadians, as the Minister of Finance called them, has produced, today yet again, terrible results. I am talking about people from a plant in my riding who will lose their jobs next month due to the softwood lumber crisis. These 130 employees, 130 households, will fall victim to the government's failure to support this industry. These 130 unemployed will join the 7,000 Quebecers directly affected by this crisis.

The Prime Minister wanted to leave a legacy, but it will be a sorry one. What about the government's attitude to the disabled and their families? The government rattles on forever about its enormous investments, but it neglects to mention that it has made their lives difficult. We have condemned the unfairness of the eligibility criteria for the disability tax credit. Since this strategy did not work, the government dreamed up another and announced the creation of a committee to do its work for it. Let us face it, this announcement goes against a motion that was passed unanimously by the House last November.

The Budget

This is further proof that this government is incapable of respecting not only its commitments, but also the work of parliamentarians and the population.

You have not heard the last about the board it wants to create for the disabled to establish eligibility criteria. This board would decide if the disabled are entitled to the disability tax credit due to their physical condition, or if parents are entitled to the tax credit for their child. This is unacceptable. Who do they think they are to judge those who are already suffering?

We have before us a government which has been hard hit by scandal and corruption and which is trying to cover up by playing Santa Claus. It is having to face harsh reality. This budget does not meet the demands the Bloc Québécois made over the past few months, nor the needs of Quebeckers. There is nothing in this budget to resolve the fiscal imbalance, but a series of measures and programs showing the government's determination to centralize and homogenize everything.

This is an unacceptable approach and one that is inadequate for all provinces. There is nothing in this budget to address the lack of transparency relating to the EI fund. Nor anything about doing away with the gas tax. There is virtually nothing concrete on infrastructure, and we must not forget this government's refusal to implement the Kyoto protocol in a way that is fair and respectful for Quebec.

When the minister stated in his speech that public funds in Canada will be administered with greater transparency, not many people were convinced of it.

• (1055)

There is one solution left, however. For all those who have been ignored, be they women, aboriginal people, victims of the softwood lumber dispute, self-employed workers, or microbreweries, there is one real change still on the horizon. For Quebeckers there is but one way to envisage a different future, and that is sovereignty.

[*English*]

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I listened with interest to what my colleague had to say. I know she has a great interest in EI, the employment insurance. I was pleased to see that the premiums came down for the 10th year. I understand her other arguments about the fund but did she take into consideration some of the additional expenditures from the fund which have occurred in recent years?

As members know, employment insurance is what it says. When people are unemployed, it gives them time to move between jobs. That is very important. The fund also supports the disability pensions which unfortunately any of us could find ourselves drawing on at any time in our careers. It is not a matter of being unemployed but a matter of being disabled.

However in recent years I have noticed two developments which involve costs based on EI premiums. One is the parental leave and parental leave extension, which I supported very strongly. It allows the parents of a child a considerable period of time, using the EI fund to support them. What does she think of that? It is an additional expenditure from the fund.

In this budget allowance was made for caregiver leave, the so-called palliative leave. This will also be paid from the funds which are gathered through the EI program. My understanding is that it is up to a month of leave for looking after someone who is terminally ill. This is something that I support very much.

What does the member think of these two additional expenditures from the EI fund in recent years, parental leave and palliative leave?

[*Translation*]

Ms. Pauline Picard: Mr. Speaker, I would like to point out something to the hon. member about the 20¢ cut. Yes, it went from \$2.10 to \$1.98, but in actual fact this budget actually cut only 2¢, because a 20¢ cut had already been announced in last year's budget.

There is nothing here to brag about. This is just one more way to deflect the question and not to be transparent. The 20¢ cut was announced last year, and so the cut this year is only 2¢.

The hon. member seems to fail to see that, after the EI program expenditures are taken out of the fund, there is still a forecast surplus of \$3 billion, and another \$3 next year. Since this virtual accounting practice was inaugurated, \$46 billion have been transferred to reduce the debt. Money has been taken from the EI fund, and the government is not even trying to hide the fact.

I would also like to point out to the hon. member that the government contributes nothing to the employment insurance fund. It is taxpayers' money the government is managing. The government does not contribute a dime. It is employers and workers who contribute. The government takes the surpluses and uses them to create prudence funds, diverse funds and trusts. Trusts are untouchable.

These measures do not make sense. Unions and employers are exasperated by the misappropriation of the employment insurance fund. They are denouncing this situation and asking the government to stop helping itself to the fund. They are asking that the premiums be set by the contributors, that is, the employees and the employers.

The agency that set the rates was disbanded because it said it did not make sense to do things this way. It said the rates were too high compared to expenditures. The government ploughed right ahead.

Currently, because everyone is denouncing the siphoning off of the employment insurance fund, the government is trying to be more transparent. The minister has made a promise not for this year or next year, but for the more distant future.

There will be broad consultations. It is a typical priority of this government to consult so that people will forget everything. But they had better not keep trying to dupe the taxpayers, who are fed up with the government skimming from the EI fund.

The Budget

•(1100)

[English]

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, the member talked a lot about provincial jurisdiction. I am somewhat confused as to what she determines as provincial.

On one hand she talks about the Canada graduate scholarships, which is not an intrusion of provincial jurisdiction, certainly not in terms of education because the money goes directly to students.

On the other hand, she says that there is not enough money for infrastructure, which is not true. It is a revelation to me that the Bloc is supportive of the national infrastructure program. For years the Government of Quebec was very negative with regard to the position of the UMQ on the issue of support for municipal infrastructure.

At the same time the member talks about gasoline pricing which is a provincial jurisdiction. In fact, as we all know, in March 2000 the government suggested that we suspend the GST on gasoline for a period of time and only one province bothered to respond. In terms of also suspending the PST, the Province of Quebec was not one of the respondents.

I have pointed out what I think is a clear contradiction in her views with regard to education on the one hand and infrastructure and gasoline on the other hand. I would be interested in her comments.

[Translation]

Ms. Pauline Picard: Mr. Speaker, instead of saying my speech was contradictory, the hon. member should perhaps consider transparency. I understand that the parliamentary secretary wants to defend the Minister of Finance, but I do not see the contradiction in what I have just said.

Everything I said was verified and supported by Canadian business federations, Quebec and Canadian associations and economic analysts. The parliamentary secretary needs to read the newspapers to see the reactions to this budget.

We have been told, and this is an insult, that there is enough money in infrastructure; \$3 billion, when Quebec alone needs \$1 billion over 15 years. The chair of the Union des municipalités du Québec says that \$1 billion per year for 15 years is needed for infrastructure. We have been told that there is enough and that everyone is happy.

I have not seen any analysts, any chairs of a Canadian federation representing municipalities boast that only \$3 billion has been invested. The mayor of Toronto—outside Quebec—condemned the economic shortfall for infrastructure. The amount he will get will not even pay for the work needed on one street in his city.

I have been told that there is a contradiction in terms of the gasoline tax; this is a special gas tax to fight the deficit. Where was the parliamentary secretary when this special tax was created to reduce the deficit? There has not been a deficit for four years now. This fact is never mentioned, and the government boasts about having a balanced budget. Why keep this gasoline tax, when people are struggling to pay for gasoline and heating oil.

We could also have had a debate on the fiscal imbalance. The parliamentary secretary did not talk about it, since this government prefers to shut its eyes and not speak of it. The government is the only one that continues to deny the fiscal imbalance.

•(1105)

[English]

Mr. Tony Valeri (Stoney Creek, Lib.): Mr. Speaker, I will be sharing my time with the member for Etobicoke North.

This morning as I sat here I heard many members talk about the various aspects of the budget, such as EI, health care and infrastructure. I would like to focus a bit on what the budget actually does to make Canada competitive in North America and globally and to ensure that Canada remains a strong voice in the world.

The Minister of Finance talked about the concept of turning Canada into a northern tiger, a magnet for global investment attracting the best in human capital. On the latter point I just want to make the comment that the best in human capital means that we need to continue to invest in our people. We need to invest in our human capital.

It also means that as a national government we need to pay attention to local organizations like the Industry-Education Council from my area, which for some time now has been promoting a trading model to assist our manufacturing sector and to ensure that Canada remains strong and vibrant in the area of skills and skills training. I think that as a national government we need to be very much aware of what some of the local areas are doing to put forward local solutions that can form a template, a model, for national solutions.

I think it is also important to mention this morning that the Canadian economy, as everyone knows, does not function in isolation. It is part of a continental economic base. The budget does paint a picture of a remarkably strong economy given the situation around the world. We have read about the job creation numbers in 2002, at 560,000 with the majority being full time. That is in contrast to what the U.S. economy has experienced recently. The unemployment rate in Canada is now about the same as the U.S. rate for the first time in 20 years. Interest rates remain at 40 year lows and we have had 3 years of current account surplus. It is a very positive picture of our particular circumstance.

It is also important to note that our net foreign debt as a percentage of GDP is falling, for the first time below that of the United States, and our Canadian economy is expanding quite well with a solid 3.3% in 2002, considerably faster than the 2.4% recorded by the United States. That is certainly faster than all other G-7 and G-8 countries, so I think we continue to move along quite well in terms of our economy.

However, the continuing uneven recovery in the United States certainly is a concern for a lot of our manufacturing sector and I think it should be a concern. We did see stabilizing late in 2001 in the U.S. equity markets but it again declined sharply in summer 2002 in the wake of Enron and other accounting and corporate scandals. It is worrisome, I think, and the point I want to make is that it is worrisome because of our level of economic integration.

The Budget

We have taken some steps and that is the reason we have done as well as we have. Some of these steps have been very key in continuing to move our economy along. We have our existing tax reduction plan, which lowers the general rate of corporate tax from 28% to 21% in 2004. Again, with these cuts, the average federal-provincial corporate tax rate in Canada is below the average U.S. rate for the moment, although there now is a package in front of the president to deal with the U.S. tax situation. As for capital gains, again we are lower than the typical top tax rate in the United States.

We have also taken what I and many members in the House consider a welcome step in phasing out the capital tax, although I would suggest that some would like to see this move along more quickly than has been proposed in the budget. Phasing this out is a good step. I think it is also important to mention that this reduction and the gap created are unaffected by the recent tax changes proposed by the U.S., so this will remain an advantage for us, but I also think it is important to state that we cannot really stop there. If we are to become the true northern tiger, we need to maintain and expand this advantage.

•(1110)

Economic prosperity is certainly not just about taxation. It is about a lot of other things and I think this budget speaks to a lot of the other areas that we need to invest in to continue to move our economy along.

I want to take a few moments to speak about ensuring that we take a proactive and a mature approach to securing the long term Canada-U.S. trade flows that our economy is so dependent on. Certainly the importance of the border cannot be underestimated. This budget reaffirms support for the implementation of the Canada-U.S. 30 point smart border action plan. The plan enhances the security of the border and will facilitate the legitimate flow of people and goods, but I still believe that we can do more with respect to this issue.

I think that the Nexus fast lane program at our land borders needs to be expanded to air travellers. I know there are pilot projects, but we need to go beyond the pilots. The FAST program for commercial shipments, with its acronym meaning free and secure trade, was implemented in December 2002 and we need to look at it to ensure that it remains smooth. We also need to look at expanding the program beyond the six highest volume border crossings.

In fact, we need to place appropriate security measures without damaging our economic security, so it is really an approach to the relationship that we need to accept and adopt as parliamentarians and as a government. I look to a comment made by Carleton professor Michael Hart in a recent publication. When he talks about the differences in objectives, approach and rationale of a wide range of Canadian and American laws and regulations relating to both security and economic well-being, he puts the differences in these terms: very minor and, in most instances, unimportant.

If we want to ensure that our trade flows remain free flowing and that our economy continues to prosper as we continue to export to the United States, we should be focusing on a lot of these objectives and the approach and the rationale of a lot of the areas that deal with our economic and security issues. We should recognize that the differences are minor and we can deal with them. I am not suggesting that we harmonize our differences with the United States,

but I am suggesting that we should aggressively pursue mutual recognition agreements that would simplify our border commerce while maintaining our democratic control. We need to ensure we do that to maintain our sovereignty. That is an issue a lot of people talk about when this comes up. We already have some mutual agreements in place. We have them for refugees and we have them for criminal justice. There are many we could look to as models.

The budget also commits \$11 million over the next couple of years to bolster Canada's representation and trade promotion activities in the United States. That is a good step. We have to be cognizant of the fact that our other NAFTA partner, Mexico, has 43 offices in 19 states in contrast to the 13 offices that Canada has, including the embassy in Washington. We need to ensure that our profile and our presence in the United States are well resourced and well funded and I think the \$11 million does move us in that direction.

On the broader discussion about Canada-U.S. relations, I talk about it as an underpinning to our budget and as an underpinning to our economic prosperity. We have policy choices in large measure because of the kind of export market we have with the Americans, with 87% of our exports going to the United States of America. I suggest that we continue with a step by step pragmatic approach. We need to expand on our successes. We need to expand on our smart border approach. We need to deal with mutual recognition agreements. Perhaps we need to consider the "tested once" approach in North America between Canada and the United States for a multitude of products. That would really allow the continued flow of goods. We also need to work toward increasing the free flow of persons across the border.

•(1115)

In closing, let me say that we need to engage in this debate. We need to understand that we have been successful in our economy because of our access to the United States in a North American market. We are a trading nation and we need to continue to trade. We need to ensure that we have access to that market so that we can continue to develop many other markets around the world.

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Mr. Speaker, in spite of the rosy approach over there, I am wondering if the member could respond to a couple of points.

The first is the understanding that internationally we are in a competitive market, especially as related to the United States and tax rates. As the American government continues to provide tax relief and relative tax rates for the individual taxpayer, Canada increasingly has become uncompetitive. Since our economies are so intertwined, we need to catch up to the Americans. Otherwise the brain drain is going to continue. What are the prospects for the continuing high income tax rates that we have in Canada as compared to those in the United States?

The Budget

The other issue is that projected spending for the next three years is up significantly, perhaps by some 27%, which is way ahead of how the economy is going to grow, even in the most rosy of expectations. How wise is it to outline in a statement to the international community that we will continue to spend at increasing rates, rates beyond the wildest dreams of how our economy could ever grow?

Those are two worrisome signals that I think we are sending to the international community. Would the member like to respond to those matters?

Mr. Tony Valeri: Mr. Speaker, certainly we have to be very cognizant, and I am sure the hon. member is, of the fact that the \$100 billion five year tax cut program is still unravelling. If the member is asking whether we should continue to maintain oversight of our tax policy and ensure that we continue to maintain its competitiveness, I agree 100%. I am speaking now as the member of Parliament for Stoney Creek. I certainly do not think the tax file is closed, if that is the question. I think we have made great gains in terms of what we have done in unfolding and announcing that tax package, but I certainly think that if we are going to be competitive globally we also need to look at various areas of tax reform and different types of taxation rather than the structure we have in place today.

With respect to the United States, this is also not a race to the bottom. We also need to have a vision for the country as to what our values are, what types of values that we want to ensure are funded effectively by governments, and what values people support. It is not just about taxation. Taxation is a very important element in the overall competitiveness of the economy, but we can have the lowest taxes in all the G-7 and if we do not have the skilled people, the research infrastructure and the general infrastructure to move product to market, we will be lacking in our ability to grow as an economy. Taxation is very important, but it is certainly not the only issue for me.

In terms of the comment about suggested spending, I think we also have to acknowledge that while the spending that has been announced is quite high, by some measures, and some people have characterized it as quite high, we have to look as well at where the spending actually has occurred. The majority of it is in health care, which reflects what Canadians have been asking for. Also, the spending is in the context of the fiscal framework and the fiscal framework continues to ensure that we have balanced budgets. We still have contingency. We will have prudence built in. We are not in any way, through this budget, jeopardizing the fiscal framework that has been laid out. To me, that is a critically important point.

There is also the aspect of reallocation and the ongoing so-called cyclical program review, which is also a very important point for me in this budget. It is to ensure that the programs are constantly monitored to ensure that the funds allocated to them are actually providing the kinds of outcomes that we had intended them to provide, and if they are not, then let us deal with the reallocation.

• (1120)

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I listened to the remarks by the member for Stoney Creek and wanted to get into the issue of customs unions, but I will leave that for another day. I am very pleased to enter the debate on the budget that was presented by the Minister of Finance on February 18.

Some of the very positive aspects of the budget need to be restated and reinforced. This is the sixth consecutive balanced budget by the government. Canada is the only country in the G-7 that is projecting surpluses for the next number of years. That is after contingencies and prudence being built into the budget forecasts.

Our economy is outperforming the United States and many of our trading partners. In 2002, 560,000 were created, more than any other G-7 country. The fiscal actions, which were started by the government and the former minister of finance in 1995 and earlier, are really paying off for Canada. We are seeing surpluses and economic growth which in 2003 is projected by a group of independent economists to be around 3.2% and in 2004 to be 3.5%. We have reduced the federal debt by \$47.6 billion, which is saving the federal treasury about \$3 billion a year in interest costs. Those funds can be redeployed for higher priorities. Our debt to GDP ratio is down from a high of close to 71% to 46.5% in 2001 and 2002 and it will sink below 40% over the next four to five years. The standard of living in Canada has grown faster than any other G-7 country.

These matters have been stated before, but they need to be restated in my view because we are living in some very fortunate times. Because of that the government, can spend on the priorities that Canadians have identified such as our health care system.

One aspect of the budget that we need to be careful about is the effect of the multi-year funding that goes out beyond year two into years three, four and five. Of course it is not a precedent to have multi-year funding. We have had it before. There are economic circumstances internationally. There is some uncertainty with the state of the U.S. economy. There is the geopolitics of a potential conflict in the Middle East. We need to be very prudent about projecting expenditures and committing to expenditures too heavily beyond year two and into years three, four and five.

I should add that the Minister of Finance has continued the previous practice of building a lot of prudence and contingency into the budget numbers. While our expenditure is up 11%, or \$14 billion over the last year, as my colleague highlighted, much of that is in health care, defence spending and priorities that Canadians have told us should be on the top of the list. Even with that additional expenditure, federal program expenditure is still at a level of about 12% in relation to the GDP or the size of the economy. That is still at a low since after the second world war and is much lower than the 16% of program spending in relation to GDP which existed in the early 1990s.

This year alone new health care expenditure will be \$5.1 billion and the government will reallocate \$1 billion per year from existing spending. In other words all departments will be asked to revisit their current spending and policies and challenge whether it is relevant to move forward. In total \$1 billion will be reallocated to higher priority spending from lower priority spending. The government has indicated the need for an ongoing examination of all non-statutory programs in the government on a five year cycle, which I totally agree with and support.

The Budget

As I said, a good part of the additional spending in the budget is in health care, over \$34.5 billion over the next five years. I congratulate the government for insisting on accountability measures because Canadians deserve to know where their health care dollars go and the kind of outcomes they achieve in Ontario compared with Yukon and Prince Edward Island. Canadians expect to know what has been achieved in terms of waiting lists, et cetera.

• (1125)

Also, the government insisted on targeted funding. I am glad to see some money attached to home care because this is a lower cost delivery mechanism. For example, in my area 20% of acute care beds are occupied by people who should not be there. They should be in home care, but none is available. We need to begin dealing with this. The budget and the agreement call for targeted funding for home care, so the provincial governments will have to move in that area, which will be very positive. It is a lower cost alternative and it is better in terms of patient care as well.

I am very pleased also to see that \$320 million over the next five years has been dedicated to affordable housing. That is in addition to the \$600-odd million that was announced previously. In my riding of Etobicoke North we have many individuals who are well exceeding the 30% rule of thumb of a percentage of their income being dedicated to rent. We need to move on affordable housing.

The government is also committing resources to the homeless as well. In my riding of Etobicoke North we have started a little ad hoc committee to see if we can identify some affordable housing projects and move them forward. We want to see if we can increase the inventory of affordable housing there.

The budget builds on the need for investments in research and innovation, more money for the granting councils and the Canada Foundation for Innovation. These are important because we have to keep investing in our future. Research and innovation are the areas where the best value can be added. That is where the high paying and good jobs will be in the future.

We have also committed more money to the Canada student loans program and to the Canada graduate scholarships program. These investments in people will definitely pay off in the future. I am glad to see the government is investing in people.

Small businesses are the engine for job growth in Canada. We see some very positive measures in the budget. In fact, the Canadian Federation of Independent Business has been very laudatory about the budget and what it does for small business. For example, it increases the small business deduction limit to \$300,000. It eliminates the federal capital tax starting first with small and medium sized enterprises. That is a very progressive step. The capital tax is a regressive tax and basically taxes investment. Resource sector taxation will be improved. The rate will go down to 21%. I am looking forward to the technical paper that will spell out those changes in more detail.

With regard to EI premiums, the savings to employees and employers over the last 10 years by reducing EI premiums is close to \$10 billion. The minister has also indicated that he will continue the work started by the former minister of looking at the rate setting

process. We need to move to a more insurance based type of funding mechanism.

Venture capital will be helped. The Business Development Bank of Canada will receive \$190 million to assist with investment in new ventures.

Poor and low income Canadians and families will benefit. More money will be put into the national child benefit program. When implemented, the first child will be eligible for \$3,243 per year. That is a very generous sum and a positive development.

With regard to immigration, \$41 million will be added over two years to attract new skilled immigrants and help them integrate into the Canadian labour market. My riding of Etobicoke North has a very large population of new Canadians. We need to help them integrate better into the workforce.

The government has indicated it will put some resources behind helping new Canadians receive recognition of their foreign credentials. There are many people with Ph.D.s and masters degrees from foreign countries driving taxis because their foreign credentials are not recognized. The government will put in \$13 million over the next two years for this initiative.

The Canada Student Financial Assistance Act is to be amended to include eligibility for convention refugees. In my riding of Etobicoke North that will be very good news because we have many young people coming of age. They have not been able to access these loans.

• (1130)

On balance it is a good budget with more investments in Kyoto, the environment and infrastructure. However we need to be mindful of the need to be prudent and to be cautious moving forward.

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, I have a question for the hon. member. I know he has probably done the same thing as people who make speeches in provincial governments or sometimes in cities. We often hear about the number of new jobs created. That figure is often very high because they never mention those who have lost their jobs. When we hear that, it is a distortion whether it is here, in the provinces or wherever. For instance, if the government created 500,000 new jobs but 400,000 were lost through factories closing, it would not be fair to say that 500,000 new jobs were created.

Could the member comment on that traditional way of presenting those figures? We always speak about jobs created but we never speak about the jobs that were unfortunately lost.

Mr. Roy Cullen: Mr. Speaker, maybe the member for Souris—Moose Mountain has a different understanding than I do of the data and the statistics. My understanding is new jobs created are net new jobs. Therefore the story in Canada on the job growth numbers has been an absolutely amazing. One could quibble over the numbers I suppose, but the jobs that are reported are the net jobs created.

Canada has outperformed the United States significantly and indeed all the OECD countries. In most cases these are full time jobs.

The Budget

The economy is going on all cylinders: 3%, 3.2%, 3.5%. We have something for which to be very thankful. We have this kind of economic growth and the economy is creating these jobs irrespective of the mixed results in the U.S. economy. Often follow the U.S. lead, but in this case we have been outperforming the United States. I think that is good news for all Canadians.

• (1135)

Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance): Mr. Speaker, I was interested in my hon. colleague's comments.

As I look at the budget I have every sense that this is a feel good budget that has been produced somewhat by the government's acceptance of the Canadian Alliance's fiscal prudence approach over the years. The government has indeed accepted our proposals to cut down the deficit and bring us into balanced budgets. There is no question that the government is now rewarding itself through a lot of incredible spending in this budget.

One thing I have heard from a number of people who are cautious about this budget is that even though our economy has done well in comparison to other G-7 nations and certainly in comparison to the United States, we depend so much on the American market, 85% of our exports go there. What happens if the American economy suddenly takes a huge dive? We would be no longer able to export to the Americans because they would not be buying.

Does the member know of any contingency plan on behalf of the government that would account for this kind of scenario taking place and in light of this free spending budget?

Mr. Roy Cullen: Mr. Speaker, in the excitement of Diana Krall, who is from Nanaimo, recently receiving those awards, perhaps the member has lost sight of some of the major elements of the budget. I can understand that because I am equally proud of what she has accomplished.

First, with this budget, the Minister of Finance has continued the work previously done and has continued with the policy of putting in the contingency of \$3 billion a year. Also prudence has been built in; \$1 billion for the first year, then building to \$2 billion. When we get to the years three, four and five there will be a flexibility of some \$5 billion.

The surpluses are based on consensus view of economists on the growth that will occur in Canada. Those economists are looking at the scenarios in the U.S. economy. The consensus view takes out the economists who say that the growth will be very high and it eliminates the views of those economist who indicate the economy will perform at a lower rate. Therefore it is a consensus view taking into account the performance of the U.S. economy with a lot of prudence built into the budget.

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, I will be splitting my time with the member for Vancouver Island North.

I am pleased to have an opportunity to speak about the recent budget. I will spend most of my time talking about the military funding, what has and has not happened there, and more importantly, what that means to Canadians. Few Canadians actually think about what our military does for them here at home and abroad.

Before I do that I must comment on a few things I have heard the Prime Minister and the finance minister say regarding this budget. I cannot let them go unchallenged. I have heard from several members that they are doing such a wonderful job, that they have eliminated the deficit and are now running huge surpluses. These comments I have heard again and again.

I would like to deal with the deficit and surpluses. There are two things I would like to say regarding the deficit. First, it was not the government that eliminated the deficit, but hard working Canadian taxpayers. That is something that Liberal members should remember. It is not their own money they are spending, it is Canadian taxpayers' money. They forget that when they brag about how much extra money they are taking from the pockets of hard working Canadians so they can run these surpluses.

Second, the deficit would never have been eliminated without the pressure put on by the Reform Party and the Canadian Alliance. In the 1993 election we campaigned on eliminating the deficit with our zero in three plan. What did the Liberals say? They said that we did not have to focus on that, and that if we were to eliminate the deficit in three years the economy would collapse, that it would be a catastrophe for the country.

So what happened? Because of the pressure from the Canadian Alliance and because public opinion moved that way, the government did exactly that. It eliminated the deficit in three years. Did the economy collapse because of that? It did not. In fact, it improved because of the fiscal responsibility. That never would have happened without the Reform Party and the Canadian Alliance. We were the only ones supporting that position during the 1993 election. We should take a lot of credit for that happening and I certainly am more than willing to do that.

Government members brag about the surpluses. They say, "Boy, is the government not doing a great job with its finances?" Maybe that is right, if we look at it only from the point of view that this is government money. The deficit has been eliminated and of course they forget the \$550 billion debt we still have. They kind of ignore that because we are running these surpluses. So if we look at the finances of the government as such, I suppose we could look at it in a fairly positive way other than this huge debt, which of course they like to forget.

The reality is that these surpluses represent extra money being taken from the citizens of the country. That is something the Liberals forget almost all the time when they are talking about this issue. This extra money that allows the government to brag about its finances is putting pressure on the finances of Canadians.

The Budget

What about seniors on fixed incomes? There is not a day in our constituency office where we do not have seniors on fixed incomes phoning in saying that they only make a little bit of money but still have to pay taxes. It does not seem right. They cannot pay the power bill. They cannot make ends meet. They may be forced to move into a lifestyle that they never thought they would have to. Canadian seniors are affected by overtaxation. Single mothers and fathers trying to make ends meet on small fixed incomes are still taxed. There is still money coming into this surplus from these people.

Students are facing increased costs all the time. In the budget the government talks about a few elite students who will get funding but there is nothing there for the majority of students. University students who work four months in a year still pay taxes. I have four children in post-secondary institutions and they still pay taxes on their incomes in spite of the small amount they are making and in spite of the fact they are students. This is unacceptable. This is so the government can brag about its finances. What about the finances of Canadians, especially low income Canadians on fixed incomes?

• (1140)

Government members ought to remember that when they are bragging about surpluses because surpluses are overtaxation. In spite of the drunken spending spree the government has put into this budget, there are still surpluses. Both of those things indicate overtaxation, too much money coming from the pockets of people who can ill afford it.

In spite of all this overtaxation, what does the military receive in this budget? Nowhere near enough. It receives \$395 million for last year to pay for extra expenses that it simply could not meet for the fiscal year that we are in now, so it is paying for past debts. There is only \$1 billion for next year, in spite of the fact that we will have an operation in Afghanistan. We still have the navy involved in Operation Apollo and we could well have another air force contribution in the area of Iraq, as well as an extra naval contribution in that area. That contribution will easily cost \$500 million.

Of this \$1 billion added to the budget for the next fiscal year, probably \$500 million will go to extra deployments and it will have to be paid for out of that budget. Then only \$800 million will be added to the base budget the year after that, and we will be picking up the tab and still be involved in operations in Afghanistan and possibly Iraq. This budget will not do what has to be done for the military.

It is important that Canadians remember what our military does for us. Many Canadians never really think about that and there are many others who do not think about it often enough.

What does our military do for us? Here at home it deals with natural disasters such as the flood in Manitoba, the Saguenay, and the ice storms. We have seen many natural disasters in the past where the local responders simply could not deal with it so we had to rely on our Canadian military. It has done a marvellous job in those circumstances although it is important to note, that to get our troops and equipment to the flood in Manitoba and to the ice storms, Canada's military did not have the ability to transport them. We had to beg the Americans for their strategic air lift to get our troops and equipment to deal with these natural disasters. That has to be a

concern especially when that type of strategic air lift is in very short demand now.

If we were to have a natural disaster right now, for example, another ice storm or an earthquake in the lower mainland of British Columbia, how would we deal with it? We do not have enough people or the proper means to get them to the area in a hurry.

How would we deal with acts of civil unrest, for example, another situation like Oka or another event getting out of hand? That is what the military provides for Canadians. Most experts on the subject just say it is a matter of time before Canada is hit by a terrorist attack, by a chemical or a biological attack of some kind. We will certainly rely on our military to help deal with those situations. It also plays a role in helping to prevent those situations and that is important as well.

We have seen the marvellous search and rescue off our east and west coasts in the past year, unbelievably well done by military personnel we should be proud of. Many Canadians forget that this comes from our defence budget and it is extremely important to Canadians to know that in desperate situations they can rely on search and rescue right across the country.

Our military also helps protect our sovereignty, especially in northern waters and islands which many countries dispute are not Canadian. If we do not have a proper presence there in the water, in the air, and in some cases on land, then we will lose sovereignty over some of that territory. There is little doubt about that. As the northern waters open up and become an important shipping route, there will be a lot of dispute about whose waterway it is. Having a presence will determine in the end whether these are Canadian waterways and whether it is Canadian territory.

To protect critical infrastructure is another important role our military performs here at home. Our military provides invaluable service here at home.

Overseas of course, Canadians think it is very important that Canada has some influence on other countries, instilling Canadian values in countries that simply do not believe in important values like democracy and freedoms.

• (1145)

We have seen that in many countries around the world in the last while. Our Canadian military plays an extremely important role by first negotiating peaceful settlements to situations which come up. It means promoting Canadian values to countries around the world and in dealing with trouble spots where a military force is needed. It is important that Canadians do not forget about that.

The budget does not do the job for the Canadian military. It has been talked about at some length. I will continue to deal with that because it is an important issue for all Canadians.

The Budget

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, there is much that I would like to comment on, but I was surprised to hear one particular comment from the member about the fact that the government spends like drunken sailors. The facts clearly show that is not the case. In 2000-01 spending was 11% of the GDP. Today it is 12.2%, the lowest since 1950. The budget projection figure will fall below 12% over the next two fiscal years.

The hon. member knows that the one blip this year in spending was because of health care. The agreement was for \$34.8 billion over five years with \$5 billion up front this year. We are no where close to the 1970s, the 1980s or the first half of the 1990s. Program spending amounted to around 15% to 20% during the seventies, eighties and early nineties. Today, it is down sharply. We are at 15.7%. It has not been that low since 1984 and it is predicted again to fall to 15.2% by 2005.

Total spending is down sharply, from 20% to 25%, to 15% of GDP. Those are the facts. To suggest that we are spending like drunken sailors is totally false.

We had massive deficits during the seventies and eighties. We have no deficit in this budget. We have no deficit projected for next year or the year after. If the member is going to talk about spending he should get his facts straight. At the same time the member suggested—

• (1150)

The Deputy Speaker: The hon. member for Kootenay—Boundary—Okanagan, on a point of order.

Mr. Jim Gouk: Mr. Speaker, I rise on a point of order. I would like to point out that there are a lot of problems in the world right now. We are sending our military to deal with these problems. We recently sent out one of our navy frigates. When the hon. member refers to drunken sailors he is slamming our military.

The Deputy Speaker: Clearly, this is not a point of order. Members are engaging in debate. Should members choose to be more judicious, given the circumstances globally, it might be good advice for all of us to follow.

Mr. Bryon Wilfert: Mr. Speaker, I know in politics it is better to have a thick skin rather than a thick head, but I would suggest to you that I was quoting what the member opposite said and the other member ought to pay attention to what his colleague was saying. In any event, I would like the member to comment on the facts which deal with spending versus his view that we are spending far too much.

Mr. Leon Benoit: Mr. Speaker, I do apologize to sailors, whether they are military sailors or any others. To compare them and their spending to government spending is certainly a slag on them. I do not have any intention of doing that because government spending is totally out of control.

We have seen a gun registry estimated at \$2 million. That was what the justice minister at the time said it would cost. It is a billion dollars now and it will go up to \$2 billion before too many years into the future. There was GST fraud where a billion dollars was thrown away. The HRDC scandal was a billion dollars. A billion dollars here and there is real money and the member should acknowledge that.

There is wasted spending on political friends in that party. It goes on all the time and it must stop. It is out of control and in this budget alone there is more than \$18 billion in new spending. The former finance minister in his previous four budgets had increases of about \$7 billion a year in spending. That sounds like spending that is out of control.

I make no apology for bringing up the issue of government spending being totally out of control because it is. There is so little for our military. It seems like the government does not care about our serving men and women at all. They are asked to do way too much with way too little. The government does not care about that. It spends peanuts on the military compared to what it spends on other programs that will be eaten up by inefficient bureaucracy just like the gun registry program.

Mr. Paul Szabo (Mississauga South, Lib.): Very briefly, Mr. Speaker, the member referred to single moms, and I think he was referring to lone parents. When it is considered what we have contributed in terms of improvements in the child tax benefit and the national child benefit, for lone parents, when the child is taken as an equivalent to married, plus the value of the child tax benefit, it means that they can earn \$20,000 without paying a penny of tax. If they earn \$30,000, they would pay about 10% tax. If they earn \$40,000, they would pay only about \$5,000 or 12% tax. I think this is important. Maybe the member would suggest at what level of taxable income he feels that Canadians should start paying any tax.

Mr. Leon Benoit: Mr. Speaker, the fact is that for single parents raising a child to pay taxes when their incomes get to just over \$20,000 is disgusting. Maybe the member opposite has forgotten or has never known what it is like to live on \$20,000 a year.

• (1155)

Mr. John Duncan (Vancouver Island North, Canadian Alliance): Mr. Speaker, it gives me pleasure to speak to the budget debate today. When the budget speech was delivered here recently, I was overwhelmed by the misdirected government priorities. I say that from the standpoint of a loyal and patriotic Canadian and a lifelong British Columbian.

I am also speaking as the international trade critic for the Canadian Alliance. Eighty-seven per cent of our trade is with the U.S. Canadian jobs and prosperity are highly dependent on exports, more so than almost any other country in the world. One job in four in Canada is reliant upon our trade. We export 45% of our GDP and import 40% of our GDP. I think the average for the G-7 in both of those categories is well less than half that number, in the teens. We often think of trade dependency as being with major trading countries. There is a surprise there too. Mainland China, for example, is about 10% dependent on exports. The U.S. is at somewhere around 15%. We are way out there in terms of our exposure to the necessity of trade to support our prosperity.

The Budget

Given this kind of reliance, given the \$2 billion a day in two way trade across the Canada-U.S. border, and given our need to diversify our export destinations while at the same time addressing concerns of our southern neighbours who have expressed security concerns about border issues and ports of entry, I would have assumed that this budget would have spent a lot of time addressing these issues. Really, it did not.

For example, the budget commits \$11 million over the next two years, \$5.5 million per year, to additional regional offices and increased consular presence in the U.S. These are insignificant moneys. This is such a minor budget item given the small amount of money. It is much less than what was given to the Forest Products Association of Canada, for example, to run a public relations campaign directed at the opinion makers in the softwood dispute.

So many of these initiatives by the government are public relations oriented rather than substantive, security oriented or other measures. I have a real concern that the government is more interested in public relations than in actually managing domestic and international security and military issues in partnership with our colleagues in the U.S., our major trading partner.

The Canadian border and transportation infrastructure have long been neglected and this is coming home to roost. There are currently more trucks transiting from Toronto to Calgary through the U.S. than there are through Canada because the U.S. highways are better. I was on the Trans-Canada Highway immediately after September 11, 2001, driving from west to east. We all know what happened: The border crossings became impossible in that timeframe. I saw the impact on the Trans-Canada Highway of having all that diverted truck traffic, the Canadian through traffic, staying on the Trans-Canada Highway. I know that highway is not built for that kind of contingency. So here we are, even with our far from perfect border infrastructure, with our truckers accepting that penalty rather than using our Trans-Canada facility. Canada is losing huge economic opportunities and prosperity because of all of this.

● (1200)

Canadian municipal governments recognize this problem and see it with clarity, because they see what is happening with their neighbouring cities across the border, which are building up distribution centres and infrastructure and modernizing all of their facilities while ours are crumbling and falling apart.

This certainly speaks to taxation issues. I think what it really speaks to is who is collecting the taxes and who is delivering the programs, and the government is not sympathetic to changing the way that is done in Canada. It is obvious that municipal and provincial governments are much more capable of delivering what is really needed in much of that infrastructure. The federal government is occupying the taxation that those governments need in order to accomplish that task. It is not prepared to change that and is not at all sympathetic on that issue. This is creating what I call a transportation deficit, which this budget fails to address in its entirety.

A transportation deficit is no more or no less than an export deficit. It is cumulative. The longer we allow this situation to persist, the more difficult we make it to get back into the game. I liken the cumulative effect to what has happened to my province of British Columbia, in a sense, after 10 years of governance by a socialist

government with a misdirected sense of priorities. That government took a very prosperous province and turned it into a have not province under our own federal equalization formula, creating a deficit and debt situation. It is taking the collective will of a lot of people to make sacrifices. In the meantime, we have lost a huge number of our young people to competing jurisdictions in the U.S., Alberta or other provinces. We may never get them back. This has long term consequences.

What governments do is important. The actions they take have long term ramifications and consequences. There was a chance to do some very significant and important things with all of the surplus capacity in this budget, and the government chose not to do that.

The border infrastructure question relies entirely on the \$600 million border infrastructure program which was announced in 2002. It is a good start but is certainly not comprehensive. The message Canada is sending to the U.S. on domestic security, international security, border issues and military issues does tend to imperil our long term trading relationship.

I can give the House a very concrete example. Today the Bush administration is pushing us to the wall on the softwood lumber dispute, the largest trade dispute between any two countries in the world, in terms of our sovereignty over forest policy, undercutting the WTO and NAFTA processes, and in terms of basically selling out the consumer interest, all related to one specific set of circumstances for lumber. At the same time that this is happening, the U.S. and Australia have announced that their free trade talks have been going so well that the free trade agreement they expected to conclude at the end of 2004 is now anticipated to be concluded early in 2004. Are these issues related? Of course they are. One could ask why these relations are going so swimmingly with Australia and so poorly with Canada.

● (1205)

I am not able to get through my comprehensive speech so I will conclude by saying once again how disappointed I am in the huge lost opportunity that this budget presented.

Mr. Leon Benoit (Lakeland, Canadian Alliance): Madam Speaker, the member referred to the softwood lumber negotiations between Canada and the United States and some trade negotiations between Australia and the United States. He alluded to something else being involved in the Canada-U.S. relationship. I would like him to expand on that.

Mr. John Duncan: Madam Speaker, it is very apparent that countries are like people. If we want to do business with somebody it is important that we know who they are, that we understand them and that we have things in common. Australia and Britain for example, at the current time, are part of the coalition of the willing in the Iraqi question which is dominating the American political scene and also having a huge depressing impact on the level of economic activity in the U.S. Naturally the Americans are looking for a clear message from their friends, allies and trading partners. Canada's message has not been clear, therefore it confuses our trading relationship. To think otherwise would not be realistic.

The Budget

I have become aware recently that the special military procurement arrangements that we have with the United States, which dates back to post-World War II, will now be shared with others. Those others happen to be Australia and the U.K. There is a direct correlation and it is not difficult to comprehend why that would occur.

All of what we do politically has consequences with our long term relationship in terms of trade. That is the point I was trying to make and I think everybody knows that some of these implications are upon us now.

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Madam Speaker, I will be splitting my time with the hon. member for Mississauga West.

I am pleased to speak to budget 2003. I will begin by congratulating the government and the Minister of Finance on yet another balanced budget. In fact, it is the government's sixth consecutive balanced budget.

As the Minister of Finance noted in the opening part of his budget speech, Canada stands alone among its group of seven partners in keeping its finances in the black. This is the message we heard from Canadians and it was particularly loud in my riding.

Today I will specifically address the ambitious plan that the government has put forward to boost entrepreneurship. I do so as the chair of the Prime Minister's task force on women entrepreneurs and as a member of Parliament for a riding where there are hundreds of small and medium sized businesses. All one needs to do is walk down Bloor Street west, Roncessvalles Avenue, Queen Street west or Dundas Street west.

As the chair of the Prime Minister's task force on women entrepreneurs, I was delighted to see that women entrepreneurs, with whom we have already consulted, influenced that budget.

Before I go into actual budget recommendations, I will give a little background about the task force.

The Prime Minister's task force on women entrepreneurs was announced on November 18 at the innovation summit in Toronto. The mandate of the task force is to provide advice to the federal government on broad issues on women's entrepreneurship, to create a national strategy to help businesswomen and to make suggestions for specific initiatives that the government could consider, such as research and trade.

The task force is to examine the unique challenges faced by women owned businesses. It will consider the factors required to encourage women's entrepreneurship, assess existing resources and identify gaps in areas for possible future action. We have also been instructed to evaluate international practices and to find out if they are appropriate to the Canadian context.

One might ask why we would undertake a task force for women entrepreneurs. The reality is that women are creating businesses at twice the rate men are. Therefore if we can foster an environment that will assist women entrepreneurs to grow their businesses, increase productivity and participate in globalization, we will be creating a blueprint for all SMEs, small and medium sized enterprises, for the future.

Supporting women in business is good economic policy as small and medium sized enterprises drive the economy. It is sound economic development. What is good for women entrepreneurs is good for all small and medium sized enterprises.

The task force has already started its regional consultations by travelling out east. We have held consultations in Kitchener and in Toronto. Probably the most important consultation we have had to date is the first round table discussion which took place on December 17 in Toronto as a prebudget consultation in the presence of the finance minister. I am delighted to note that many of the issues raised at that meeting were subsequently incorporated into the budget.

I would now like to refer to the specific initiatives.

Almost unanimously the women entrepreneurs felt that the RRSP limits should be increased to better provide entrepreneurs with retirement income in lieu of CPP benefits.

Another suggestion that was made to help women entrepreneurs save for their children's education was that increases also be made to the registered education savings plan. There were specific increases to the RESP. On page 11 of the budget speech, the Minister of Finance announced that the budget encourages savings by Canadians by increasing registered retirement savings plans limits to \$18,000 by the year 2006.

The second most important issue that was raised at this prebudget consultation with women entrepreneurs was the need for better access to day care. Many women entrepreneurs suggested either a national day care program or full deductibility of child care expenses. Perhaps it is trite to state that women entrepreneurs continue to bear a disproportionate responsibility for child care in the family. This is all the more important as women entrepreneurs cannot take advantage of parental leave or maternity benefits, at least not yet.

● (1210)

In the budget speech the Minister of Finance specifically noted "families need more than income support. They need real choices". At that point he announced a new federal investment of \$935 million in child care over the next five years.

Another important issue for women entrepreneurs was their access to capital. There is still a problem for women entrepreneurs in accessing capital but, more important, they wanted easier access to venture capital and felt the government should do whatever it could to encourage that. This is a frequent issue for start up companies, especially those owned by women. In fact, when we did our prebudget consultations in Moncton the lack of venture capital was noted just in general for all businesses, but it was specifically noted that if a woman tries to obtain a venture capital loan, good luck, it does not happen. It is still the old boys network.

The Budget

One of the recommendations that was made in Toronto at the prebudget consultation was increased funding through the Business Development Bank as a means to achieving this goal. I was delighted once again that budget 2003 addressed this concern. In fact, when announcing the extension of a further \$190 million in equity to expand venture capital investment by the Business Development Bank of Canada, the Minister of Finance noted "We have heard many good ideas from", inter alia, "women entrepreneurs".

On page 129 of budget plan 2003 it is specifically stated that the capital from the purchase of the additional \$190 million of BDC common shares will allow BDC to provide additional equity financing for knowledge based and export oriented businesses and to increase the financing available to women entrepreneurs.

During the December consultations it was pointed out that new immigrants face much greater hurdles in starting their own businesses, especially immigrant women. In addition to lacking familiarity with available support networks, barriers to accredited foreign trained professionals prevent them from fully utilizing their own credentials. I was delighted to find that in the budget speech the Minister of Finance addressed this issue with the announcement of \$41 million over the next two years to help new Canadians to integrate quickly into our economy, whether it is through second language skills, faster recognition of foreign credentials or pilot projects.

There is another thing that some of the women noted at this prebudget consultation that I want to share. It is also something we are starting to hear in our consultations as we cross Canada with the task force. Some women noted that there is too great a dichotomy between being an entrepreneur and being a full time employee. It poses a considerable barrier for women when they are forced to choose between running their own business and working for someone else when they would have the full protection of the social safety net if they continued to be employed by someone else.

I have to say that while we still have a long way to go to address that concern, and perhaps the task force will be able to address that concern specifically when it comes up with its recommendations to the Prime Minister at the end of May or June 2003, budget 2003 actually starts to address this dichotomy a bit.

Budget 2003 also includes new initiatives that build on a five year \$100 billion tax reduction plan to improve our tax system. Other initiatives include supporting entrepreneurs and small business by raising the small business deduction limit to \$300,000 from \$200,000, strengthening investment by eliminating the federal capital tax with medium sized enterprises benefiting first, and lowering the employment insurance rate for 2004 by 12¢ to \$1.98 per \$100 of insurable earnings.

I will conclude by saying that women entrepreneurs have been increasingly successful in recent years and with the task force and the recommendations that we hope to propose, we hope they will become more successful. I must add that budget 2003 will help to facilitate more women and encourage them to own, start up and grow their own businesses.

●(1215)

Mr. Steve Mahoney (Parliamentary Secretary to the Minister of Transport, Lib.): Madam Speaker, I want to ask a question based on the aspect of the work the hon. member is doing with women entrepreneurs. I led a task force on young entrepreneurs a few years ago. I travelled the country and found that the spirit of entrepreneurship is alive and well and quite a marvellous thing in this country.

There is a bit of a dichotomy with the government being involved in programs for entrepreneurs. They generally try to run away from government. They generally say to us that the best thing we could do for them as entrepreneurs would be to get out of their way. That was the case with young entrepreneurs.

Has the member found that with women entrepreneurs? Are there programs we could use at the moment to help women entrepreneurs, both young and perhaps a little older, to create value, to create jobs, and to help this great nation grow?

Ms. Sarmite Bulte: Madam Speaker, I had the privilege of sitting on that task force on young entrepreneurs which the hon. member chaired. One of the things that our task force found and which we are seeing as we consult women across the country, is that it is the role of government to find that right balance, to know when to walk away and when to assist businesses, to promote and to facilitate. Our role is more as a facilitator, to see how we can encourage small and medium size enterprises to grow and expand and take part in the global market.

Women entrepreneurs, especially the younger ones, still find that one of the challenges or barriers to starting their own businesses is the inability to take parental or maternity leave. As I said earlier in my speech, maternity benefits cannot be accessed by women entrepreneurs because they do not pay into the employment insurance system. Is there a way that we can try to encourage this? We are looking at that in the task force and it is something we have to address.

Another program that certainly has had praise from the few consultations we have had is the self-employment assistance program which is delivered through Human Resources Development Canada. We have heard it has had tremendous results and truly has encouraged women to start up their own businesses.

The member is right in that we have to be careful in finding the right balance but at the same time we should not be afraid of helping small and medium size enterprises. Quite often we are encouraging large corporations, such as the automakers by helping them build their plants, or helping Bombardier to be successful nationally. When we do this, it is not just about subsidies. It is about creating jobs. It is about driving this economy. It is about branding Canada nationally and abroad.

The Budget

•(1220)

Mr. Steve Mahoney (Parliamentary Secretary to the Minister of Transport, Lib.): Madam Speaker, it is a delight and an honour to talk to you, the House and the folks at home about the things that are in the budget and some of the ways we try to communicate the value of what is in the budget. Communication is always a major challenge for government.

We all saw the headlines the morning after the budget. After listening to some of the commentators and the reaction notably from some of the mayors across the country, people would think we had just brought in the worst possible budget that could be imagined.

In the calm atmosphere that has followed the announcement, the press scrum and the hysteria around the budget, I would hope that people have had a chance to sit down and carefully analyze what is in it for them, how it benefits them as individuals or their communities if they happen to be mayors or councillors. I am not just spouting off something the government would like one of its members to talk about. I sincerely believe there are some initiatives that I know my colleague from the NDP opposite will agree are far reaching. These are initiatives in terms of affordable housing, infrastructure, commitments that help people who live in our cities in terms of the environment and clean air, our Kyoto commitment, alternative fuels, and the list goes on. These are all things that will benefit people whether they live in a large city such as Toronto or a small city, whether it is in the west or in the east.

One of the frustrations a government member has is getting the proper information out. I want to share a story to illustrate that.

We have all heard recently dramatic and substantial criticism around the so-called gun registry and its \$1 billion cost. In fact, as I was going to committee yesterday I heard one of my hon. colleagues from the fifth party stand here in the House and quote the Auditor General to the effect that the Auditor General had stated that the government has wasted \$1 billion on a gun registry.

If something is said often enough, people will believe it. It does not have to be true. I will take a few moments to share with the House the facts about the gun registry.

The total budget, not just for the registry but for the entire gun control program since 1995, and this is in the Auditor General's report, is \$688 million. We are talking about over eight years. There is more than one aspect to the gun control program. There is licensing. There is communication. There is setting up the web pages and getting the system in place. There is the computerization. All of this is included in the \$688 million over eight years. The total cost for the registry itself is one-third of that.

We have heard members opposite stand in this place and unabashedly say that it cost \$1 billion for the gun registry. That is absolutely false. The total cost for the registry, and this came out in the public accounts committee yesterday, is one-third of the total of \$688 million over eight years, or approximately \$225 million.

Even the media who were in the room yesterday during the public accounts meeting heard the auditor agree with that. Then last night on the news what did we hear? We heard the reporters say that the gun registry cost \$1 billion.

We throw our hands up and say how many times do we have to say something? It is like shouting into a wind tunnel. Words just come back to us and no one pays attention.

I understand the game. It is advantageous if a member is in opposition. I am sure I would be equally as forceful as some of the members opposite in trying to distort the real numbers for my own political purposes. I hope I would be a little more honest than that. The reality is that is what is happening.

The numbers are \$225 million for the registry and \$688 million for the entire gun control program supported by 74% of Canadians.

•(1225)

Be assured that members on this side will stand strong and firm to ensure that Canada continues to have a gun control program that will ensure our citizens are safe and that we know who has weapons in this country. We can try to prevent the tragedies that occur from the unfortunate use of guns. It will not solve all the problems. No one is trying to say that.

I just wish people would be more honest with the numbers, which brings me to the housing issue.

We announced in our last budget \$680 million across the country, federal dollars, new dollars for the building of affordable housing. Affordable housing is determined to be a unit that a person paying 30% of his or her gross income can afford to pay.

We announced it as a bilateral housing strategy with the provincial governments. The municipalities are creatures of the provinces. The provinces have the jurisdiction. The province of Ontario, and I cannot say that I am happy about this, decided to pass the responsibility for housing for most of the dollars, the cost, on to the municipal sector.

If we look at the \$680 million envelope, it breaks down to a \$25,000 cash subsidy for capital toward the construction of a new home. That was to be matched by the provincial governments. Across the country we have entered into agreements that differ substantially because, as we are often told, individual provinces have their own criteria, their own requirements and their own needs. We responded to that.

In the province of Ontario, we struggled to sign an agreement, which we ultimately did, which said that the province would put in \$2,000 to match our \$25,000 and the balance of \$23,000 would come from the municipalities. The municipalities, rightfully in my view, screamed that this was unfair, that the province was abdicating its responsibility to participate in the bilateral housing agreement with the federal government. Unfortunately we were required to sign the agreement but we negotiated some additions to it which I think benefit the municipalities.

The Budget

One of the things we were able to do was to get the province of Ontario to agree to make 25% of the units that are built affordable by providing rent supplements. A rent supplement is an amount of money paid each month to the tenant to cover the cost of the rent. If a single mom can afford \$600 a month based on 30% of her income and the rent is \$1,000 a month, the economic rent, she will get a \$400 a month rent supplement from the provincial government.

When we total up that provincial government commitment, it comes to about \$180 million. At least we are getting close to matching Ontario's share of the \$680 million, which happens to be \$245 million. It is not the best deal in the world but it should get housing on the ground. It should break ground. It should see activity.

I must say that Ontario has been dragging its feet on implementing the agreement. One-third of the money and the units have been announced in the Waterloo region and nothing else has occurred. Yet the crisis is in the larger cities, in my city of Mississauga, in the city of Toronto, and in all the communities in the greater Toronto area.

Frankly the province is dragging its feet for whatever reason I am not quite sure. It is my hope that the province will see its way to having these funds flow, \$680 million times two. Whether it is provincial or municipal, it is times two, an additional \$320 million in this budget, bringing the total for new affordable housing to \$2 billion. Anyone, whether it is the new leader of the NDP or anybody else in this place, who says that is not a substantial commitment to affordable housing does not know what he or she is talking about and is simply playing politics on the backs of the people who need the help and need the housing.

We are committed to it. We are going to make sure the housing is built all across the country. We are going to work with the province of Ontario to make sure that whatever commitments go to Ontario flow directly to the people who need affordable housing.

● (1230)

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Madam Speaker, I would first like to make some observations and comments. We have had \$753 million in homeless funding over the last three years. Where did it go? There are no homes. Today in Edmonton an LRT station for homeless people is being opened. The shelters across Canada are bulging. People are sleeping in the street. Three years of homeless funding of \$753 million and it has been an abysmal failure. Now the government wants to throw another \$400 million into a system that is already abysmal, without a plan and without a strategy.

I would like to ask the member opposite a question. He previously stood in the House to make the statement that the affordable housing funding to be approved would be for families, not for singles. The \$753 million of homeless funding has gone for naught because the homeless are on the streets. It should be recognized that the people who are homeless and living in shelters are singles. There was \$680 million for affordable housing which did not go into it.

Who exactly will be housing those single people who are in such dire need? Will any of this new funding be appropriated for single people or is it all for family housing? The singles on the streets in Edmonton and those sleeping in the LRT station will still be there next year. Will that be the case?

Mr. Steve Mahoney: Madam Speaker, I know the member is passionate. He is the king of rooming houses. He is interested in developing a nation of rooming houses. That is not the direction of the government.

If the hon. member does not know where that skimpy money of \$753 million went, he should talk to the people in the city of Toronto or here in the city of Ottawa. He does not have to go far. Of course shelters are not the solution. However for the meantime, until we can get a full continuum of housing that will not only deal with shelters but also with single units and affordable housing for families, it must be delivered by the local community. The member knows that.

Our job as a national government is to put in place a national strategy. There is about a billion dollars for shelters for the homeless and a billion federal dollars for affordable housing, matched by the provinces and the municipalities, which translates into \$2 billion. The hon. member can look at the numbers himself.

We have the renovation program. If we add up all the numbers we exceed \$4 billion in a national housing strategy that I will admit has been slow to hit the ground. I alluded to the reasons why it is slow. The provinces have to ensure the money flows. The federal dollars are on the table. They are there to build housing. It is time the provinces and the municipalities got busy and did it.

● (1235)

Mr. Paul Forseth (New Westminster—Coquitlam—Burnaby, Canadian Alliance): Madam Speaker, my friend across the way is always known for more sound and bluster than substance. I want to get back to some of the earlier comments he made. He deliberately confused public safety and gun control with the long gun registration program. Those things are not the same.

In the House we daily ask the government how much it would cost to get to the full operational status of the Bill C-68 program and thereafter how much it would cost every year. We have not been able to get the numbers. The minister had lots of chances to supply the answer and he did not.

When it came to the Auditor General, the problem with the numbers was that she asked the government for the documentation and the costs, but she was not satisfied with the information given, saying basically that she could not get the information from the government. The evidence of the Auditor General yesterday in committee was that she could not get the information.

Asked to verify the so-called puffed numbers that the government provided, the Auditor General could not verify that they were based on anything legitimate which came out of the department. We must be very careful when we talk about the so-called cost, what it may have cost or what the department is alleging it cost. The Auditor General clearly has said that within the foreseeable future the whole program would cost in the nature of \$1 billion plus. That is where the vernacular in the common press comes from about the billion dollars.

The Budget

When the member talks specifically about honesty with the numbers, he should accurately reflect what actually happened in the committee.

Mr. Steve Mahoney: Madam Speaker, my response is not only honest, it is accurate. The member knows it. The Auditor General said that the costs were \$688 million. That is over eight years since 1995. The \$1 billion figure would be at the end of 2005, in three years time. They are running fast and loose with the numbers and they know darn well they are doing it.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Madam Speaker, at some point in his speech, my Liberal colleague was complaining about the opposition. He said that if we said something often enough people would come to believe it. This certainly would characterize the strategy of the hon. member when it comes to the budget and to many other things.

I have witnessed the Liberal Party in government adopt this strategy over and over again with respect to their budgets. This is certainly true in the case of this budget, where the government members hope that if they say over and over again that this budget is generous in so many respects, when it actually is not, Canadians will come to believe it has been generous with respect to health care, the environment, the infrastructure and many other things. I hope the hon. member will have an occasion to reflect on the fact that what he accuses others of, his own party specializes in.

I might also say, Madam Speaker, that I will be splitting my time with the hon. member for Dartmouth.

One thing I have find amusing about the budget debate is the way in which the Liberal strategy has been complimented by the Alliance strategy. They pretend that they are really at odds with each other but there is a funny kind of way in which they serve each other's purposes very well.

The Liberals want Canadians to believe they have spent ferociously and generously on things like health care, the environment, infrastructure and on a variety of other things. They want Canadians to believe they have opened the purse strings and they are beginning to deal with the social, human and environmental deficit which they created over the years with their cutbacks in federal transfer payments to the provinces and in various federal programs themselves. They have not done this.

In fact the overwhelming evidence is that the budget continues a tradition of being very tight with respect to the federal purse strings, allocating more money to tax cuts and to debt reduction than in any way to begin to address the social deficit that has been created in this country since 1995, when the then minister of finance, now the lowly member for LaSalle—Émard who in many people's judgment the future prime minister, brought in his budget of that year and commenced the destruction of so many things that Canadians held dear.

How does this relationship between the Liberals and the Alliance work? The Liberals want us to believe they are really spending and addressing these deficits they have created, social and environmental, when in fact the budget is a real disappointment. However they have an ally in their propaganda with respect to their budget. That ally is the Canadian Alliance because, as I said the other day in

the House, the Liberals pretend to spend and the Alliance pretend that it is true.

The Prime Minister has had no firmer ally in wanting to get Canadians to believe that he has actually done something significant in the way of spending than the leader of the official opposition and his colleagues who day after day get up in the House and criticize the government for spending. Our position is that they are both wrong in this respect and that they are collaborating, either intentionally or unintentionally, to mislead the Canadian public as to the real nature of the budget.

This budget is truly a disappointment. I think even for those in the opposition, the New Democrats and others, it is always more difficult if a government brings in a budget that has in it truly welcomed measures. It is a more difficult job for the opposition. We were prepared for a budget that would be hard to criticize. Given the surplus and fiscal environment, we really hoped this would be the moment that this Liberal government would begin to address some of the many needs that existed before they were elected but which were aggravated as a result of policies that they followed during the last 10 years.

• (1240)

In this the Prime Minister's last budget and the Minister of Finance's first budget, though it might turn out to be his last budget too, we thought and hoped we would see real progress toward addressing the needs created by the Prime Minister's own policies over the last 9 or 10 years. That has not happen and it has not happened to the extent that Canadians do not fully realize that is the case. They have the Alliance to thank for collaborating with the Liberals in getting out the wrong message on this budget.

One thing is welcomed in the budget and that is the announcement of changes in the rules of accrual having to do with pensions for firefighters. This is something for which many people on all sides of the House have fought many years. I noticed that the Minister of Finance tried to pretend that this came about as a result of the individual efforts of one particular Liberal backbencher, but firefighters and those who have paid attention to this issue know differently. They know that last year, during the week the firefighters were here for their annual lobby it was myself who rose in the House and pressed the then minister of finance as to why this had taken so long.

At the same time as we welcome it, we also note how long it has taken. For years and years Liberal government backbenchers have agreed with the opposition that something like this should happen, yet it literally took 8 or 9 years for this to happen.

At times we have to wonder who is running the country. It is certainly not Parliament, if almost all members of Parliament agree on something yet it does not happen. However in this case it finally did happen, and I welcome that particular measure. I also have to give credit not just to Liberal members, but to all members of the House who over the years have argued for that. The NDP played a big part in that.

The Budget

People really hoped this would be the budget in which the needs of Canada's various communities, particularly its cities, would finally begin to be met. We know that the urban infrastructure is deteriorating. We know there is a need to deal with problems now. There was a need to deal with these problems yesterday. We have not dealt with the problems of water and sewer systems, roads and mass public transit. We have been sitting on these problems for a decade. Perhaps the government was hoping they would go away. Others hoped that someday when the government actually had the money and the surplus it would begin to do something about them. This was the hope that people had for this budget, but it was a disappointment.

In the budget the funds provided for community infrastructure are laughably inadequate. In total, municipalities called for \$2 billion a year in infrastructure investment within five years of which \$1 billion would be for environmental infrastructure. They also called for unique programs for northern and remote communities in recognition of special needs. The Liberal plan will actually spend less on community infrastructure a decade from now than it will today.

This year, only \$150 million will be invested in terms of new money. Over 10 years, only \$300 million will be available a year. At this rate of investment, it may take 190 years to meet existing community needs. That is even longer than the average Liberal lead time on how long it takes to keep a promise. We know there was a lead time of something like 45 or 46 years between the first time they promised medicare in 1919 and when we finally received it in 1965 or 1966. One hundred and ninety years is really pushing even the Liberal envelope for delay when it comes to the realization of promises and meeting of needs.

● (1245)

I wish I had more time because I could go into detail on just how little the government has provided in this budget. If we were to divide it all up it would come to about \$50,000 per community, which is not very much. It certainly will not provide all the water treatment plants that are needed in the country if we are going to take the Walkerton crisis seriously.

We need to have much better water treatment plants in our cities and towns. I know that in Winnipeg we need a backup system, which we do not have and we had a terrible environmental disaster last year when a system failed. The equivalent of 200 Olympic sized pools of sewage flowed into the Red River. If we are going to build a backup plant so that kind of thing cannot happen again, we will need more than the \$50,000 that the budget has provided for every community.

Let us have an end to this unholy relationship between the Liberals and the Alliance, both of them pretending that the Liberals have actually spent something significant on what Canadians need. They have not.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the member is very interested in municipal infrastructure. I understand that the Federation of Canadian Municipalities has estimated that the infrastructure deficit across Canada is something like \$50 billion. It is a very large amount and I think Canadians will have to wrap their minds around how to deal with it. We have to deal with it, I agree with the member.

However if the budget provides, as the member has advised, about \$50,000 per community, the moneys that were included in the budget, I wonder how much would have to be included in the budget over a period of time, some this year and some over the next number of years, that would satisfy the appetite of Canadian municipalities for infrastructure funding.

I hope the member can give us a little bit of insight, because of his interest in this subject, as to the jurisdictional responsibility of municipalities, provinces and the federal government with regard to municipal infrastructure. How do we deal with the support?

There is no question that strong cities make a strong Canada but it is not just large cities. We also have to invest in the smaller communities so they can build an economic base and attract and keep skilled workers, et cetera. There are important benefits to having strong cities.

I guess the debate has to centre around how we look at the jurisdictional responsibility and, if the federal government is taking more responsibility, is it at risk of having municipalities divert resources they have available for infrastructure to other purposes and continue to look to other levels of government to sustain them? It has already been very critical of the provincial levels because of downloading.

I am very concerned that if we continue on with an unbridled contribution to other jurisdictions for municipal infrastructure that it will be almost impossible to wean them off that support in the future.

● (1250)

Mr. Bill Blaikie: Madam Speaker, I certainly do not see any evidence of unbridled support for municipalities in this. I do not know what the member is talking about.

The fact is that there have been some estimates made as to what would be needed to satisfy that appetite that he talked about. I even said myself that the municipalities were calling for a \$2 billion a year investment in infrastructure within five years. To give just some rough figures, at \$2 billion a year, if it is a \$57 billion deficit, that would be a whole lot less years than the 190 that it would take under the regime being set up by this budget.

We all know that infrastructure replacement and the building of new infrastructure takes time. It is not something that can be done overnight but 190 years is a little long. Maybe trying to meet all the needs that we have identified here and now in the course of the next decade or two might be more reasonable, and that would require funding by the federal government.

The member says that we do not want the federal government to just intervene over and above or interfere with some sort of jurisdictional realities. It did not bother the federal government elsewhere. It did not bother the Prime Minister when he wanted to set up the millennium fund and direct money to students in provinces, in spite of provincial jurisdiction over education. It did not bother the Prime Minister then, so why would it bother him now?

The Budget

We have real needs that need to be met. Surely the federal government could use its spending power to make that money directly available to municipalities. Instead of trying to leverage money out of the municipalities it should recognize that particular needs exist and fund those needs.

I think the member is creating a false anxiety. The real anxiety is that if the federal government does not step in the municipalities will increasingly have to do these things themselves because they know they have to be done. They will do it on the backs of property taxpayers. Property taxpayers tend to be working class folks and they are the ones who will be driven out of their homes or, as a result of high property taxes, will be more vulnerable to arguments about the need to privatize everything. Then everything will be private.

This is all part of a grander strategy that I do not think the member across the way sees, because if he did, I would hope he would not be in favour of it.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, it is always an honour to speak after the member for Winnipeg—Transcona. He has an eloquence about him that I often admire.

I want to take this opportunity to speak to the budget and to the implications that it has on my community and on the areas for which I advocate.

We have all heard that this was billed as a legacy budget. When we actually saw the document unfold last week, it did not have that kind of quality at all. It appeared more to be a patchwork budget. I was hoping, as were I am sure many of the people in the House, for a legacy budget. We were hoping for some relief from the years of cuts to the very important services and social infrastructures in our communities.

So far the legacy that we have seen from the government has been long waiting lists for surgery, soaring debts for university students, a rise in child poverty and a reduction in the meagre assistance for persons with disabilities. We have seen a deterioration in our housing stock, more homelessness, more kids growing up in shelters, crumbling municipal roads, and a generation growing up in overpriced, underregulated day cares. A legacy was what we needed and what we continue to need.

In my community of Dartmouth, post-secondary students are facing another rise in tuition, where tuitions are already the highest in the country. Nova Scotian students pay over \$1,500 above the national average for tuition.

In my community, seniors in nursing homes pay costs that normally would be covered by medicare, and MRIs and bone density scans have been shipped to the for profit sector. These are scandals and they mark serious violations of the Canada Health Act. The Liberal government has done nothing to defend the fundamentals of medicare in Nova Scotia so that private medicine would not continue to gouge the sick.

I will acknowledge that only part of the problem in the health care debate is money, but if we look at the public versus private sector mix of money and medicare, we now see that Nova Scotia's per capita spending on private health care is second only to Ontario, having now surpassed Alberta. That would not be allowed if the Canada Health Act were being defended by the Minister of Health.

On top of all of that, equalization payments are expected to drop by \$600 million, which means a cut of tens of millions of dollars in Nova Scotia. This is not the legacy that I want for my community.

When I put on my hat of advocate for persons with disabilities, for culture and communications, and for children and youth at risk, I see how this budget is a PR exercise designed to help the leadership fortunes of the Minister of Finance, not designed to help Canadians.

For example, the budget is nothing less than a slap in the face for culture and for creators in this country. We see no mention in the budget that the CBC funding of \$60 million, which has just become a top up fee to the very small parliamentary appropriation that is now in existence for the CBC, will be renewed. The Minister of Canadian Heritage has indicated that the CBC will still be getting some money from a mysterious pot of money called the fiscal framework, but it is safe to say that it will probably be significantly less than \$60 million. I know the CBC has no idea what will happen in terms of its funding so it cannot effectively plan its programming for the upcoming year.

I have heard over and over again how important it is to have a distinctive public broadcaster to protect and promote Canadian culture. This new cut will probably mean that our national public broadcaster will have to cut further into English and French TV and radio production. It means that fewer Canadian stories will be told.

However even more sinister is what the Minister of Finance has done in the area of film and television incentives. He has increased the film and video tax credit for foreign production, while reducing the federal contribution to the Canadian television fund by 25%. This means that our largest support for distinctively Canadian programs, with all Canadian scripts, casts and crews, will be cut to make way for more Hollywood productions.

● (1255)

A major Halifax producer, Michael Donovan, has said of this that “either the government is saying that we no longer wish to support Canadian programming or it is a mistake...It's not saving money—it is taking money from Canadian pockets and giving it to Americans”. It is almost like the Minister of Finance is remembering the days when he was industry minister and constantly fought with the heritage department over his view about culture as being simply an industrial product. As Minister of Finance, he is using his position to finish the job, to entrench our culture as a product of Los Angeles policy, open to Los Angeles whims and desires and, eventually, trade deals.

The Budget

The budget gets worse. The disability tax credit is still not fully refundable, so that the most vulnerable, those with no or low taxable income, the vast majority of those in need, still get nothing. I was proud to lead the fight, with my colleagues from all sides of the House, against the Minister of Finance's proposal to further restrict who would be able to claim this small tax credit. We received thousands of letters from people across Canada, and my friend from the Bloc received over 6,000 names on a petition. Every member of the House, except the Minister of Finance, stood up and asked the minister to withdraw these restrictions.

The budget shows that the minister, his deputy and his department think they are above the will of the House, for in the ways and means motion tabled in the House as an appendix to the budget plan last Tuesday, once again there are increases in restrictions for section 118 of the Income Tax Act, increases in the eligibility restrictions for the disability tax credit in matters of feeding oneself and dressing oneself. What the minister lost on the floor of this place last November he is trying to sneak back in through a technical amendment buried in the budget papers in a vote of confidence. I do not think that on this section of the motion he has the confidence of any MP, including government MPs. He has no confidence but has obvious arrogance. In my opinion, this action shows a contempt of Parliament.

Even more damage can be found throughout the budget. The renewal of the employment assistance for persons with disabilities program, for example, is a meagre measure, which delivers no increases after five years. This program funds a variety of vocational training, mental health services and addictions programs tailored to each province's needs, but to beg the question, why on earth should the provinces continue to work with the federal government for this program under the social union framework if the federal government is not even going to keep the level of financial commitments indexed to inflation? As well, there is no sign in this budget that core funding for disability organizations will be continued, so the people out there on the front lines dealing with clients face great uncertainty.

Much has been said about the infrastructure program. People had very high hopes for urban centres across the country, including Halifax. The municipalities had the hope that there would be \$2 billion over five years to help them with their sewage and water and the many infrastructure programs that are waiting. In Halifax, there is a sewage harbour cleanup project bill of \$300 million at this point in time. With the federal government's commitment that might be coming our way for this particular infrastructure project, we might be seeing \$50,000 in Nova Scotia. Someone has made the point that with that kind of financing it would take 3,000 years to get our sewage treatment plant.

Where does the money come from? With a small tax base like Halifax-Dartmouth's, it will inevitably end up coming from property taxes. It will come from user fees. It will come from increases in rent. It will come, really, from people who can ill afford it. All this just simply so they will be able to have a decent sewage treatment plant.

In terms of housing, again very small amounts actually have been put into housing. We have a deteriorating housing stock, certainly in Dartmouth, and we have determined that in fact we might see perhaps 100 homes started in our community in the course of the next year.

● (1300)

In terms of day care spots, we may see 10 new day care spots.

In closing, the legacy we see here is one of continued disappointment in terms of infrastructure, culture, housing and day care. I guess we again will have to wait for another year and another budget to see a government come through on the promises it made to Canadians.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I will be splitting my time with the hon. member for Durham.

Budgets, particularly this budget, tend to cover an awful lot of detail. I do not want to comment briefly on everything, but I do want to dwell on a couple of items. First, in terms of the macro thinking, I can tell hon. members and Canadians that when our caucus would look at budget preparation, we would need to have some assumptions built in. There have to be some benchmarks against which we are going to operate. The government has now achieved basically six balanced budgets in a row and that is an overriding benchmark. The government has made the commitment that we are not going to go into deficit financing. Canadians want us to make sure that we have a balanced budget and that we deal with the important needs of Canadians, with their safety and security, health, et cetera, and that we continue the important programs they would like to have and which they deserve.

At the same time, having been a member of the finance committee, I have often been at the round table discussions and the budget consultations across Canada. We always come to the same conclusion, which is that the cumulative value of the proposals that come forward from various groups across the country usually is about 10 times more than we have available to spend.

Budgeting and governing are basically about making choices. Certainly Canadians agreed that health spending was an important priority and in fact the top priority. Indeed, the budget reflects the accord reached with the first ministers prior to the budget.

The budget also deals with the environment. The House approved a commitment to meet the Kyoto criteria and there is money in this budget to start those first steps toward achieving our objectives.

There were items in there for aboriginal housing, for homelessness, and for children, through day care and through the increase in the national child benefit. The government has consistently shown its sensitivity to and the priority it has for children, particularly poor children, as well as the disabled and those who are unable to care for themselves, such as the homeless.

These are very important benchmarks which have been established and have been the pattern through recent budgets. They demonstrate the priorities of the government and, we believe, reflect the priorities of Canadians.

The Budget

Much has been said about the infrastructure funding. In past budgets, as we know, the government already has given over \$5 billion to municipalities for infrastructure projects proposed in concert with our provincial and municipal partners, but there is never enough money. There is never enough money to cover all the things that municipalities would like to do. The moneys that are there are certainly not what the municipalities would like to have. The member for Dartmouth wants \$300 million for Halifax harbour. That is 10% of the moneys being allocated in this round.

Probably every municipality needs roads, sewers, bridges and basic infrastructure to ensure the efficient operation of their municipalities, but no one said that this would be the last budget to ever deal with infrastructure. Governments cannot make commitments beyond their means and Canadians have told us that. I think that the responsible approach was to make a firm commitment to what the government felt it was able to afford while at the same time meeting the more significant priorities that Canadians have told us about.

• (1305)

Having said that, let me say that people will now tell us what is not in the budget, why it should have been and how upset they are, and I would like to add my name to the list. One of the things that is not in the budget is the subject of fetal alcohol syndrome. I asked someone very close to the budget why it was not there after it had been included in the last couple of throne speeches. I had seen a little funding in the prior budget, modest funding buried in some blanket or a large envelope, but there was no mention of it this time. I asked someone very close to the budget why not. The response was that money has been given to aboriginal health issues and fetal alcohol syndrome can be taken care of there.

I was absolutely devastated, because fetal alcohol syndrome is not just an aboriginal issue. It is a health issue, it is a children's issue, and it is an issue that was not in the budget. I think it should have been.

Because lobbying for the next budget starts the day after the current budget, let me say for members and Canadians who do not know that fetal alcohol syndrome is a terrible situation in which alcohol ingested by a pregnant woman damages the fetal brain to the extent that there are severe difficulties.

I certainly do not have enough time now, but I can say that in addition to some of the mental disabilities, the problems with the central nervous system, and the physical disabilities associated with it, there are some secondary symptoms associated with fetal alcohol syndrome. Ninety per cent of those affected have mental health problems. Sixty per cent will be expelled or suspended from school or drop out. Sixty per cent will get into trouble with the law. Fifty per cent will go to jail or be confined to an institution. Fifty per cent will exhibit inappropriate sexual behaviour. Thirty per cent will abuse drugs or alcohol. Eighty per cent will not be capable of living independently in adult life. Eighty per cent will not be able to hold down a job.

Consumption of alcohol during pregnancy is the leading known cause of mental retardation in Canada. I think it is important that we do something on this file specifically. We have to target it. This is an issue that Canadians should know about. When I suggest to people that they should not consume alcohol during pregnancy, they say

everybody knows that. The fact is, not everybody knows that. They think this is for people who are alcoholic, but it is not. In fact, in 1992 the minister of health of the day stated, "Changes in fetal breathing and reduction of fetal blood flow to the developing brain have been linked to the ingestion of a single drink during pregnancy".

In conclusion, let me say that this is not only an issue for pregnant women. It is an issue for women who may become pregnant. Fetal alcohol syndrome has associated with it characteristic facial features. The facial features in a human being are established between days 15 and 22 of pregnancy. At that time, no woman even knows she is pregnant. It is not good enough to carry on with the existing messaging that has gone through Health Canada and all of these other agencies that pretend they are doing something about fetal alcohol syndrome when they say if a woman is pregnant she should cut back or abstain. The messaging must be that if a woman is in her birthing years, if she is sexually active, if she is not using protection, she should abstain from alcohol if pregnancy is possible. That is the messaging. We have not said that and we should say that.

Therefore, my recommendation for the next budget is that there is no safe level of alcohol consumption during pregnancy and therefore the prudent choice for women is to abstain. Everyone in Canada should know that fact and should have ready access to clear, concise, consistent and correct information about the risks and consequences associated with alcohol consumption during pregnancy. I think that budgets have to do the big things, but I would really like to see the next budget start to embrace some of the smaller discrete issues and show a sensitivity to and a knowledge of the impact of this on the health of Canadians, on the social system, on our well-being and on our criminal justice system.

I think we have to be specific. We have to give hope to those hundreds of groups across the country, all those NGOs that have been working so long and hard on issues such as fetal alcohol syndrome, and tell them that we know what the problem is, we are with them and the federal government will do what it can to make sure that we reduce and maybe even prevent incidents of fetal alcohol syndrome in Canada.

• (1310)

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Madam Speaker, the member wanted to speak about some of the issues that were not mentioned in the throne speech.

I would like to refer to one and ask him a question about it. That is the issue of agriculture. The government announced on many occasions that it has spent \$465 million in new money for farmers. That is entirely incorrect and I will ask the member for his comments on that.

The Budget

The government has told us that it is giving \$220 million for crop insurance. There is a small word in the budget that changes entirely what it is doing and that is the word advance. The government is giving an advance to the crop insurance program, but that has to be made up by producers over the next 15 years. The government is not giving any money in terms of crop insurance but just giving an advance to farmers, and the farmers themselves will have to pay that money back into crop insurance over the next years.

The government also said that it is giving \$20 million to Farm Credit Canada which is interesting because this is an institution that is supposed to be an independent financial institution. It has a portfolio of over \$1 billion and the government has \$20 million to give to it over two years. That is \$10 million a year over two years to FCC, which is again money that farmers do not see and do not access.

The government announced with great fanfare \$113 million to veterinary colleges. That money was announced months ago. Now the government is announcing it again tricking the farm community into thinking that it is giving them some of that money when, in fact, it is not going to farmers.

The government also announced another \$50 million this year and \$50 million next year to the Canadian Food Inspection Agency for food safety programs. That is interesting because Canada probably has the safest food system in the entire world and the government is throwing even more money into the bureaucracy.

Does the member not find it hypocritical that the government would announce this money when not one cent is for farmers and all of it is going toward an expanded bureaucracy? Does he not find it hypocritical for the government to pretend to be giving farmers money and pretend to be supporting them when, in fact, it is not doing that?

•(1315)

Mr. Paul Szabo: Madam Speaker, I am pretty sure that the member thinks that an urban member of Parliament does not have any idea what is going on in agriculture. What he forgot though was to look at my c.v. where he would have noted that I was the corporate treasurer for United Cooperatives of Ontario. I know very much about farmers. I know how much the federal government has invested in the farmers of Canada, not just Ontario but right across the country.

The Minister of Agriculture and Agri-Food has been on his feet day after day correcting the erroneous information that the opposition has been putting on the table. Even from the standpoint of Farm Credit Canada, his information is absolutely incorrect and he should check the facts. Indeed, it is not simply a matter of relying on Farm Credit Canada or the other instruments that are available within the farm network. We must also look to the traditional banks and regular commercial banks to understand better the farm community.

We need to partner and that is why we need what he calls a bureaucracy. We need those people, who show the leadership and the agricultural interests, to ensure that we partner with more sources of assistance for all farmers all across Canada.

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, I am happy to be sharing my time with the member for Mississauga South and to support his campaign regarding fetal alcohol syndrome. Certainly all of us have been enriched by his interest in that file, including myself. I appreciate his comments.

This budget is another in a long series of budgets with fiscal responsibility. I was happy to go to my riding the morning after and do a budget breakfast. The business community came out in fairly good droves. I would like to thank the Clarington Board of Trade for its support and also the local accounting firm of Hobb Bakker Bergin Hill. The budget was well received among the business community.

The only way I can measure whether people are happy with our policies is when they phone us, contact us, or tell us we made a mistake. I would say that by a long country mile the people have been telling us that the government is going in the right direction.

I want to touch on a few points in the budget that concern me. There are some positive and some negative things as well.

My first point deals with the whole accountability framework. We talk a lot in the House about accountability in government and I was happy to see that within the budget documents not only is there a commitment for improved accountability in the government itself, but actually there is a mechanism which will make it work.

It is clear in the documents that \$1 billion worth of resources are to be allocated on a yearly basis and that \$1 billion is being reallocated from older programs to finance new initiatives. In fact, over 15% of the new spending initiatives announced in the budget would be financed by reallocating dollars from other programs.

People ask why we have to do that. What I have discovered in this place is that often governments set up various programs for good reasons, but they often take on a life of their own. We do not spend enough time reviewing them, maybe five or ten years down the road, to question whether in fact these programs are doing what they originally intended. Maybe the problem has gone away, maybe it has been exasperated or maybe there are better ways to solve it today. We do not spend enough time doing that. Governments are good on policy decisions, but they have been pretty bad in some ways about program delivery when it actually hits the people in our riding.

I was happy to see that the government not only has a commitment there but a line in the sand saying we must find at least \$1 billion every year to reallocate in this fashion. That is a positive thing for the taxpayers in the country because it will force governments to ensure that the programs that they are executing have efficiency and will require, through the Treasury Board and individual departments, for them to be accountable.

They will have to step up to the plate and explain why it is that their program should continue or whether in fact their program should be either curtailed or eliminated due to this provision in the budget. This is a positive thing that we have put in place and I look forward to seeing how that is going to be executed.

The Budget

Another issue that was quickly mentioned, glossed over and people quickly forgot about was the whole issue of the move to accrual accounting in the budget. The Minister of Finance made passing reference to it saying he was not sure what it meant but finally has learned to embrace the concept.

Accrual accounting is the concept that we have to take in all of our assets and all of our liabilities into our balance sheet.

• (1320)

For the government, it was quite complicated, especially in the area of defence, where it had to determine the value of a destroyer or the House of Commons on its balance sheet when we never actually thought of putting that in as an asset of the government. Similarly, some of the liabilities that have been outstanding for years have often been almost forgotten, things like government guarantees on loans. Even the liability of pensions for members of Parliament must now be included as a liability of the government.

Every year I give my constituents an analysis of where the debt is going. When preoccupied by the debt, a lot of people say we do not have to worry about it any more because it is based on a percentage of our GDP, it is something like 50% and therefore we should not be worrying about it. However, that is erroneous because the debt to GDP ratio is just that, it is a ratio and it presupposes that our gross domestic product continues to rise. Heaven forbid that we ever get into a recession or a contraction of the economy where in fact the GDP goes the other way because the debt to GDP ratio will start to rise again.

That is important because it gives governments flexibility in how they spend money and if we have a high debt commitment and high debt servicing cost, then we have a lack of flexibility in government financing. The budget from 2002-03 showed an \$8 billion reduction in the overall debt. At the same time it showed about a \$2 billion reduction in debt service payments.

Let us think about how much flexibility we would have if we could reduce our debt service payments, that is, money that we pay out in interest on government debt of something like \$2 billion a year. This would allow us to make all kinds of decisions for the betterment of the people of Canada. I would encourage the government, and I know the numbers going out show contingency reserves and so forth, to flatline the debt even though some members across the way are doing comparisons with the Americans. They talk about the deviation in income tax rates and so forth even though our rates are now equal to or better than theirs.

Even so, the United States has one big problem and that is it has not funded a lot of its social infrastructure. Its social insurance system is unsustainable based on the current levels of premiums and government financing. Without increased government financing it will have difficulty in the future years servicing those kinds of social commitments. In Canada we have the old age pension and other pension systems. The Canadian system is a lot more sustainable than the American one. Even though it would appear on the surface that Canada's taxation system is marginally higher than that of the United States, the United States is simply having short term gain, but in fact will probably have some long term pain when these factors start kicking in.

I mentioned the debt of the accrual accounting system because I was amazed when I was preparing this summary for my constituents that all of a sudden \$30 billion seemed to disappear from the debt. I had to go back and try to figure out why that was. It was a sleight of the pen that said that the increase in assets, the destroyers, the House of Commons, et cetera, minus the addition of liabilities, in fact, saw \$30 billion more showing on the financial statements of the Government of Canada.

It is probably more a result that people did not understand it, but I am surprised that more people from a political point of view did not run around saying that there has been a \$30 billion payment on our debt. In fact, it received little attention whatsoever. It does seem to indicate one important factor and that is that the previous system did not acknowledge all of the assets that we really had. It is nice to know that we are not nearly in debt as we thought we were. However, the problem with the accrual system is that managers in the future may have a tendency to look at the fact that asset acquisitions are no longer being expended. They are being amortized over the life of the asset.

• (1325)

This is a concern as we go out that managers will have a tendency to buy more fixed assets than they would do normally in their budget because it does not show as an immediate expense. We are hoping that does not happen.

Finally I want to touch on a major issue. I want to talk about seniors and the importance of increasing the payments to the old age pension.

The Acting Speaker (Ms. Bakopanos): Unfortunately, the time has expired.

Mr. Ken Epp (Elk Island, Canadian Alliance): Madam Speaker, I always enjoy listening to my accountant friend across the way. He can explain things in a really good way so I am going to ask him for a really good explanation.

He lauded the move on the part of the government to go to accrual accounting. He said we now have to account on the public record for all of the liabilities we have. I would like to know whether that includes the liability for the pensions not only for members of Parliament but for all of Canadians, and whether it includes the unfunded liability of the Canada pension plan. We know there is much less money in the fund than the present value of the amount that could be collected from it. Is that going to be included?

He talked a little about our national debt per se. I would like him to explain how, by going to accrual accounting, magically we lost around \$20 billion of our debt, just by adopting a new accounting method.

Mr. Alex Shepherd: Madam Speaker, to answer the initial question, I believe that the CPP liability is included in those figures. I am less sure about the old age pension and some of those things. Maybe we could look at that another day.

I talked about the \$30 billion that sort of disappeared from the debt. He said \$20 billion; I get \$30 billion. Be that as it may, it is a recognition that there are significant assets that the government has.

The Budget

The problem with this issue is, what is the value of the House of Commons? It would presuppose that somebody would want to buy it for a hotel or something, I suppose, but that is the reality within those statements. Some people say that they are suspect. If we are never going to sell the assets what are they really valued at? That is the move toward accrual accounting.

One thing I did want to touch on is that our seniors have not been mentioned in this document nor indeed in many of our budget documents for years and years. I am concerned about seniors who are trying to live on the combination of the old age pension and the GIS. It is about \$12,000 a year. It seems to me that they are the people we are ignoring constantly year after year.

It is time that we sat down, reviewed the GIS, and announced whether we should increase it. People are phoning my office. They are being hit with high energy costs, especially during this cold winter. They are the people quite frankly who cannot afford it. They are not the people who stand outside the House of Commons with placards and phone us on a day to day basis but I think it is time that we started to do something for our senior population.

•(1330)

Mr. Ken Epp: Madam Speaker, as you know, I am not one to dominate. I was looking around to see whether any other member wanted to ask a question and none stood, so here I am again.

The member mentioned the problem of our national debt. He talked about the fact that it is always bragged about. The Liberals love to brag that the debt as a proportion of the country's gross domestic product has gone down. That is due greatly to the fact that the economy has really taken off in the last nine years. The government keeps on saying it is because of the very fine government.

I contend that if it were not for the mismanagement in the government, our gross domestic product and certainly the taxation levels and everything could have been much more favourable to the taxpayers. We would have had a better economy, even better than it was. We could have had lower taxes but that never happened.

I would like to have the member's comment about the fact that the only time to pay down debt is when there is a surplus. Does he share my regret that the finance minister in this budget chose not to take a major portion of it to reduce the actual numerical value of our national debt?

Mr. Alex Shepherd: Madam Speaker, I always enjoy answering the questions from the member for Elk Island.

He asked if we could not do it better. The reality is that Canada leads the OECD countries in economic performance. Can we do it better? I suppose we could, but the reality is we are doing pretty darn good relative to most other countries.

We have to look very closely at the budget papers that show things like contingency reserves and so forth. Some \$3 billion a year will be applied to the debt. The estimates of revenues and expenditures of the Government of Canada are probably, and have been historically, on the conservative side. We are hopeful there will be more down payments made on the debt as we go forward.

Mr. Rick Borotsik (Brandon—Souris, PC): Madam Speaker, I am sharing my time with the member for Cumberland—Colchester.

I am pleased to speak to a very important facet of what we do in the House of Commons and that obviously is putting budget numbers together to take us into the next budget year and in this particular case, into the next 10 budget years. I do not see any expenditures here that are not extended for a period of time upward of three to ten years.

There is no question that the budget is simply a matter of spend, spend, spend. It goes back to a Trudeau era budget where the Liberals found their left-leaning ideology and decided that instead of taking a focused approach with respect to the Canadian public's money, to shotgun this thing and try to hit just about every possible area of their desires. It goes back quite frankly to the 1993 red book. The Liberals were not able to put in place a very good financial situation.

The first thing that should be done in a budget of this nature when there is a potential for a surplus is to retire the debt. A relative of mine who is a farmer sometimes asks for my counsel as to what he should do when he has a little spare money left over, which in farming nowadays is almost nonexistent. My comment to him is very simple. The best investment anyone can make, and that includes governments, is to retire debt. If people retire their debt and can remove that yoke of debt from around their necks, then they have the ability to put in place the types of programs that the Liberals have identified in this budget.

The Liberals have not done either. They certainly have not retired the debt, and they have not received the benefits of retiring that debt to put it back into programs. They have effectively budgeted for zero surplus going into the next budget year. That must be the legacy the Prime Minister has been looking for. It does not matter whether there is a surplus or whether the debt is retired, it is simply a position put forward by the Prime Minister. It is a matter of spending money willy-nilly so the Prime Minister can walk away from the House with what he thinks is his legacy.

There are a number of areas that have not been dealt with terribly well in the budget. I mentioned debt reduction and the accumulation of surplus. I would be remiss if I did not mention agriculture.

It was mentioned earlier today in some of the questions and comments that the agricultural section of the budget was very small. There was one particular clause. All it did was reinforce and re-announce the APF program in agriculture with dollars already in place over the past number of years and simply extended six years into the future. It allows for \$1.1 billion for a range of particular agricultural programs. However it does not speak to trade injury, which has been brought to the attention of the House and brought to the minister's attention in the past, caused by Americans and Europeans in particular. It does not take into consideration the huge discrepancy between the safety net programs of Europeans and Americans and that proposed under the APF for Canadian agriculture.

I have one quote from the president of the Keystone Agricultural Producers of Manitoba. It speaks to the whole section on agriculture:

The Budget

At best, this is an agriculture maintenance budget with very few announcements to help agriculture move ahead.

As we know, in agriculture particularly, moving ahead is what we have to do. Unfortunately, the budget does not speak to that.

Infrastructure is another deficiency in the budget. The government has indicated in the past when I have asked questions in the House that the infrastructure budget is to be acclaimed by all.

• (1335)

There is \$3 billion for infrastructure in the budget. That in itself is a good step, but when we analyze it, we find that \$2 billion of that has been allocated to special projects. In a previous life I had the opportunity to deal with special project dollars that came from the federal and provincial governments to the municipal governments, where the moneys really should be expended. Special projects have a tendency of being caught up in bureaucracy and politics. Unfortunately the dollars do not necessarily go to the right projects at the right time. That is a travesty because the country absolutely requires solid, well deserved infrastructure in order for us to continue with our economy on a positive note.

The other \$1 billion is going to be over a period of 10 years. Here we go with this wonderful smoke and mirrors of the budget. We could have had \$3 billion dumped into infrastructure but unfortunately in the first budget year of 2003-04 it is \$100 million. The second budget year it is \$150 million. I have experience with a municipal organization which says that somewhere in the neighbourhood of \$50 billion is needed to put in the proper infrastructure that the country needs.

One hundred million dollars in the next budget year would fund one major sewage treatment plant in a major city. In all of Canada it would fund one. What we need is more dollars invested now as opposed to 10 years from now when the Prime Minister will not be here, and we hope beyond hope that the Liberal government will not be here.

There are other issues we have to deal with in the budget, one of them being security. There is very little, \$50 million, for the next year, and \$25 million in 2004-05 for a security contingency reserve.

The Canadian economy is based upon open borders. Two billion dollars a day move across the American-Canadian border so that our economy can continue with the strength it currently has in the world. Not to have addressed security issues more in this budget is a glaring omission by the government. If we cannot make sure that the border is an open border, as Canadians it is going to have a terrible effect on our economy.

Another glaring mistake in this budget was the employment insurance premium. It was 2¢, but with the smoke and mirrors of the government it says it is 12¢. It had announced a reduction in employment insurance premiums in the previous budget and that is included in this budget which means it is 12¢. The fact is that in budget 2003-04, it is a 2¢ reduction.

People in my constituency continually come to my office and say that this is not meant to be general revenues for the federal government. It is an insurance program that is meant to be an insurance program. That means it should balance itself. It should not

have a \$7 billion to \$8 billion surplus on an annual basis so that the Prime Minister and his ministers can spend it on their little pet projects.

There are a lot of deficiencies. I cannot possibly deal with all of the deficiencies in the budget in the one minute and 24 seconds I have left. To sum it up, there is no surplus, no debt reduction, nothing for agriculture, an infrastructure program that is basically smoke and mirrors and spending in a timeframe 10 years in the future, and employment insurance that should have a much larger reduction in the premiums being paid not only by the employees but the employers, so we can get back to some semblance of what a real insurance program is.

I know the government members stand and say that they have done a wonderful job in the 2003-04 budget. What I really know is what people tell me on the streets of my city, my community and my constituency. They are saying that the government failed miserably. It has over 50 spending examples in this budget and not one dollar for debt reduction. It has over 50 spending initiatives in this budget, in a shotgun approach, and it has not focused on the real issues of the day that Canadians want the government to deal with.

• (1340)

Has the government dealt with health care? Yes. I did not mention that because it negotiated that prior to even the tabling of the budget. In fact the government leaked so many things about the budget prior to the budget. I know that the parliamentary secretary would like to debate with me on infrastructure, so I will have an opportunity to speak again.

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Speaker, I have great respect for my friend across the way. He is a former mayor. He and I fought a number of battles together on the issue of infrastructure when we were on the FCM together. I am rather surprised to hear his comments. It is like a pyromaniac giving lessons on fire safety. That party over there of course, we take no lessons from them either.

My friend should remember that in 1983, when the FCM proposed the infrastructure program, his government in 1984 let it lie dormant for nine years. Since this government came in we have had three very successful national infrastructure programs.

The member says that it is not enough. Let us take a look at the facts. First, we have a commitment for the first time in history of a 10 year national infrastructure program. The member forgot to say anything about leveraging provincial and municipal dollars. He also forgot to say that the minister said this was a down payment. I am quite astounded that my friend would make such comments, knowing the struggles we had in the early 1990s when his party was in power and it refused to do anything.

I would like him to comment on leveraging and how, with co-operation and partnership, we will work with the provinces and municipalities to deal with national infrastructure issues.

The Budget

•(1345)

Mr. Rick Borotsik: Madam Speaker, I do not think the hon. member's government has anything to say with respect to provincial-federal co-operation. His government and his Prime Minister know not of any co-operative federalism. If anything, they seem to want to push programs down the throats of provincial governments, inclusive of health care, inclusive of education and now inclusive of infrastructure.

I should tell the hon. member, the Parliamentary Secretary to the Minister of Finance, that the \$100 million in this budget year for infrastructure for municipalities is nothing but tokenism. The Liberals say that they have the programs and the vision with respect to infrastructure in this country. That is absolutely not true because \$100 million in this next budget year and \$150 million in the following budget year for Canada is absolutely deplorable. What happens in the third year of the budget? Does that mean the new leader of the Liberal Party will simply walk away from the commitment of infrastructure? I would much rather see the long term financing program.

The member had one good thing to say. There should be a long term funding program. However the Liberals should put the numbers in place. They should not leave a dark hole with about \$2.75 billion that nobody knows how it will be expended. Will it be expended in those areas where there are Liberal contractors and Liberal partisanship? Is that where it will be expended? Show me where it will be put in the municipalities where it is really meant to be. What the member just said right now is completely deplorable.

Miss Deborah Grey (Edmonton North, Canadian Alliance): Madam Speaker, I am practically out of breath listening to the debate back and forth. In fact it is questions and comments. Maybe the fellows should just grab a quick glass of water and they will have time to regroup.

Nonetheless, I was interested in what the member had to say and appreciate his input on infrastructure for sure, because he certainly knows about that as a former mayor.

I would like him to address the national debt situation. I think he agrees with me that if we have a few bucks in our pockets, why go and spend it all? Although I realize there is a \$3 billion contingency fund in there, it seems to me that we have not seen spending like this for quite a while, since the last government was in place. I know the hon. member was not here but I was, and we watched that. However I will not get into a squabble about it.

The problem is we have an enormous national debt. Regardless of who rang it up that high, how will we solve it, rather than just saying that we have a fistful of dollars? What will we do about that in terms of the national debt?

Mr. Rick Borotsik: Madam Speaker, I appreciate the question from my new best friend. I would certainly like to say that the Progressive Conservative Party has put a policy forward with that very issue. There should be, as there should be in infrastructure, an ongoing understanding as to how many dollars are there for what length of time.

We are saying that debt reduction should be a line item in the budget. The government has failed to do in that this budget year and

it has put everything into general revenues to be expended. There should be a line item there and a long term plan. It should be a 20 year or 25 year plan. We did not get this debt in one day and we will not get rid of the debt in one day. We need a long term, well thought out, fiscal plan that says how the debt will be reduced over the next 20 years. We would like to have that line item in the budget where there always will be debt reduction.

Forget the possibility of \$3 billion going into debt reduction from a contingency plan. The Liberals will spend the money and they will not put into debt reduction.

Mr. Bill Casey (Cumberland—Colchester, PC): Madam Speaker, it is a pleasure to rise today to participate in this debate. I will hone in on an area that came to my attention late last year, and that is the disability tax credit issue which affects people with disabilities.

The Government of Canada has a recognition system that allows people with disabilities to claim an extra expense against their taxes to reduce their cost of living. People with disabilities often have extra costs, perhaps for canes, ramps into their houses, hearing aids, low counters or whatever the disability may be. The Government of Canada alleges to have recognized that these people incur extra costs in their day to day lives that people without disabilities do not endure. This process is now in place.

However I think in November 2001 the government decided to reassess everyone receiving the disability tax credit. It sent 106,000 letters to people who had qualified for the disability tax credit in some cases for decades. Some of these people had lost their legs. Some people in my own riding, who brought this to my attention, had cancer or terminal cancer. All of a sudden after decades of qualifying for the disability tax credit, because of the new way the government looked at it, people were determined to no longer be disabled. Even though, for instance, one person had been run over by a train, had lost a leg and was still disabled, someone in the department decided that person was no longer disabled and in fact was now able.

As a result of the number of constituents that came to my office with the issue, I carried out an access to information and found that the government sent out 106,000 letters to people who were already qualified for and received the disability tax credit. They were told by the government that they had to re-qualify and reapply under a new set of rules and a new dandy little form.

Of the 106,000 the government sent out, 36,000 of these disabled people did not even respond either because they were intimidated, or they could not afford to have the doctor perform the required assessment or for whatever reason. Right off the bat the government took them off the disability tax credit rolls. The access to information report also indicated that of the 70,000 who did respond, 22,000 of them were refused after having qualified in many cases for decades for the disability tax credit.

Every member of Parliament has people in his or her community with disabilities. Every one of us were approached by people who had always qualified for the disability tax credit. All of a sudden now, under the new rules and the new form, they no longer qualified.

The Budget

A lot of pressure was put on the government, and I give full marks to the minister. She did stop the process when it was obviously wrong. I know in my case she met with me and went through the whole issue. She explained exactly what was happening, that they were reviewing process, that they were going to change the rules and perhaps address it again.

I was really surprised to see it addressed in the budget. It is obvious that much of it is as a result of the March 2002 federal court appeal decision. When it was rendered, it was interpreted as expanding the eligibility for the disability tax credit. It goes on to say that people who cannot feed themselves should be deemed disabled.

In the budget the government proposes to change the wording of the disability tax credit. It is going to replace the phrase "feeding and dressing" with the phrase "feeding or dressing", which is a good thing. Prior to this, if people could feed themselves but not dress themselves, they were not considered to be disabled. It is one or the other now under the new proposal. If people cannot either feed themselves or dress themselves, then they are considered disabled. That is a little movement ahead.

Then right off the bat the government starts putting exclusions in saying that the act will exclude "the activity of preparing food, to the extent that the time associated with the activity would not have been necessary in the absence of a dietary restriction or regime". In other words, if disabled people cannot prepare their own food, that does not count. The only thing that counts is if they cannot feed themselves. It seems to me that this is getting pretty specific and is not giving any disabled person the benefit of the doubt, even a little.

• (1350)

Then it goes on to state, "excludes any of the activities of identifying, finding, shopping for or otherwise procuring clothing". If people are not able to shop, that does not count. If people are not able to identify clothing, that does not matter. They are still considered able. It is only if they cannot put on clothing.

It seems to me that the government is nickeling and diming and not giving any consideration to disabled persons. It is doing everything it can to disqualify people and still meet the criteria of the decision in the Federal Court of Appeal. It is unacceptable for the government to do this.

Another thing that continues to bother me is the government requires a disabled Canadian to get a doctor's opinion as to whether he or she is disabled. If the doctor says that person is disabled, the application goes into the office. However anybody can overrule the doctor. The government still has not changed this.

The government does not need a doctor to pass an opinion but the disabled Canadian does. That opinion can be overruled by a clerk, rather than a doctor overruling a doctor. If the government requires a disabled Canadian to have a doctor's opinion, then only a doctor should be able to overrule that opinion. That is not included and I do not think there is any intention to change that. How can we have this double standard where a disabled Canadian requires a doctor's opinion but someone else other than a doctor can overrule that opinion?

The other thing I have found in my experience as a member of Parliament in dealing with people with disabilities, is people with

emotional disabilities have an extremely hard time qualifying because they cannot hold up an X-ray or a diagnosis that says exactly what is wrong. It is up to the doctor. Often the opinions of doctors are not considered, or trusted or accepted. Someone can overrule that doctor's opinion. That should never be allowed to happen. If a psychiatrist says that a person is emotionally disabled, then only a psychiatrist should be allowed to overrule that opinion, and then only after a second opinion.

We will be pressing for this to be dealt with on behalf of disabled Canadians. At least there is some movement in the budget. Because we have raised the issue so many times, the minister has at least acknowledged there is a problem and is reviewing the process.

However the government still has not gone far enough. It is still trying to nickel and dime disabled people. It is trying to prevent disabled people from qualifying. It is right here in the budget book, where it gets down to one word "feeding" or "dressing". However it then defines feeding and dressing to ensure that it is difficult for a person with a disability to qualify. It seems to be an attack on the people with disabilities and an attempt to disqualify them from the disability tax credit. If they get through that, however, someone in the government can overrule the doctors. That is absolutely wrong. It is a double standard. If the patient requires a doctor's opinion, then the government should require a doctor to overrule the doctor's opinion.

We will be pressing those issues as we go forward with this. We will ensure that we get as much consideration for the people with disabilities as we can. This is not a big request on behalf of Canadians. The government has already eliminated half the people who qualified for the credit for decades because 36,000 people who did not respond to the form. Out of the people who did respond, 22,000 were refused, even though they had qualified for decades prior to that.

Right off the bat, the government cuts its cost of the disability tax credit by half and now it is trying to do it more by juggling the words around to ensure that it just barely meets the court decision but does not give the benefit of the doubt to disabled Canadians.

We will be watching this very closely. We want the government to consult with the disabled community and the disabled association representatives who know what these people go through. They know the hurdles and the road blocks they face every day. We want the government to ensure that these people are part of this process in developing the new rules and regulations in the budget.

S. O. 31

STATEMENTS BY MEMBERS

•(1355)

[*English*]

FREDERICTON BOYS AND GIRLS CLUB

Hon. Andy Scott (Fredericton, Lib.): Madam Speaker, I am pleased to congratulate the Fredericton Boys and Girls Club which has been awarded a grant of \$32,000 from the Royal Bank of Canada Foundation to support its after school program for 2002-03.

The RBC Financial Group partners with local charitable organizations focused on meeting a growing challenge in today's society: keeping kids safe and positively engaged after the school day is complete.

The Fredericton Boys and Girls Club after school program gives a real boost to the skills and knowledge that participants gain in a formal classroom, offering a wide variety of activities that address the full range of what a child needs to develop fully.

These programs are truly a third watch, bridging the gap between school and home, helping kids, strengthening our families, enriching our communities and helping to ensure the future health and prosperity of Canada.

* * *

•(1400)

CHILD PORNOGRAPHY

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Madam Speaker, recently the Toronto police arrested four more individuals in the investigation Project Snowball. In one case a dentist had over 50,000 images on his computers and over 2,000 home movies of children being sexually abused.

Child pornography is not a victimless crime. These images are of real children. Unfortunately, here in Canada very little is being done to find out who these children are and to stop the abuse.

In 1998 Canada was an observer to an international program that was pioneered in Sweden and has enabled investigators to determine the origin of these seized images, and thereby assist them in identifying the children being abused.

The technology is out there and it is affordable. When will Canada go from being an observer to a full participant in this program and stop the production of this disgusting material? When will we have our own national image database and catch up with the rest of the world?

* * *

ORDER OF CANADA

Mr. Tony Tirabassi (Niagara Centre, Lib.): Madam Speaker, I rise today to pay tribute to my constituent, Dr. Jacques Dubois, who has received the Order of Canada.

For over 50 years Dr. Dubois has been an important influence on various aspects in the City of Welland in the francophone community. A general practitioner, he has worked in the fields of health, education, culture and social causes. As chair of the public school board, he increased the number of elementary schools in the

area. At the provincial level he chaired a commission of inquiry on health care delivered in French in the clinics and hospitals. As a volunteer, he contributed to the development of charitable organizations such as the Red Cross and Club Richelieu.

[*Translation*]

On behalf of the citizens from my riding of Niagara Centre, I would like to thank Dr. Dubois for his dedication to our region.

* * *

[*English*]

MARIJUANA

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, recently the Mississauga mayor's youth advisory committee considered the issue of decriminalization of marijuana. Extracts of their conclusion are as follows: "The decriminalization of marijuana fundamentally contradicts education programs that have been running for years that strive to prevent and to curb substance and drug use among youth. Decriminalization would encourage Canadian youth not only to use marijuana, but to move onto more dangerous drugs, which can pose a more serious threat. Decriminalization only makes drug abuse more accessible to a larger population".

They conclude by saying "we would just be giving in and surrendering to drug addicts and illegal drug dealers".

I want to thank Scott Norsworthy and the entire youth advisory committee for their constructive input. I fully support their position and I thank them for demonstrating yet again why it is so vital for the House of Commons and Parliament as a whole to fully consult with our youth on the important issues of the day.

* * *

GROSVENOR ELEMENTARY SCHOOL

Ms. Anita Neville (Winnipeg South Centre, Lib.): Madam Speaker, I rise today to tell the House about a memorable experience I had on Friday, February 21, 2003.

I was at Grosvenor Elementary School in Winnipeg South Centre for I Love to Read Week, reading to grade four students in Mrs. Gerry Daly's class. The students surprised me with a beautifully illustrated peace petition, along with letters to the Prime Minister.

Unfortunately, the peace petition is not in the prescribed format to be presented to the House. Be that as it may, I did want to make sure that the young voices were heard. In their petition they say with unrestricted candour that they despise war and want peace.

It seems to me that the young people in grade four at Grosvenor school are representative of children across the country. I would suggest that we listen carefully to those who will be the leaders of the future in this great country.

CANADIAN FORCES

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Madam Speaker, I want the 265 sailors aboard the destroyer, HMCS *Iroquois*, which departed Halifax Harbour for the Arabian Sea yesterday, to know that our thoughts and our prayers go with them.

Twelve years ago Canada sent other brave men and women into the gulf war to drive Saddam Hussein out of Kuwait. They knew they had a duty to perform. They went willingly and they went bravely.

When they returned from the gulf war we soon discovered that all was not well. Medical terms we had never heard of before started cropping up, such as gulf war syndrome and post-traumatic stress disorder, and appeared to be affecting many of our returning vets.

While our American allies have come a long way in helping their vets deal with gulf war syndrome and other disorders, many of our own gulf war vets say that Canada is lagging sadly behind in looking after them.

Let us give a clear message, demonstrated by our actions, that Canada will do its duty to look after the needs of our veterans after they return.

* * *

• (1405)

[Translation]

PEACE

Ms. Monique Guay (Laurentides, BQ): Madame Speaker, on Thursday, primary school students from my riding marched for peace in the streets of Saint-Jérôme, to show their concern for the children of Iraq, because a socially aware school inhabits the earth.

Yesterday, I met with some of these children from La Fourmilière alternative school, who asked me to give the Prime Minister the following message:

We are six and seven year old children and we do not want to have a war. We are scared and worried. At school, the teachers teach us peaceful ways to resolve our conflicts. You know, we could teach you some. Thank you for listening to us.

These young children gave me cards and drawings to give to the Prime Minister and asked me if what they were doing was important. I told them yes and that I would make sure to pass on their messages of love and peace.

What these children did, their questions and their hope-filled eyes, moved me. May they silence the guns and open our hearts to peace.

* * *

[English]

HERITAGE DAY

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, in my riding on Sunday, February 16, I had the pleasure of co-hosting Heritage Day celebrations for the Parkdale Intercultural Association at the Parkdale Public Library.

The third Monday in February has been set aside each year by the Heritage Foundation to recognize and increase awareness of this

S. O. 31

country's diverse architectural and built heritage. This year's theme was the "Heritage of Our Town".

We took this occasion to celebrate the diversity of our riding and at the same time to celebrate this country's diverse heritage by celebrating the diversity our rich cultures.

I would like to take this opportunity to thank everyone and our sponsors who helped make this event a great success.

* * *

FIREARMS REGISTRY

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, yesterday in the public accounts committee the member for Mississauga West, in a failing effort to somehow justify the 500% cost overrun of the government's gun registration program, accused the Auditor General of having an individual with an anti-gun control bias on her advisory board.

The disrespect shown by the member for Mississauga West toward Canada's financial watchdog is reprehensible and he should be ashamed of himself.

These actions, unfortunately, are typical of an out of control government that continually refuses to admit its failed performance in every respect.

* * *

CHARLES DEVLIN

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, it is with great sadness that I rise today to draw the attention of the House to the tragic death of Mr. Charles Devlin this past weekend.

Mr. Devlin, a former labour commissioner, was simply being a Good Samaritan when he intervened in a disturbance at the Villa Maria Metro Station in my riding of Notre-Dame-de-Grâce—Lachine.

For this brave show of concern on behalf of his fellow citizens, Mr. Devlin was pushed to the ground where he suffered the injuries that ultimately claimed his life over the weekend.

[Translation]

Mr. Devlin was a victim of an incomprehensible act of violence. It is a terrible tragedy that we know could have been avoided. The message from all of this is clear: there is no place for violence in our society.

[English]

Before I close, I wish to express my deepest condolences to the wife and family of Mr. Charles Devlin, a man who clearly understood that violence leads nowhere and has no place in our society.

S. O. 31

[Translation]

CANADA WINTER GAMES

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, Bathurst, in my riding of Acadie—Bathurst, takes great pride in co-hosting the 2003 Winter Games with Campbellton, New Brunswick.

Bathurst is in a party mood and looks it. The Chaleur region has put a great deal of effort into making sure that the hundreds of participants enjoy top quality games. The city of Bathurst is busy earning a reputation as a hospitable city like no other.

To all the athletes from all over Canada who will put their best into fulfilling their dream, we wish the best of luck. The athletes, their families and their coaches have all worked hard and made many sacrifices, and are rightly proud of themselves.

At this time, there are more than 6,000 volunteers working to make this event an unforgettable success.

In my capacity as the member for Acadie—Bathurst, I wish to express sincere thanks to all those who have had a hand in these Winter Games. They all deserve medals too, for their devoted efforts.

* * *

• (1410)

[English]

CANADIAN FORCES

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, I rise today to express the gratitude and admiration of Canadians to the crew of Her Majesty's Canadian ship *Iroquois* and her Sea King detachment who departed Nova Scotia for the Arabian Sea.

This deployment represents a significant contribution to coalition operations and demonstrates Canada's ongoing commitment to the campaign against terrorism.

HMCS *Iroquois* will meet up with HMCS *Montreal* and HMCS *Winnipeg*, which are currently serving in Operation Apollo, and will act as a flagship of the coalition task force 151.

Canada just recently took command of this task force which is responsible for escorting ships and intercepting vessels in the gulf area.

The deployment of the *Iroquois*, a destroyer with state of the art command and control and air defence capabilities, will allow us to fulfill these responsibilities even more effectively.

Since Canada joined the campaign against terrorism in October 2001, members of the Canadian Forces have distinguished themselves among our allies as a force that is professional, capable and ready to serve. I am sure that the HMCS *Iroquois* will further contribute to this enviable reputation.

* * *

[Translation]

CENTENARY OF HÉBERTVILLE-STATION

Mr. Sébastien Gagnon (Lac-Saint-Jean—Saguenay, BQ): Mr. Speaker, today I would like to draw to the attention of the House the

fact that this year marks the hundredth birthday of the municipality of Hébertville-Station.

Anyone who has had an opportunity to meet the people there will know how determined, dynamic, courageous they are, and what joie de vivre they share. These characteristics have been brought out on a number of occasions over the years.

Their determination is what brought them through such hard times as a great fire in 1930, another in 1943, and a hurricane in 1975.

Their courage has been shown on numerous occasions, and in particular by their daring to elect as their first mayor a young man under 20, Louis-Nazaire Asselin. Perhaps that is also why they had the courage and determination to elect the two youngest MPs as their representatives here in Ottawa.

Finally, as for their joie de vivre, I invite everyone to experience that for themselves as they celebrate their centenary.

* * *

[English]

SCOTT TOURNAMENT OF HEARTS

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, this weekend Halifax's Colleen Jones managed an unprecedented curling hat trick. Doing Bluenosers everywhere proud, Colleen and her Mayflower rink won their fifth Scott Tournament of Hearts, their third victory in a row.

Let me quote from the *Halifax Herald* earlier this week:

...At this point, the Jones team has little to prove. They are only the second team to three-peat in the championship's history and have been stellar representatives for this province and this country. Their curling prowess and talented determination is unmatched in the record books of women's curling.

While *Men With Brooms* might be a good movie, Colleen Jones and her rink have proven that curlers from Nova Scotia sweep the competition away. I congratulate them.

* * *

SENIOR CITIZENS

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I rise today in the House to speak on behalf of the seniors of Canada.

In the budget that was brought down last week there was no mention whatsoever of the seniors in Canada. Our phones have been ringing off the wall because the seniors in this country are going to be the largest percentage of our population in just a few years.

I was stopped on the street this past weekend in my riding of Saint John, New Brunswick, by a senior who said "Elsie, I have to have some help. They have once again increased my rent and I cannot afford this because my Canada pension is not being increased". This senior also said that housing was needed.

CMHC used to build housing for the seniors. It is not there anymore.

There is absolutely nothing for the seniors in this budget and the government should be ashamed of itself.

Oral Questions

•(1415)

[Translation]

PEACE

Mr. André Harvey (Chicoutimi—Le Fjord, Lib.): Mr. Speaker, students from École polyvalente Charles-Gravel and École Dominique-Racine, as well as representatives of Bleuets pour la paix, came to my office to deliver petitions for peace. These petitions contain several thousand signatures.

We were able to discuss how important it is for the current negotiations and the work of the United Nations weapons inspectors to be successful. We reached the obvious conclusion that if there is to be peace, both parties must want it.

So, I will have an opportunity to present the Prime Minister with the numerous petitions that I received.

* * *

[English]

JUSTICE

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, a student on her way to middle school in Port Moody was grabbed by an attacker. Two masked men with bear spray and a gun held up a McDonald's in Coquitlam. An 18 year old Port Moody woman may have lost the vision in one eye after an assault. All these incidents happened in the past six days.

The menace of street racing, the horror of the Pickton pig farm, the terrible murder of Breann Voth, and the beating and shooting death of a 17 year old student have all taken their toll on the Tri-Cities.

Coquitlam RCMP and Port Moody Police resources are being stretched and exhausted. Many minor offences cannot be properly addressed because major crime investigations are swallowing their budgets. The Tri-Cities have one of the lowest officer to citizen ratios in all of Canada and this reality is not good enough. The City of Coquitlam is spending \$17 million for police protection and is not getting the support it needs from the government.

The Liberals found \$114 million for a new official languages program and \$172 million for an aboriginal cultures centre, but not a single new dime to help fight crime in the Tri-Cities. The Liberals should be ashamed of their warped priorities and for jeopardizing the safety of my constituents.

ORAL QUESTION PERIOD

[English]

ETHICS

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I want to ask questions about the operation of the government's ethics code and so-called blind trusts.

The former finance minister's company was caught and charged with dumping oil into Halifax harbour last March. The former finance minister then received special briefings on the incident.

Under the ethics code, why did this incident with Canada Steamship Lines require the direct knowledge or involvement of the former finance minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, under the guidelines, the Registrar General has some authority to inform the person of some incident and in the judgment of the Registrar General, as it says under section 6 of the agreement, "as may otherwise be allowed by the Assistant Deputy Registrar General", who in that case felt that it was his duty to inform the minister.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the former finance minister's company was charged last March. In November, CSL reached a plea bargain arrangement with the government. We now know that the former minister was briefed twice during this period.

Under the ethics code, why was the public not informed of this as openly as the minister was?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the arrangement is made between the minister or office holder with the Registrar General who administers these guidelines. It is a private matter between the two of them. We call it a blind arrangement because we do not want to make it public. If it were to be public it would not be blind.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, if the minister could have been told about these charges against his company the public should have been told as well.

To recap, the former finance minister knew about the dumping charge in March, he was briefed on it twice and settled for a guilty plea in November. The former finance minister's relationship with his company is supposed to be arm's length, not hands on. How can Canadians be assured that for these six months the former minister did not have input into the final settlement?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I will just say it again. There are guidelines that all ministers are requested to follow. I am not privy to any other information.

There is one thing that is clear. When Canada Steamship Lines was mentioned, everybody who knew a bit about the member for LaSalle—Émard and the company knew that he was the owner, so it was public that it was his company. It was not a company unknown to the Canadian public.

Mr. Grant Hill (MacLeod, Canadian Alliance): Mr. Speaker, the Prime Minister keeps saying that this arrangement with the former finance minister was a blind management agreement. That is not accurate. I could say it much stronger, but it is certainly not accurate.

I have that agreement with me and it says "supervisory agreement". I want the Prime Minister to tell all Canadians again today, as I asked him yesterday, that this is the only minister who has this agreement, yes or no.

Oral Questions

● (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have said many times, and it is known, that two other ministers have the same agreement. It is known. We gave the names last week. It is within the guidelines and the rules that were established before we formed the government. These rules existed under the previous administration.

Mr. Grant Hill (MacLeod, Canadian Alliance): Mr. Speaker, I would like to say it even stronger: that is even more incorrect. I have the agreement that the foreign minister has and that agreement is truly a blind management agreement. I have an agreement of another cabinet minister and it is truly a blind management agreement.

This agreement is a supervisory agreement and I would like to table it in the House so that all Canadians could see it. This is not a blind management agreement.

The Speaker: I do not know whether there is a question, but if the right hon. Prime Minister wishes to comment, that is fine.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Registrar General is the officer who was managing these files. In February 1994 he said to me, in a letter, that the minister of finance of that day had complied with all the requirements of the guidelines that existed in the previous administration and were the same for my administration. He said that he was satisfied with the agreement, so I had no reason not to believe that the agreement was proper.

* * *

[Translation]

IRAQ

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, two opposing initiatives were taken at the Security Council, one by the United States, Great Britain and Spain, who are for the adoption of a resolution geared towards war and, another by France, Germany, Russia, and supported by China, that favours strengthening the United Nations inspections program.

Will the Prime Minister tell us which initiative Canada supports, the resolution based on a logic of war, or the memorandum based on a logic of peace?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the goal of resolution 1441 is to achieve peace. It is to ensure that Saddam Hussein does what is necessary so that it is not necessary to force him to comply with resolution 1441.

A debate is under way at the United Nations. We will follow the situation. There will be many stakeholders and many suggestions. I imagine there will not be a vote before the second week of March. At this time, everyone is working very hard to try to find a solution geared towards peace, not war.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the time for stalling is over. There are two proposals on the table and they are not hypothetical. They are known proposals. The government has to make up its mind.

Before he leaves for Mexico, will the Prime Minister tell us which option he intends to advocate with other world leaders? Will it be forceful disarmament or peaceful disarmament of Iraq?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we favour peaceful disarmament. I am sure that even the United States and Great Britain would like peaceful disarmament. No one wants war. Everyone wants peace. But for there to be peace, Saddam Hussein has to assume his responsibilities and assure the international community that he will comply with resolution 1441, which was unanimously adopted at the Security Council a few months ago.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, tomorrow the Prime Minister will be off to Mexico to meet President Fox and no doubt to discuss the important issue of Iraq with him.

Which position will he be putting forward: the one set out in the memorandum presented by France and Germany, or the one in the resolution proposed by the United States and Great Britain?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, both of these proposals seek the same thing, but by two different means. They both want Saddam Hussein disarmed.

Some feel this will take longer than others. At this point, however, the final proposal has yet to be determined and work still needs to be done on it. I will have an opportunity to discuss this with President Fox tomorrow and the day after. I trust that, working together, we will all be able to find a solution that will preserve peace and not lead to war.

Ms. Francine Lalonde (Mercier, BQ): Mr. Speaker, one wants disarmament, even at the cost of a humanitarian catastrophe if necessary, while the other wants to avoid that. Which of these two positions is Canada going to defend?

Canada and Mexico are the two immediate neighbours of the United States and its two main trading partners.

Is the Prime Minister going to suggest to President Fox that they go together to meet with President Bush in order to argue in favour of peaceful disarmament and of respecting the UN?

● (1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, President Fox wants peace, as I do, along with everyone else. That is what we will be discussing.

As to the best means of achieving that peace, it does not necessarily mean fancy speeches or making claims of one kind or another. It is a matter of working discreetly and effectively, as our ambassador to the United Nations is doing, and as I intend to do myself.

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, my question is for the right hon. Prime Minister.

Yesterday, George Bush presented a resolution to the United Nations. Can the Prime Minister tell us whether, in his opinion, that resolution authorizes the invasion of Iraq?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the hon. member reads resolution 1441 carefully, he will see that it says Saddam Hussein must comply with the conditions set by the United Nations or face serious consequences.

Serious consequences mean more than just a little parade. That is why I keep saying that Saddam Hussein is the one who can avoid war, by complying with resolution 1441, and by showing respect for the United Nations and all the countries that have voted in favour of the resolution, which was adopted unanimously by the Security Council.

[English]

Mr. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, yesterday the Prime Minister put down the power of song. We would stop singing if he would start answering our questions.

He did not answer my question because I asked him about the second resolution, the resolution that has been put down by the U.K., the U.S. and Spain, but the Prime Minister seemed to say that 1441 in itself was enough to authorize an invasion of Iraq. Could he please tell us whether he feels that 1441 in itself authorizes an invasion of Iraq, or does the second resolution do it, or does any resolution now before the UN authorize an invasion of Iraq?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I said many weeks ago that it would be preferable to have a second resolution. I am happy that the Americans are proposing a second resolution. What is surprising is that some countries some weeks ago wanted to have a second resolution. France and Germany wanted a second one and now they are saying they do not need a second one. The Americans say there will be a second one.

Let us wait for the debate. I am happy there will be a debate. After 1441 there will be a realization by the members of the Security Council whether Saddam Hussein is in conformity or not with the resolution that was passed unanimously.

* * *

SOFTWOOD LUMBER

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, earlier today the Minister for International Trade said the softwood lumber talks have now broken off completely because U.S. lobby groups made excessive demands that Canada was not willing to meet.

Does this mean the government accepts the 27% duty now being charged? Why did Canada not take the 19.7% offered last April?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I am not sure I understand exactly the member's question.

Canada has never accepted the 27% tax on Canadian softwood lumber. We have been saying for a long time that we believe it is a punitive tax that should not have been applied. This is why right now we have six cases before the WTO and NAFTA. We challenged the American right to impose that tax on us. However we tried to find a long term policy based resolution. Mr. Aldonas did a great job trying to identify what policy reforms in our provinces could bring relief of that tax. Unfortunately, the negotiations this morning met a stopping point.

* * *

IRAQ

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, yesterday I asked the government about a high level meeting, to

which Canada was not invited, on post-conflict reconstruction in Iraq. The minister said, "We are concentrating at the time on ensuring a peaceful resolution". Everyone hopes for that.

If war occurs, there will be an urgent need for reconstruction. Canada has the experience and reputation to play a leading role. Would the Minister of Foreign Affairs agree to make a detailed statement in the House before we rise on Friday outlining specific measures Canada is taking or planning to respond to the ravages of war in Iraq or beyond?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, we are, like all nations, working on two things. We are working on trying to make sure that we get our way to peace but that Saddam Hussein disarm, as the Prime Minister has said, and also that the United Nations system retains its integrity. That is where this government has been helpful in recent days, in trying to bring the parties together to ensure that that resolution can be obtained in that way.

We also are aware that there is a potential for conflict in the region. My colleague the Minister for International Cooperation and I are examining how we can be of help to the people in the region, as Canada always has done in the past and always will do in the future.

* * *

● (1430)

ETHICS

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, the Prime Minister said that blind trusts are blind so that the public does not know what is going on. Blind trusts are supposed to keep the minister from knowing what is going on in his corporate life.

When the ethics counsellor found out that they had been pumping oil into the Halifax harbour, what was the first thing he did? He got on the phone and called the former finance minister to do what, to save him from a corporate meltdown? No, he did it strictly to save political face for the minister.

Does the Prime Minister really think it is the role of the ethics counsellor to help ministers simply save political face when their corporation is in trouble?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not have to comment on that. The rules are there. They have been followed by the minister. The Registrar General decided according to the agreement that it was a case to inform the owner of the company who happened at that time to be the minister of finance. It was a judgment of the Registrar General. He made that decision, not I. It would have been known within hours anyway. When we talk about CSL, anybody who knows anything about shipping would probably know that the former minister of finance was the owner.

Oral Questions

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, according to the rules of the agreement, whenever there is an extraordinary corporate event, the minister may intervene and apply his corporate role within that company. An extraordinary corporate event is not defined. So far we know that whenever one of the ships pumps oil into the harbour, that is an extraordinary event, apparently. When they want to do deals with Suharto and ship coal to his family, that apparently qualifies as an extraordinary event. They have also named ships after the minister's wife and his father.

What does not qualify for a special corporate event for the minister?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we could speculate on everything until we died. The reality for me is that an oil spill is a pretty serious incident.

* * *

[Translation]

IRAQ

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, the American President has harsh words for the UN and the role of the Security Council. He is even questioning its relevance by stating that the council is risking its credibility if it votes against the British-American resolution.

Can the Prime Minister tell us if he shares President Bush's assessment of the relevance of the Security Council and the UN?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, clearly, this government has always worked to guarantee the credibility and viability of the Security Council within the UN system. The Prime Minister has personally taken action in this matter. The entire government, myself included, is devoting its efforts to reach various goals. First, to disarm Saddam Hussein through peaceful means if possible, something that greatly depends on him. Second, to ensure that the credibility of institutions that we have built together since the second world war is strengthened and not weakened as a result of this crisis.

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, is the UN's relevance not obvious since its role is to maintain peace and ensure that Iraq is disarmed through peaceful means?

Will the Prime Minister recognize that the UN is fulfilling its intended role and that, by not taking a clear stand, Canada is helping to undermine that role?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, on the contrary, Canada, in supporting the UN process, is at the same time supporting the system the hon. member is referring to. This is our system. Our role has been clearly defined by the Prime Minister, namely to support the system and process within which the Security Council operates. That is our role. We are acting to preserve the Security Council and the UN by our actions, and we will continue to do so.

* * *

GOODS AND SERVICES TAX

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, documents obtained under the Access to Information Act indicate that officials from Revenue Canada and the

Treasury Board decided to change the way losses related to GST credits are calculated in the public accounts. It seems that Parliament and the public have never been informed of these changes.

Why did the minister make these changes and then try to keep Canadians in the dark?

• (1435)

[English]

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, in fact the opposite is quite the truth. I told the member and members of the House that we were working with Treasury Board and that we would be reporting to committee in a way that would be as open, as transparent and as understandable as the committee would like.

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, the minister has a responsibility to Parliament and she seems to forget that. The revenue minister has kept Parliament in the dark. We still do not know the true amount of GST fraud losses. The minister says, "It is \$25 million; wait a minute, \$50 million; no, hang on a second, I think it is \$100 million".

Canadians want to know how much GST fraud is costing taxpayers. When will the minister do the right thing and give a full accounting of GST fraud to Parliament?

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, because of the persistent questions, I went all the way back to the very beginning of the GST. I can tell the member that in 1991 when it was brought in by his friends in the corner and since that time we have collected over \$500 billion. The total of GST fraud that has been clearly identified since that time is \$60 million.

I told the member we had cases before the courts. I am fully prepared to go before committee and to give its members all the information they would like. Those are the facts.

* * *

[Translation]

SOFTWOOD LUMBER

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, in connection with the softwood lumber situation, we have learned that negotiations between Canada and the United States have broken down, making it even more necessary to see the legal process through to the end.

Will the Minister for International Trade admit that the situation is far from improving and that the second phase of the assistance plan has to be implemented immediately, as promised by the government when it announced the first phase of this plan?

Oral Questions

[English]

Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.): Mr. Speaker, the government announced close to \$350 million for research and development, looking for new markets and making sure we help those communities that are hurt. We have also said we would monitor the situation very closely and if additional programs are required, we would look at it.

What we should do is let the process work. We have had discussions. We hope we can get back to the table. It is very important to make sure we resolve this issue and that is where our efforts are.

We have come a long way in supporting communities and we will continue to monitor. If more needs to be done, we will do it.

[Translation]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, what the minister does not seem to realize is that the Americans are betting that many Canadian softwood lumber companies will not be able to hold out until the end of the legal process because they are simply not strong enough.

Why is the minister refusing to make good on the second phase of the assistance plan, when companies, workers and regions involved are in great need of it, especially considering the latest developments in this dispute?

[English]

Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.): Mr. Speaker, we have always said that we will be looking at other programs if we do not get an agreement, but we need to make sure we let the process work. We have made a huge commitment, both in phase one and in phase two, of \$350 million. That is a huge commitment by the government to support industry, to support workers, and to make sure we have research and development. We look for new markets around the world.

We will continue to monitor the situation. If more needs to be done, members can be assured that we will make sure we do it.

* * *

CITIZENSHIP AND IMMIGRATION

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Ernst Zundel, a man that the minister's own department considers a danger to the security of Canada, entered our country seven days ago. Is he still in our country?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, it is in the public domain that Ernst Zundel is in this country but I will not comment on his specific case. There is a process right now and I want to make sure that the process will remain.

Mrs. Lynne Yelich (Blackstrap, Canadian Alliance): Mr. Speaker, last week the minister admitted that some individuals abuse Canada's refugee system. He said, "I will not let this go", and to just watch him. Well, we are watching and what we see is the minister doing nothing. He is standing by while a verified security

risk remains in our country. Why does the minister not show some leadership for a change and expel Ernst Zundel?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, in this part of the House we believe in due process and we believe in rule of law. In saying that, keep watching me.

* * *

● (1440)

VETERANS AFFAIRS

Mr. Bob Wood (Nipissing, Lib.): Mr. Speaker, this September marks the 85th anniversary of the liberation of Cagnicourt, France by Canadian troops during the first world war. Could the Minister of Veterans Affairs tell the House how Canada plans to be represented at the ceremony in Cagnicourt marking this important anniversary?

Hon. Rey Pagtakhan (Minister of Veterans Affairs and Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, recently I wrote to the mayor of Cagnicourt informing him that Canada will be represented at the event by the director of Canada Remembers' European operations, Mr. Al Puxley.

Indeed, the liberation of Cagnicourt is an important event in Canadian military history. Seven Victoria Crosses were awarded, including one to Cyrus Peck, a former member of Parliament. Indeed Canada is committed to keeping alive the memory of Canada's veterans.

* * *

INFRASTRUCTURE

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, the transport minister must have been snoozing last week when the finance minister delivered his budget. Somehow the transport minister did not notice the lack of funding in the budget for strategic transportation investments that his blueprint says are a high priority. The total infrastructure funding in the budget is not enough to repave the Trans-Canada Highway from Winnipeg to Portage la Prairie, yet it is supposed to cover roads, rail, public transit and clean water systems for the entire nation.

If the transport minister says this is a high priority, why was it such a low priority in the budget?

Hon. John Manley (Deputy Prime Minister and Minister of Finance, Lib.): Mr. Speaker, we went through this last week and the answer remains the same. Or the infrastructure funding that had been previously allocated in the past two budgets, much of it remains still to be committed. This was a top-up of \$2 billion of strategic infrastructure, \$1 billion for community based infrastructure, and committed the government to maintaining that funding with those down payments over a period of the next 10 years.

*Oral Questions***AGRICULTURE**

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, more than 80% of Canadian customers abroad say they will not purchase any genetically modified variety of wheat, but this has not stopped Monsanto from seeking regulatory approval to introduce GM wheat in Canada. Because there is no effective way to segregate wheat from genetically modified wheat, and knowing that the introduction of this product will result in hundreds of millions of dollars in lost sales annually, would the agriculture minister not agree that a market impact test should be completed before genetically modified wheat is foisted upon Canadian producers?

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the hon. member knows that there is a submission up for review. That submission will take a considerable period of time, in fact, many months before it is completed. There are a number of factors that need to be taken into consideration, including the one that the hon. member just mentioned, before complete registration or the marketing of that product would take place.

* * *

ETHICS

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, yesterday the Prime Minister told the House that he had checked the file and then he stated categorically that the loophole in the blind trust had been used by apparently two ministers of the previous government.

Does he stand by that accusation against two unnamed ministers of the former government or does he wish to correct the record?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not know the names of the people. I was informed that it was used by high officials of the previous administration. I do not know if they were ministers or not. I do not have their names.

If the leader of that party wants to give the names of the people, fine. That is why I was prudent and used the word “apparent”. I was informed that this system was developed by the previous administration and it is the system we have used.

So, give us the names of those who have used it and we would know if they were—

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

• (1445)

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, more than most businesses, the shipping industry is driven by tax policy. Companies are registered in countries where taxes are lower. Flags of convenience fly from tax havens. Tax avoidance is a normal business practice for shipping companies.

Yet, the Prime Minister permitted his former finance minister to be involved in a tax sensitive business while he was minister responsible for the tax system.

To protect the integrity of his government, did the Prime Minister ensure personally that his then minister of finance stepped aside from every tax issue that might have been of interest to Canada Steamship Lines?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when there was a file related to shipping it was the secretary of state in charge of financial institutions who carried the file in cabinet all the time.

As usual, I think the hon. member is just throwing dirt. He is so good at throwing dirt, but when he throws dirt he loses ground all the time.

* * *

CITIZENSHIP AND IMMIGRATION

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, yesterday the immigration minister told the House that the Federal Court ruling finding that his department misled Parliament was a “draft decision”. The minister knows full well the judgment was not draft at all. It was signed off on by the judge on Friday, distributed to all parties, and has even been posted on the court's website. The court's verdict was final.

Why did the minister try to mislead Parliament again?

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am so disappointed when lawyers do not follow laws and do not read the laws, so I will read it for her and for the rest of the people. Under section 74(d) of IRPA it states:

...in rendering judgment, the judge certifies that a serious question of general importance is involved and states the question.

That means that the process is not over. I will be able to comment after we have a certified question. But we never misled this Parliament.

Mrs. Diane Ablonczy (Calgary—Nose Hill, Canadian Alliance): Mr. Speaker, the minister knows full well that the question the court ruled on was final. One would think that a minister of the crown that was caught red-handed by the Federal Court of Canada would hang his head in shame.

The judge's final findings stated that the minister misled Parliament, he tabled significantly incorrect numbers, and he took immigrants' money and failed to process their applications. Now he is trying to deny the court's verdict.

Why is this minister still holding high office?

[*Translation*]

Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, credibility in politics is extremely important. Since they are in favour of bilingualism on the other side, I will read it in French.

Paragraph 74(d) of the act states that:

In rendering judgment, the judge certifies that a serious question of general importance is involved and states the question.

That means that the court has not made a final decision given that Judge Kelen requested that the parties ask other questions to see if this case could be appealed.

I do not know how she got her degree, but she should do her homework once and for all.

* * *

PORT FACILITIES

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, port divestiture is in full swing, and the Minister of Transport has already transferred 80% of all port facilities throughout Canada.

Oddly enough, although Quebec showed an interest in acquiring 10 ports, Ottawa let negotiations drag on, and today the Minister of Transport has announced that the program will end on March 31.

How can the minister explain that he had all the funds needed for the other Canadian provinces, and that he is terminating the program when Quebec is the one involved?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, our government has decided to extend the process by which ports are transferred. We are prepared to continue discussions with the Province of Quebec; that is not a big problem. Port operations are going very well. I would be happy to speak with my Quebec counterpart about this issue.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, will the minister acknowledge that if he has changed his mind, it is because he wants to preserve the federal government's visibility in Quebec ports, even if his actions harm the economic development of many regions in Quebec?

Hon. David Collenette (Minister of Transport, Lib.): Mr. Speaker, the Canadian government's visibility is, in my opinion, very good for the country and everyone. But this is not what we are setting out to accomplish here. We are working with the Quebec government on this process. We are prepared to talk about port divestiture; that is not a problem.

* * *

[English]

FIREARMS REGISTRY

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, yesterday the Auditor General stated that the firearms program is a major crown project that requires more stringent Treasury Board reporting policies. The Auditor General also stated that the gun registry should have its own business line in the main estimates.

The deputy minister of justice disagreed, so the cover-up continues. Who is right, the Auditor General or the deputy minister?

• (1450)

Hon. Lucienne Robillard (President of the Treasury Board, Lib.): Mr. Speaker, according to my information the program was not formally designated as a major crown project.

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, the justice minister displayed no ability to explain anything at the committee meeting yesterday. The gun registry goes 500 times over budget and his answers are all of the Forrest Gump variety, "It just happened".

Oral Questions

It has been almost three months and the justice minister still has not told the House what the total costs of the gun registry have been for all departments and agencies, including all the unreported costs itemized in the Auditor General's report.

If the minister cannot give us the total cost of the gun registry so far, how can we possibly trust him on the future cost projections?

Some hon. members: Oh, oh.

The Speaker: Order, please. The hon. member for Yorkton—Melville has put a question and his colleagues must want to hear the answer. The hon. Minister of Justice has the floor. If they did not want to hear the answer they would not have asked the question. So we must be able to hear the answer and the Minister of Justice will give it.

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, obviously the member did not listen. I was in committee for two hours yesterday. I had an opportunity to explain the challenges that we have been facing through the development of that fantastic gun control program.

The member cannot understand knowing what he said in a press release in 1995. He said that gun control would result in more crime, more injuries and more theft. He should be ashamed knowing the stats that we have.

Gun control works. It is about value. It is about saving lives and we will keep proceeding with that program.

Some hon. members: Hear, hear.

An hon. member: You should be ashamed. You've got a million dollar boondoggle going.

The Speaker: Order, please. We have finished with that question and that answer now. Perhaps hon. members could go behind the curtains and carry on some of these discussions. We want to get on with question period or we will lose time. The hon. member for Winnipeg South Centre has the floor.

* * *

ABORIGINAL AFFAIRS

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, a recent article in the press pointed to the jurisdictional no man's land for urban aboriginals caught between federal and provincial responsibility. The difficulties faced by aboriginal people are readily apparent to anyone who has spent time in downtown Winnipeg or any other major Canadian city.

What is the government doing to circumvent these jurisdictional issues and address the special needs of aboriginal people living in our major urban centres?

Oral Questions

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, I welcome the question as well as the hon. member's interest in urban aboriginal people. I am hopeful that federal and provincial governments, and other stakeholders can and will leave their jurisdictional arguments parked for awhile, while we all concentrate on practical real life solutions to urban aboriginal issues.

I am happy that in last week's federal budget we provided some new financial resources to help devise such solutions, at least \$17 million to start with in eight Canadian cities. I note that the hon. member herself has helped to organize a symposium next week on the needs of urban aboriginal Canadians.

* * *

TRANSPORTATION

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, we will get into a real question after a Liberal commercial.

Post September 11 the Minister of National Revenue suspended the port of entry status for dozens of airports across Canada. This action at the Lethbridge airport, like many others, has caused a loss of economic opportunity.

Port of entry status is critical to our economic development. Lost opportunity with international industry has already cost us jobs. Relying on CANPASS has resulted in a documented 96% drop in international flights in Lethbridge alone.

Southern Albertans along with many other communities want to know when the minister will reinstate port of entry status.

● (1455)

The Speaker: Order, please. Before the minister gives her answer, I can see that the minister is being offered much help with her answer by suggested sentences and phrases to include, but we must be able to hear the answer and so far today each minister and each member of the opposition has been able to fill in their 35 seconds without a lot of help from the other side. Perhaps we could have less help from the other side and let the minister give her answer on her own.

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, I am well aware of the issue that the member raises. It is true that in the post-September 11 environment small airports did have their status changed. We have been working with those airports to look at other methods, such as cost recovery, that would permit them to have international flight arrivals, but as in all things, when looking at what is possible and what budgets are available, priority is given to higher volume airports.

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, my question was for the Minister of National Revenue, not the minister responsible for the Wheat Board. I hope he will be quiet this time.

The government continues to put roadblocks in the way of development. The \$24 tax on international flights is bad enough. The Minister of National Revenue is picking winners and losers across Canada by suspending port of entry status at her whim.

The minister has stated that on-site customs inspectors would be available where air traffic warranted the service. Why then are busy airports like Lethbridge being denied port of entry status?

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, the only thing that was accurate in the member's question was the policy, which says that where numbers warrant based on volume. We review that from time to time to determine whether or not an airport meets that criteria.

In fact, I can tell the member opposite that we are working to reinstate wherever it is practicable. We look for other solutions such as cost recovery for those airports where the volume of flights do not yet meet the criteria that has been established because we want to provide the best, most cost effective service right across this country.

* * *

[Translation]

PRODUCTION ASSISTANCE

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, during the Jutra awards ceremony, upon receiving the Jutra-Hommage, Rock Demers said he was saddened by Ottawa's \$25 million cut in production assistance, when several projects are wrapping up and an \$800 million budget was announced for the army.

Can the Minister of Canadian Heritage tell us if she intends to ask the Minister of Finance to review his decision so that the Canadian fund can benefit from stable funding of \$100 million a year for at least three years?

Hon. Sheila Copps (Minister of Canadian Heritage, Lib.): Mr. Speaker, first I would like to thank the Premier of Quebec, Bernard Landry, who this week finally recognized the accountability and importance of artists.

His action complements what we are currently doing in Quebec, which is investing \$1 billion in Radio-Canada, the Canadian Television Fund, the National Film Board, Téléfilm, and so on.

We can guarantee an investment of \$200 million a year, the amount that we have invested in the Canadian Television Fund. We are so pleased that the Bloc is on board, because—

The Speaker: The hon. member for Saint-Bruno—Saint-Hubert.

* * *

FIREARMS REGISTRY

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, Ind. BQ): Mr. Speaker, my question is for the Minister of Justice. Last Friday, the government unveiled its action plan to correct what is wrong with the firearms registry. Among the measures announced is the transfer of responsibility for the Canadian Firearms Registration Program from Justice to the Solicitor General.

Points of Order

Can the minister explain what makes the Solicitor General more competent than he to administer this program, or is this more a way of ducking questions about a scandal that might hurt his campaign for the leadership of the Liberal Party of Canada?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I think that what is important here is for us to continue together to build a firearms control system that will meet the government's and the public's desired objectives, that is to provide maximum protection to all of Canadian society as well as to develop the values we share as Canadians.

That said, there are certain elements within the action plan that address the issue of administration, different technologies, and consultations. Among the elements raised by the action plan is the matter of transferring the portfolio to the Solicitor General, which is essentially a—

• (1500)

The Speaker: The hon. member for Sackville—Musquodoboit Valley—Eastern Shore.

* * *

[English]

SOFTWOOD LUMBER

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, the Minister for International Trade is quoted as saying when it comes to the softwood lumber talks, “We're taking a break”. I would like to remind him that families, their communities and the workers do not get a chance to take a break. They are desperate. They need assistance. They need help now.

My question very clearly for the Prime Minister is, what is the Prime Minister going to do to assist these families, the workers and the communities across this country when it comes to the softwood lumber file?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, I will ask the gentleman to ask me, with bilingualism in the House, I meant to say that the negotiations had been suspended this morning. This is far more important than doing cheap political points on the fact that a minister used an expression in his second language which was not exactly what he wanted to say.

What we are encountering right now is very serious. There has been much progress on the provincial policy reforms. That is done. These policy bulletins will continue. We still have some progress to make on the Quebec side and I hope that will proceed.

* * *

FIREARMS REGISTRY

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, my question is for the Minister of Justice.

Yesterday at the public accounts committee a Liberal member referred to one of the Auditor General's advisers on the gun registry by name, but those names are generally only made known to the department. Could the minister tell the House whether those names were ever made public? If not, could he explain why those names were known to the member of Parliament for Mississauga West? Did

the minister or anyone in his department pass on that information to the member for Mississauga West?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, maybe he should ask the question directly to the member of Parliament himself, for sure, I have not been involved in that at all. But having said that, we have to remain focused on what happened last night. Last night we were able to discuss the challenges that we have been facing in the implementation of the program. We have been able as well to talk about our plan of action, which is indeed a very good plan of action. In looking into the future, it means for our Canadian society that we are going to have a very good gun control program in order to share our values and to increase public safety as well.

The Speaker: The Chair is prepared to hear a point of order from the right hon. member for Calgary Centre.

* * *

POINTS OF ORDER

OFFICIAL REPORT

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, I rise on a point of order to ask that you review a significant change between what the Prime Minister said during question period yesterday and what he is recorded as saying in *Hansard*.

When speaking on rules respecting blind trusts, the actual words used by the Prime Minister were, and I quote, “It was used by apparently two ministers” of the previous government. In *Hansard* that answer is changed to, and I quote:

It apparently was used by two ministers—

The words that were actually spoken stated categorically that there was use of those rules, and the word “apparently” qualified the number of former ministers the Prime Minister alleged were involved.

The change that was made in *Hansard* moved the word “apparently” in a way that would suggest the Prime Minister was not making a categorical accusation. Particularly in light of the Prime Minister's answer today, in effect telling us that what he said yesterday was wrong, it would be interesting to know who moved the word and why.

I note in passing, Sir, that the Prime Minister also said explicitly that I personally established the rule in question. That is not the case and I presume the Prime Minister merely misspoke himself again.

• (1505)

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think that would qualify more as a point of debate than a point of order, as to at what sequence in the sentence the word “apparently” came, hardly the stuff that most Canadians are worrying about this morning. It seems to me that this is not at all a point of order or a question of privilege or whatever the right hon. member pretended it was a couple of minutes ago.

The Speaker: The Chair will take this matter under advisement and examine the blues and the tapes accordingly and get back to the House if necessary.

*Speaker's Ruling***PRIVILEGE**

STANDING COMMITTEE ON PUBLIC ACCOUNTS—SPEAKER'S RULING

The Speaker: I have a ruling to give on a question of privilege raised by the hon. member for St. Albert on February 10, 2003, concerning disclosure of a confidential draft report of the Standing Committee on Public Accounts prior to the report's adoption by the committee or its presentation to the House.

I would like to thank the hon. member for bringing this matter to the attention of the House, as well as the House leader for the New Democratic Party, the hon. members for St. John's West and Ottawa Centre as well as the House leader of the official opposition for their contributions on the question. I would also like to thank the hon. member for Winnipeg Centre for his clear and succinct statement on the matter.

The hon. member for St. Albert, in raising this matter, pointed out that some portions of the draft report of the Standing Committee on Public Accounts were divulged in a newspaper article before the committee had adopted the report or even deliberated upon the draft document. He drew the attention of hon. members to the newspaper report published on February 10 by the *Ottawa Citizen*, in which sections of the draft report are referred to.

In that article, the hon. member for Winnipeg Centre, a former member of the public accounts committee, is quoted as making comments regarding the contents of the document. The hon. member for St. Albert also raised the matter of a news conference, scheduled but later cancelled, by the hon. member for Winnipeg Centre to discuss a dissenting opinion prepared as a possible appendix to the draft report. The hon. member for St. Albert named the hon. member for Winnipeg Centre as the source of the leaked document and asked the Speaker to consider this a prima facie case of privilege.

In her comments on the matter, the hon. House leader for the New Democratic Party stated that she had spoken with the hon. member for Winnipeg Centre, who very firmly denied leaking the draft report to the media. She also pointed out that the first article regarding the leaked document had appeared on Friday, January 31, 2003, in the *National Post* and stated that the hon. member for Winnipeg Centre did not release the document in that instance either. The hon. member for Winnipeg Centre, in his statement to the House on February 13, 2003, confirmed his House leader's remarks.

[Translation]

There are two issues related to this particular question that the Chair feels must be dealt with. First of all, there is the matter of the divulgence of a draft report of the Standing Committee on Public Accounts.

[English]

As the House is aware, there have been a number of cases recently concerning the premature release of confidential committee material. In this instance, the draft was released even before the committee had a chance to deliberate and decide on the final contents of its report. This is, of course, contrary to the rules of the House, as is clearly indicated in *House of Commons Procedure and Practice* on page 884, and as I and previous Speakers have pointed out on numerous occasions.

However, I have examined both of the press articles dealing with this draft report with great care and can find nothing in either of them to indicate that the hon. member for Winnipeg Centre is the source of the leak to either newspaper. Moreover, the hon. member for Winnipeg Centre has explicitly denied that he was responsible for divulging the draft report. There are, therefore, no grounds for the finding of a prima facie breach of privilege in respect of this matter.

I remind all hon. members once again that it remains the responsibility of committees themselves to examine possible breaches of this nature and, where appropriate, to report them to the House. I refer hon. members to the rulings of Mr. Speaker Lamoureux, in the *Journals* of March 31, 1969, pages 873-4, and Mr. Speaker Rhodes in the *Journals* of July 1, 1919, page 498, in this regard.

• (1510)

[Translation]

In addition, I believe I must draw to the attention of hon. members their responsibilities with respect both to committee reports that have not yet been tabled in the House and to committee proceedings that take place in camera.

[English]

In a ruling given on May 14, 1987, Mr. Speaker Fraser stated, and I refer to the *Debates* of May 14 of that year, at page 6110:

...when a committee resolves to meet *in camera*, all the deliberations which take place at such a meeting...are intended to be confidential. All Members attending such a meeting, together with any members of the staff assisting the committee, are expected to respect the confidentiality of the proceedings which take place at that meeting. This place can only operate on the basis of respect for its rules and practice and of confidence and trust among its Members.

The hon. member for St. Albert, in drawing this matter to the attention of the House, indicated that he believed that the member for Winnipeg Centre had made use of information entrusted to him in confidence as a member of the public accounts committee. The hon. member for Ottawa Centre alleged that other members in the committee, on earlier occasions, had also breached the confidentiality of in camera proceedings.

[Translation]

In the absence of a report from the committee on such an issue, it is virtually impossible for the Chair to make any judgement as to the prima facie occurrence of a breach of privilege with regard to such charges.

[English]

While I appreciate the obligation that members may feel to provide their views on issues of current interest, this must not be allowed to override the duty they have to respect the confidentiality of committee proceedings. The fact that a report has been leaked to the media does not absolve members of their obligation not to divulge a committee's in camera deliberations. The hon. member for Winnipeg Centre made explicit reference to this principle in describing his decision to cancel a press conference he had scheduled for February 10, 2003.

Points of Order

In closing, I would point out that, as Speaker, any intervention I might make on these questions is necessarily restricted to strictly procedural matters. However, given the frequency with which this problem seems to occur, as evidenced by the number of times it has been brought to the House's attention in this session, and the very obvious frustration felt on all sides of the House when these incidents occur, hon. members may wish the Standing Committee on Procedure and House Affairs to take another look at the entire issue of leaks of committee documents and in camera proceedings. Although that committee dealt with the topic in its 73rd report during the 1st session of the 36th Parliament, the House did not choose at that time to take up the report or adopt its recommendations.

It seems clear to the Chair that whether or not the committee pursues the matter, unless the problem is addressed by all parties and by each individual member as a matter of honour, then the ability of the House and its committees to function in an atmosphere of trust and mutual respect will continue to be put at risk.

The Chair has notice of a question of privilege from the hon. member for Mississauga West.

LETTER FROM MEMBER FOR CALGARY WEST

Mr. Steve Mahoney (Parliamentary Secretary to the Minister of Transport, Lib.): Mr. Speaker, much to your surprise, this is not about the comments that have been thrown around in this place with regard to my actions yesterday. This is about a letter that many of us, in fact I suspect all of us, would have received from the member for Calgary West. The issue does not really matter, but he is talking about the Falun Gong issue, an issue that I have some sympathy for.

In it he is asking me, as a member of Parliament, and presumably all of us, to send a letter to the Prime Minister to take action on this matter internationally. He asks, "Please sign and send the attached letter to the Prime Minister".

Mr. Speaker, I would like to refer the attached letter to you for a ruling on this, because I frankly think it violates all our privileges. It is a letter addressed to the Prime Minister, on House of Commons letterhead. There is a place on the bottom, a signature block if you will, signed "Sincerely" and fill in the blank, in this case myself, MP, Mississauga West. So all of us would get this. Our names would be on this document, which would then be somehow in circulation.

I just find it rather wrong, frankly, that any member would take it upon himself or herself to draft a letter on an issue on House of Commons letterhead. Had it come on blank paper, I would not have raised the issue at all. We have all seen examples where people will sign a letter "per" if the member is not there and send it out, or we have seen the stamp where it says "original signed by" whoever it happens to be.

In this case, I just frankly find that it is an affront to all members of Parliament, regardless of the issue. This has nothing, and I want to stress this, whatsoever to do with the issue. We could fill in the blanks. Next it will be gun control. But we could fill in the blanks on any issue. If I want to write a letter to the Prime Minister on my letterhead, I will do so. I have no objection to being asked by any member in the House to do that, but I take strong exception to any member of the House being so presumptuous as to write a letter on

House of Commons letterhead and then potentially have it put into circulation.

I would ask you to take a look at this, Mr. Speaker, and give a ruling as to whether or not the member has acted appropriately or has possibly violated our privileges or, at the very least, whether he should be admonished and requested not to do it again.

• (1515)

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, in this House I have received many letters from members of other parties asking me to join their cause and there is no signature on them. Certainly if I sign anything for any member that was not signed by them, I would not expect it to be something they endorsed. In fact, I just signed a letter for another member of Parliament today who sent it to my office for something to go to the Prime Minister. It was not the same issue.

I know my colleague always likes to get up and raise something, but the member may have printed the letter because he felt some people could not read it unless he wrote it down for them.

Mr. Rob Anders (Calgary West, Canadian Alliance): Mr. Speaker, I have received a number of letters from other members in the House with regard to changes to labour law, the cost of bilingualism, national security, tax reductions and all sorts of things. Letters circulate all over this place encouraging members to take sides on a particular issue. That is part of the nature of our job.

I was trying to solicit a policy initiative the same way that all members in this place do with private members' bills and other issues. We regularly do that.

Frankly I am shocked that the member would stand and make that a point of privilege. I can look into it and report back to the House but I fail to see how it is a point of privilege.

The Speaker: The Chair will take the matter under advisement and get back to the House in due course on this issue. I thank hon. members for their interventions on the matter.

* * *

POINTS OF ORDER

OFFICIAL REPORT

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, earlier this day the right hon. member for Calgary Centre rose in his place to allege that the *Hansard* of yesterday had been altered by the Prime Minister's Office or by the Prime Minister in regard to a statement that the Prime Minister made.

I have here the copy of what was sent to the Prime Minister's Office and a copy of *Hansard*. I am willing to table both to indicate that no suggested change was made by the Prime Minister's Office.

Therefore, if the word "apparently" was moved within the sentence it perhaps was an editorial change by people working for the purpose of *Hansard* or otherwise, but no one in the Prime Minister's Office even recommended a change nor even initialled it as proposing a change for that purpose. I am willing to table both of these documents.

The Budget

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, if the member would check *Hansard* I think he would see quite clearly that the right hon. member for Calgary Centre did not say that it was tampered with by the Prime Minister's office. He questioned the fact that what the Prime Minister said and what was reported in *Hansard* was not the same and I think he asked you to review the tape and *Hansard*. You agreed to do that and we respect your judgment, sir.

The Speaker: I appreciate the intervention by the hon. member for St. John's West and I thank the government House leader for providing the table with material that the Chair would want to see it in any event. It has short-circuited the system somewhat and I am delighted for the assistance. We thank all hon. members for their continuing assistance in these matters.

* * *

BUSINESS OF THE HOUSE

BILL C-15

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, in the interest of expediting the vote tonight and after consultation with the various parties, I think you would find unanimous consent to withdraw Motions Nos. 2 and 3 that are now on the Order Paper for Bill C-15. That would leave only Motion No. 1 to be voted on tonight.

● (1520)

The Speaker: Does the hon. member for Ancaster—Dundas—Flamborough—Aldershot have the unanimous consent of the House to withdraw the two motions?

Some hon. members: Agreed.

(Motions Nos. 2 and 3 withdrawn)

GOVERNMENT ORDERS*[English]***THE BUDGET**

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government; of the amendment; and of the amendment to the amendment.

The Speaker: When the House broke for question period the hon. member for Cumberland—Colchester had five minutes remaining in the time for questions and comments.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I thank the member for Cumberland—Colchester for his intervention on the budget, particularly because he spoke so very well about the whole issue of disability tax credits.

As someone who was a chartered accountant prior to entering political life and having done many tax returns and advised many people interested in the credit, I am very familiar with it. I know that at the time to receive the form, to fill it out and to have it signed by a doctor was actually quite an automatic thing given the latitude that the form provided.

I was under the impression and understood from representations from the Department of Finance that a review of that had indicated that there was some abuse within the system. Not only was there some abuse but I understand that approximately 30% of the claims in fact were not valid claims which as a consequence led to some changes.

I believe that what happened was that the pendulum swung to the other extreme. I am pleased to note that in the last number of budgets there have been changes in budgetary proposals to the benefit of the disabled in Canada.

I understand, and I think the member has laid out quite nicely a number of the initiatives that have been taken to correct maybe this overswinging of the pendulum to the disadvantage of the disabled.

Is the member satisfied that the budgetary measures that have been taken are good steps toward making sure that those with disabilities will in fact be treated fairly and that those who are legitimately entitled to receive the disability tax credit will now have the tools in place to ensure they do receive that important tax credit?

Mr. Bill Casey: Mr. Speaker, first I want to acknowledge that the budget does address the issue. It says some of the right things but it does not give enough detail yet. The devil is always in the details, and it does not outline exactly what will happen. It acknowledges the problem and it mentions a few things that will be dealt with but it is far too important to just accept a concept or philosophy that is outlined in the budget.

I recently received the answer to another access to information request. I wanted to find out how many of the claims were reversed if someone appealed. I do not have the exact numbers but of the approximately 6,900 appeals that were received by the department 6,400 were reversed. This was a 94% reversal rate of the decisions. This means that 94% of the original decisions to deny people the disability tax credit were wrong. That is an incredible failure rate and it obviously is a breakdown in the system.

Whether the changes in the budget will correct that remains to be seen but certainly the system is not perfect at all, far from it, as the member said, but at least we are talking about it. The subject is on the table, we are all aware of it and we all will be aware of it as we go forward to make sure that the people with disabilities get treated fairly.

Hon. Stephen Owen (Secretary of State (Western Economic Diversification) (Indian Affairs and Northern Development), Lib.): Mr. Speaker, I am pleased to rise today to speak to the budget. I will be splitting my time with the hon. member for Toronto—Danforth.

The Budget

The Minister of Finance, the Secretary of State for International Financial Institutions and many other members on this side of the House have talked about the importance of this budget. Let me reinforce their arguments by saying that the reason that we have such a successful, balanced, strong budget from the government is because of the extraordinary strength of the Canadian economy. This is not just coming from members on this side of the House. Our extraordinary strength has been identified by the IMF and the WTO. PricewaterhouseCoopers has identified the high level of foreign equity investment in Canada. KPMG in terms of low business costs in Canada. The growth of our economy is noted as the highest of the G-7. Taxes are continuing to lower, and more lowering of taxes was announced in this budget on top of the \$100 billion tax reductions announced in the 2000 budget.

Canada has a strong and growing economy with surplus after surplus, ending up in paying down the debt to GDP ratio from 71% to below 45%, almost a 50% reduction. These are strong fundamentals which have allowed us to present the strong budget we have for the benefit of all Canadians.

Let me briefly speak to a few specific aspects of the budget that are particularly important to my responsibilities in Western Economic Diversification and Indian Affairs and Northern Development.

With respect to Western Economic Diversification, this budget and the strength of our economy has allowed the Western Economic Diversification budget to be stabilized over the next four years. This will allow me as minister to enter into western economic partnership agreements with each of the four western provinces whose premiers have all indicated their desire to enter into these multi-year agreements for the economic diversification and development of the western economy, as well as urban development agreements and northern provincial development agreements. This stabilization over four years gives us all the chance to plan together, to work among levels of government, to identify together interests of common objectives which is economic diversification of the west.

I would like to speak about the close to \$3 billion, with other sustainable development initiatives, dedicated to the implementation of the Kyoto protocol. When we look back at this ratification late last year from 10 years out, we may see this as the most important public policy decision of perhaps the last 30 years, since the signing of the Charter of Rights and Freedoms. This is an extraordinary act of leadership by Canada, and it is leadership in a number of different areas: as a moral ground first and most important. We are talking about the rights and the quality of life situation of our children, our grandchildren and our great grandchildren. We are also talking about the impact of climate change being felt most severely by the most impoverished people in the world, and that too is a moral issue.

It is also a scientific issue. The overwhelming preponderance of the evidence from scientists around the world is that the climate change consequences are severe. They are based on human action they will give severe costs to economies around the world.

Therefore it is an economic issue. It is an economic issue because the major climate change events, the unforeseen and catastrophic, in some cases, weather events cost all of us through increased insurance premiums. It is also an economic event because if we can reduce our

consumption of energy and develop environmental technologies to decrease energy consumption, we will lower the costs of our industries and be more competitive. We will also be able to export these environmental technologies to the rest of the world as countries develop the same standards that we are developing and look to us to provide the technologies to do so.

● (1525)

It is also a health issue. The carbon pollution which causes climate change also relates to other types of air pollution and causes respiratory health problems. We must address those. Most important, it is a leadership moral issue and we are in a position to lead the world on this.

With respect to the cities in the budget, we have heard some complaints from mayors across the country that this does not given them enough money for their agenda. In fact it does a great deal for the urban areas of this country. These are not federal issues of municipal affairs, those are for the cities and the provinces. This is a national urban agenda.

Eighty per cent plus of our population lives in cities. The \$3 billion on top of the already committed \$5 billion over the last successive infrastructure programs is available to cities in concert with provinces and the federal government to build infrastructures, which will relate and improve the lives of people living in cities. Of course 80% of Canadians who live in cities will benefit from the \$35 billion in additional expenditures on health care. People live in cities, people get sick and that is where that money will be predominantly spent.

Universities and research centres exist in cities. We have more than \$1 billion of increases to the granting councils, to the Canadian Foundation For Innovation for graduate scholarships and for research and development which will to assist cities. Universities and research centres are engines of growth in our cities.

Also children live in our cities. For children who live in poverty, we have \$965 million in additional spending in the budget to double the child tax benefit for those families with children living in poverty. We are also adding \$935 million to early childhood development and child care facilities over five years.

These Canadians live in cities and will benefit, as does the urban agenda nationally, from these spending initiatives, and there are many more.

The Budget

While I am speaking on cities, I would like to speak to an extremely important event that will come forward in 2006, and that is the world urban forum which will be held in Vancouver. That forum will bring together international NGOs, country representatives, people from major cities in the developing and developed world. They will display in Vancouver the best practices, everything from urban agriculture in developing country cities, to high tech and public transit in developed countries, to green space planning to density consideration. These are all things that will improve the lives of the 80% of people who live in cities and by reflection, outwards to all Canadians.

I would like to speak for a moment about the aboriginal side of my ministerial responsibilities. More than \$2.2 billion is identified in the budget to assist and improve the quality of life of aboriginal people, which I know is the objective of all of us in the House and Canadians across the country. Of that amount, \$1.3 billion is to provide better health care for aboriginal people and \$600 million on top of the \$225 million a year will be spent on water and sewage systems in aboriginal communities.

However an especially important part to me is the \$72 million over the next two years which will be directed specifically to helping to improve the educational outcomes of aboriginal children in their school systems, on reserve or off reserve. This is on top of the \$1.3 billion that is spent every year on post-secondary, secondary and elementary education for first nations students. This is extremely important. A national working group of 15 aboriginal professional educators are advising the Minister of Indian Affairs and Northern Development and myself and will be working with the provinces and the first nations leadership to improve these educational outcomes.

We all appreciate that when we get right down to it, a sound education for all children is the basis of a high quality of life and will continue to be the basis of a strong and growing economy.

• (1530)

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I listened attentively to my colleague's comments and I want to first congratulate him on his clarity with regard to the issue of the urban agenda.

It is safe to say that there was no urban agenda until this government came into office in 1993. That is very clear because of the three national infrastructure programs that the government has brought in, in conjunction with the provincial, territorial and municipal governments. The member talked about people who live in the cities, and 80% of people live in urban areas.

The member is from Vancouver. I heard the very positive comments of the mayor of the city of Vancouver in general with regard to the budget, how it would affect poor people and how it would help infrastructure in his community.

Could the member give us some specific examples as to how he sees what I would like to call the cities' budget affecting the quality of life in urban communities such as the city of Vancouver?

• (1535)

Hon. Stephen Owen: Mr. Speaker, I thank my hon. colleague for raising the issue specifically of the great city of Vancouver. I have the honour to represent the constituency of Vancouver Quadra.

The Vancouver agreement is a process agreement which the whole country is looking at in terms of urban development and the quality of life in our urban centres. This brings together, concentrating on the urban agenda, the federal and provincial governments, as well as municipal governments. It allows them to integrate the services across their own departments and then co-ordinate them among the three levels of government. This is critical because urban issues are issues of broad governance that effect and demand a response from every level of government.

The Vancouver agreement specifically deals in its first few years of a five year program with the very critical issues of the downtown east side of Vancouver. There are health issues, drug dependency issues and personal safety issues. There is a need for a economic development and a great need to stop homelessness. Our colleague, the Minister of Labour, has led the way in dealing with homelessness in cities.

I will finish my answer by slightly correcting my hon. friend. There was a national urban strategy in the 1970s under a previous Liberal government. There was a minister of state for urban affairs and a deputy minister, Peter Oberlander. He is the urban savant I suppose and central leading urbanist of this country. He has dedicated his time to working with the Government of Canada and other levels of government to develop the world urban forum in 2006 in Vancouver. This will commemorate the 30th anniversary of Habitat, which was held in Vancouver in 1976 and which initiated and developed the UN Commission for Human Settlements. We will continue on with that in 2006 in Vancouver.

Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance): Mr. Speaker, given that the hon. member is from Vancouver, I point out to him that there is a very successful company in Vancouver called the Rocky Mountaineer. It is an absolute success story in the private sector. It brings large amounts of foreign tourism dollars into Canada and Vancouver. It probably has an impact in his riding.

The Minister of Transport is now looking at having Via Rail return to the southern route through British Columbia in direct competition with the Rocky Mountaineer, Via having sold this to it in the first place. During the budget the Minister of Finance said that there needed to be a reduction in program spending and was looking to save openly \$1 billion. Via Rail has been given \$3 billion by the government since the Liberals took office in 1993. Its ongoing operational subsidy is half a million dollars a day.

Given that it would compete directly with a Vancouver company and given that the minister wants to reduce program spending, does he feel Via Rail would be a good place to start, to cut off that subsidy, go to the private sector that said is interested in running Via Rail and let it compete with market forces the way the minister brags that the transportation sector should do?

Hon. Stephen Owen: Mr. Speaker, the member opposite raises the very good example of the entrepreneurialism of Rocky Mountaineer Railtours. This company was given the opportunity to create a tourist service over 10 years ago. It has made a tremendous success of it. It has benefited from the opportunity it was given by the federal government, and has been very profitable. It is a very important addition to the tourism industry in British Columbia and across the western part of the country.

That does not mean that there should not be competition particularly in the commuter rail passenger services that Via Rail provides. Via Rail is not in direct competition with a tourist based service like Rocky Mountaineer Railtours, which is a continuing success and will be into the future.

• (1540)

Mr. Dennis Mills (Toronto—Danforth, Lib.): Mr. Speaker, I would like to begin my remarks today by acknowledging three constituents from my community who are in the gallery today. They have assisted our team on designing and creating an idea that is emanating from the budget related to the green city for sport and culture, Mr. Michael Wong, Mr. Paul Figueiredo and Mr. Stephen Carter. This is important because—

The Acting Speaker (Mr. Bélair): I am sorry, the member mentioned that they were in the gallery. On top of that he mentioned their names. I think the member knows full well that we cannot identify anyone in the galleries and I would ask him to refrain from doing so.

Mr. Dennis Mills: Mr. Speaker, it was important to mention their names in my remarks. I have sat in the House since 1988 as a Toronto member of Parliament. Specifically since we took power in 1993, I have worked consistently with members of Parliament from the greater Toronto area. We came through a period in 1993 where we had a very tough economic climate. We had a deep recession and it was a tough period to be here. In spite of all the difficulties our executive and our minister of finance had to face in trying to get the fiscal framework of the country back on track, the members of Parliament from Toronto always ensured the government provided the economic support needed by Toronto, and we continue to do so. This is a critical factor in the economic engine in this country. As members know, a healthy economic Toronto is critical for the rest of the country.

We fast forward to this budget where we are finally back on track. In the last year alone we have sent over \$24 billion from the treasury of Canada to the greater Toronto area. That is a lot of money, yet two days after the budget, I opened my *Toronto Star* and I saw a headline “Arrogant Liberals need to learn the hard way”. This journalist, Royson James, said:

As much as I respect the party of the late Pierre Elliott Trudeau, this bunch, under this anti-city leadership, will not get my vote as long as there is a living, breathing Alliance, Tory, NDP, Green Party candidate.

And given the choice between a Liberal and a White Supremacist in the next election, I would be forced to—forgive me please—forced to spoil my ballot.

Then today in the *Toronto Star*, the editorial page editor Robert Hepburn said:

This region sent 41 Liberals to Ottawa in the last election. Clearly, some of them have been there too long. They are arrogant, ineffective and seemingly couldn't care less about the needs of the GTA. They must believe that because they won in the year 2000 with huge majorities, they don't have to worry about re-election in 2004.

The reason why the people of the greater Toronto area voted for the Liberal team in the last election was because they recognized, unlike the *Toronto Star* editorial board writer and unlike Royson James, that the Toronto team has represented our city well. What has to be put on the table here is that we in the greater Toronto area not only have a responsibility for our own community, we have a responsibility to share the rich economic resources that we have with the rest of the country.

The Budget

That is what national politics is all about. It is not just thinking about one's own community. If we do well, we want to ensure we share some of those resources with those parts of the country that do not do well. The reality is that the people in the greater Toronto area send close to \$32 billion a year to the treasury of Canada and we receive back, in economic activity, \$24 billion. The difference goes to remote regions. It goes to equalization payments. It goes to our share of deficit and debt. That is the responsibility of a national government. It is not just thinking about our own backyard.

For the life of me, I cannot figure out why this current executive of the largest, most successful newspaper in our country believes that the Toronto MPs should only be thinking about Toronto. They sent us to Ottawa not just to think about our region but to also represent them on the national stage.

• (1545)

We have a responsibility to make sure that the wealth that is generated in our city is shared with the rest of the country. I know there are other people in the House who do not share that view. They think a dollar to Ottawa, a dollar back. I have never taken that view. It is interesting enough whenever I have talked about the principle of sharing with the rest of the country through equalization payments for other regions that are not doing too well and where we have to share, I have never ever had a single voter say to me that is the wrong attitude.

The only people who say it is wrong are at the *Toronto Star*. What drives me crazy about the *Toronto Star* is it is this thick paper. There are members here who are not from Toronto. If they ever came to Toronto and saw the *Toronto Star* on a Saturday they could hardly pick it up. Sometimes it is close to 200 pages. That paper is so thick because of the advertisements in it from small businesses that benefited from the budget, from medium size businesses that benefited from the budget, from large corporations that buy full page coloured ads.

The most successful and biggest beneficiary in the media from the budget has been the *Toronto Star* and here it is saying it is not enough. I say shame on the *Toronto Star*. It should go back to where Mr. Honderich used to put the *Star*. It was supposed to be an organ that made sure that we shared the richness of Toronto with the rest of the country. I think what is going on at this rich paper from Toronto right now is really unfair.

It is unfair to project an attitude that the members of Parliament from the greater Toronto area should only think about themselves, their own communities, their own city. The people of Toronto who are way ahead of the *Toronto Star* send us here to represent them, not just in our own backyard but on the national stage.

Regardless of the pipsqueak Royson James who said that he would rather vote for a white supremacist or whatever than vote for a Liberal, I say shame on him. The Liberal Party will continue to make sure that we care and share not just in our own backyard but in the rest of the country. That is the way it will continue.

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, I appreciate the comments of the member for Toronto—Danforth, a passionate speaker.

The Budget

I agree completely with him that it is difficult for members of Parliament. We often get skewed into thinking that we represent just our localities and shovelling pork back to our localities or just representing our provinces. We are members, each of us, of a national legislative body. Whatever we decide here does impact every region of the country on a level playing field. That is true.

As the transport critic for the official opposition, I want to ask him a specific question. The transport minister is from Toronto and he seems to me, and the member can correct me if I am wrong, to be completely focused on the interests of Toronto vis-à-vis transportation. We see this with regard to constantly favouring Air Canada over WestJet and other companies. We see this with the proposed rail link between Windsor and downtown Toronto and then on to Quebec City. We see it with the proposed rail link from downtown Toronto to Pearson airport.

There does not seem to be anywhere near the same level of care with regard to transportation focused in the rest of the country that is focused with regard to Toronto. I wonder if the member could comment on that.

I wonder if he could comment also on the inverse relationship that seems to be represented, that he and I share as members of a national legislature, that is being put forward by Jack Layton.

● (1550)

Mr. Dennis Mills: Mr. Speaker, I would like to deal with the issue of our national transportation system.

I am a passionate believer in our national carrier, Air Canada. One of the reasons our national carrier faces such fiscal stress is that our regulations force our national carrier to go into all kinds of remote regions with a certain number of flights a day. That is part of its responsibility. It is a quasi-crown company. It could not dare run on its own. It could not run without the support of the treasury of Canada. I am sure we all realize that.

I want to go back to the point about rail. I believe that the rail system in all major urban areas is a challenge for the House in the future. We are going to have to dig deep. Even though we have a finite amount of resources, I think in our major urban areas we are going to have to really dig deep and support these rail systems even more than we are currently supporting them.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I appreciated the speech from the member. I understand his passion for good reporting and bad reporting.

I want to be specific to Toronto. As a starting point, over the 10 years that I have been here, I spent several nights in Toronto in the back seat of a police car. I was not under arrest; I was touring and observing what was taking place in the city. All through that 10 year period, there was a big cry for additional police officers because they were so short staffed. They were devastated to have to let so much crime go because they had to pick priorities and how to deal with it.

The one issue that is bothering me more than anything today is that the unit there is doing a fantastic job in trying to address child pornography which is huge in Toronto. They have been crying loud and clear for a national strategy to deal with this awful thing that is happening to our children across the country. Other police officers are doing the same thing in other cities.

I searched the budget. I cannot see anything in it where the government is going to address the national strategy on child pornography as the police have requested. Could the member find that figure and tell us when this is going to happen? I just talked to the front line officers a few minutes ago and nothing is happening. Why?

Mr. Dennis Mills: Mr. Speaker, first of all the metropolitan Toronto police force is one of the finest in the country. None of us in the Toronto caucus would ever debate trying to get them resources. We have done it indirectly with the repeat offender program enforcement unit. We have obtained the money through the Solicitor General. We are with the member on that.

I must point out to the member for Wild Rose that in this budget, there is under "justice" an additional \$75 million for youth—

An hon. member: For the gun registry.

Mr. Dennis Mills: No, it is not for the gun registry, it is for youth at risk. It is defined as youth at risk in the budget.

● (1555)

Mr. Bob Mills (Red Deer, Canadian Alliance): Mr. Speaker, I will be sharing my time with the member for Port Moody—Coquitlam—Port Coquitlam.

It is my pleasure to speak to the budget. I will start by saying that probably the most surprising thing coming from the perspective of my riding is that we talk about a surplus. Where I come from, when people's credit cards are at their maximum and they have \$100 in their pockets, they do not have a surplus. What they should do is put the \$100 on the credit cards to help pay them down.

The government talks constantly about this surplus. By underestimating its budgets of course it builds these surpluses. By overtaxing people it builds these surpluses. But it still has a \$563 billion debt. It still pays \$43 billion a year in interest payments.

It is really difficult for people in my riding to understand how we have a surplus that we must find a way to spend. They think of that as being irresponsible. They think of that as not thinking about our kids and our grandchildren. They think of that as a total spend and tax, kind of berserk planet Ottawa mentality.

We do not see that there is a surplus. We do not see that we should be spending all of this money. We instead see that we should be very carefully evaluating, making the spending of money accountable and emphasize two things: leaving money in people's pockets and trying to get rid of some of the waste that is here so that we can put the money toward the debt and ultimately get rid of it.

The Budget

We do not understand either how the government can collect \$45 billion from EI and throw it into general revenue. That was supposed to be an insurance program, not a slush fund. We do not understand how it can charge \$24 for airline security and nothing changes, that the money is not spent on that. We do not understand how it takes gas taxes and does not spend it on roads, that it goes into general revenue.

Generally speaking when we look at that and we hear the government say, "We do want to keep taking more money because we know how to spend it", we could evaluate that very clearly. In my riding, what would come first to mind is that the government said that the gun registry would cost \$129 million, that it would collect \$127 million in revenue and the total cost then would be \$2 million. It turns out now that it is \$1 billion. That really is not very good management, not very good budgeting and certainly not a very good business plan.

We look at the ad scandal where money was spent for things we did not even get. In fact we spent it two or three times over for things we did not get. We see HRDC where \$1 billion was spent and there was not even any paperwork done, where cheques went out but nobody knows why or to whom they went out. We see Shawinigate. We see all of those things and we cannot believe that the money is in good hands by sending it to Ottawa.

What we really need is a long term vision for this country, one that encourages innovation, one that shows a genuine desire to reduce that debt, to get it down, as my Chamber of Commerce points out. They would like to see it at 25% of GDP. The government in fact does not have any goals like that.

They would like to see us refocus government programs to reduce the duplication and waste that occurs here. They would like to see us reduce EI and make it a true insurance program so that we collect only what we need to spend.

They would like to see the capital tax gone now, immediately. It was put on by the former government in order to cover deficits. That government has been gone for a long time and now we are phasing it out over five years. That is irresponsible.

They would like to see income tax reduced, simply because they feel they can spend it better.

• (1600)

As the chief environment critic for our party I must emphasize the environmental package today. We have \$3 billion that I feel we could spend, and more. We could cooperate with the provinces and the municipalities, and probably do some pretty innovative good things that Canadians would support. However, when I examine this and I look at the spending that is in the budget on the environment, I cannot help but ask some serious questions.

For example, I look at \$175 million over two years for contaminated waste sites, like abandoned mines and that sort of thing. Today, I read a report out of Sydney, Nova Scotia, where it says the tar ponds would take \$440 million and 11 years to clean up. We have already put millions of dollars into that problem. We could go to northern Saskatchewan or we could go right across this whole country and find government-responsible brown field sites, private ones and so on.

When we look at that \$175 million, we cannot help but ask where will that be spent? Will it really make a difference? If it does, we want to see that, and we want to support that, but we want that to be accountable. That is the big concern that I will keep repeating.

We see \$40 million for air quality in the B.C.-Washington state and the Great Lakes air sheds. We have just identified the two most polluted air sheds in Canada, namely southern Ontario and the Fraser Valley. So there is \$40 million without any real detail of what we will be doing.

Having been an intervener in the Sumas 2 project in Washington state and having been refused intervener status in the examination of the project in Canada, I wish to announce to the House that I have gained intervenor status, not through any help of the government but by other means, in both level one and level two. I will be able to intervene on behalf of Canadians.

It is interesting that the B.C. and Alberta governments had intervener status, but I was turned down because I did not live in B.C. That is kind of interesting, but that is an aside.

The government will be spending \$40 million on clean air. We have the second most polluted airshed in B.C. What has the federal government done there?

As much as the minister likes to say he is a good friend of Mr. Locke, the governor of Washington state, and as much as he likes to say he has golfed with him and so on, when I met with representatives in the governor's office I was told they would not even come and talk to us as long as the sewage from Victoria was washing up on Seattle's shore.

To say that we are on great terms or that the federal government is doing something is not accurate. My observation, and the observation of the people of Abbotsford in the Fraser Valley, is that the federal government is not doing a thing about this whole issue. What will this \$40 million be used for and will the federal government finally intervene on behalf of those Canadians?

I must also look at the \$1.7 billion that will be used for climate change. The minister says we should set up a committee of ministers who would not be interested in spending that money. I do not know many ministers who would not be interested. I would think there was something wrong with them if they were not interested in spending part of \$1.7 billion.

How will it be spent? Who will have their hand in the cookie jar? Which ministers will administer it? Does one have to be a Liberal Party member to access that money? How accessible is it? How will it be used? This budget just does not tell us that.

The Budget

While there are some good things there I must question the accountability of the government when it comes to this budget.

•(1605)

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Mr. Speaker, as I listened to the member articulate what he considers to be shortfalls in this budget I cannot help but have an extremely high level of frustration.

The consistent negativity espoused by the Alliance Party is wearing thin not simply on members in the House, but on Canadians. Those members have changed their position more times than they have changed their party name.

In 1997 members of the then Reform Party made a commitment to structured debt reduction and said that ours was less than theirs. That party made a commitment to structured debt reduction and we exceeded it by a massive amount of money.

In 1998 or 1999 when that party was the united alternative party, it came out with a new structured approach to debt reduction to decrease it even more and we exceeded that. When that party became the Canadian conservative-reform-alliance party, it came out with a new structured debt reduction repayment plan and again, we exceeded that.

I wonder if the hon. member might just once stand up in the House and recognize the excellent job the government has done regarding debt reduction because by God he is taking down the confidence of Canadians and he should be standing up and giving credit where credit is due. Canadians have—

The Acting Speaker (Mr. Bélair): The hon. member for Red Deer.

Mr. Bob Mills: Mr. Speaker, it is great to hear a lecture from that party about staying with a position. Let us talk about the GST position that it came here with as one example.

Let us talk about that debt. Back in the early seventies the debt used to be about \$18 billion. By 1984 that debt was about \$189 billion. A guy was elected who said he would reduce it, and in fact, that debt then went to \$489 billion. That is why there was a Reform Party and an Alliance Party. Our position has always been to reduce the debt.

What has the government done? The government has taken the debt from \$489 billion to today's debt of \$563 billion. The government is leaving that debt for our children and grandchildren. That is not what we are here for. Our position has always been to cut that debt and pay it down.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I appreciated the words of the hon. member for Red Deer because he was right on.

The fact remains that there have been 30 or 40 years of laying on of debt in this country. First it was the Liberals and then the Conservatives, then back to the Liberals and then to the Conservatives. That is why the Reform Party was brought into being: because there was a constant demand that this be stopped. We were sent here to help get it stopped. I think the member would agree with that.

I would like the member to comment on something else. In 1993 the first budget reported that the government would deal with the one million children who were living in poverty. Does the member remember those speeches over the years? What is the latest one? The government is now saying that it will deal with poor children because there are over one million living in poverty. The government has not accomplished a thing.

How many things has the government promised it would do but has failed to do, and does not comply at all?

Mr. Bob Mills: Mr. Speaker, after 10 years of being here we have learned that the government rides the rails, rides the fence, never stands for a real position, talks a lot, throws out all kinds of things, says the GST will be gone, says this will be done or that will be done, and never does anything.

The government has been promising the people of Sydney for 30 years that it will get rid of the tar ponds and it is still talking about it. It is throwing in \$1 million here and there, but nothing really gets changed.

That is what the government is all about. It is middle of the road, does not stand for anything, and does not have any principles. We know what we stand for. We stand for less government, lower taxes and getting rid of the debt.

•(1610)

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance): Mr. Speaker, it is a pleasure to speak on the issue of the budget. It is always interesting when the debate is more fierce and when the microphones are not on at the designated speaker. However, that is just the way it goes sometimes when we have the cameo appearance by the member for Simcoe—Grey in the House.

There is one thing I did want to comment on and that was the issue of the debt. It was mentioned by my colleague from Red Deer. It is a fact that the net debt has been revised up by \$27 billion in this budget to \$563 billion from \$536 billion.

I would like to point out that I am the youngest member of the House, I was elected at 24, I am 26 years old now, and the Canadian Alliance is the youngest political party in the House of Commons with the youngest members of Parliament in the House. The fact that the debt continues to climb under the Liberal government is a serious problem for young Canadians.

Debt is a serious reality for young Canadians when they graduate from university and they owe \$15,000 or \$20,000 in student loans and other associated debts from going to university. They owe their family, Visa or MasterCard. On top of that the provincial and federal governments hit them in the face and say here is another debt that they have to swallow and deal with. It is a huge problem.

The member for Simcoe—Grey was saying that the federal Liberal government enjoys some sort of balance. That is true. There is a balanced Liberal approach to fiscal policy. The balance is that since 1993 taxes have gone up, debt has gone up, and the size of government has gone up. That is a balanced record. The government is bigger today, personal freedoms are less today than they were before, taxes are going up and this is not a good way as we go into the future.

The Budget

Specifically, I want to talk about a few of those spending increases. Overall spending over one fiscal year has increased in this one budget by 11.5%. In fact, program spending has increased 31.5% since the Liberals balanced the books in 1997-98.

The year 1969 was the last time prior to the 1997-98 budget that the federal government of any political party balanced its books. In 1968 there was Trudeauania and Pierre Trudeau was elected with a mandate to implement his "Just Society". He had a mandate to do it. The vast majority of Canadians regret the fiscal portion of that reality.

The fiscal reality of the Pierre Trudeau legacy was again massive tax increases, massive inflation of the civil service, huge spending increases and a massive debt. The debt in the 1980s came up against a wall of increases in interest rates. The cost of interest rates on the accumulated debt and deficits caused the debt to go through the roof. That caused the federal Progressive Conservative Party to implement the goods and services tax in order to replace the manufacturers tax.

The Liberal government said that it would control spending and get rid of the GST. The fact is the Liberal government has done neither. We still have the GST on the books. It is still ripping off Canadians, hurting middle class and low income Canadians, and spending has not gone down. In fact, it has gone up. Spending has gone up in this particular budget, the one we are debating today, the budget of the member for Ottawa South, the finance minister.

This budget goes up more than any budget since the days of Pierre Trudeau. This is the largest budget in a generation. This is not good for young Canadians nor is it good for the future of the country.

Some of the spending is totally going in the wrong direction. Let us look at some of the spending that the Liberals are putting into corporate welfare and channeling to projects that do not make any sense at all. Here are some specific numbers. Transfers to businesses, read corporate welfare, are totalling \$6.3 billion in the budget. That is up 12.5% since the Liberals first came to power in 1993.

New funding for the Business Development Bank of Canada has gone up. Transfers and subsidies of over \$2.6 billion to various crown corporations and a host of other regional development sustainability programs has gone up. Spending is going up in areas that do not make sense. However, spending in areas where it is needed is not happening.

I will give an example of where spending is needed and it is not going up. I raised this in the House today when I delivered my Standing Order 31. The city of Coquitlam, the largest city of the five in my riding, spends \$17 million per year on policing. This is because of the tragedies that have happened in my riding. The Robert Pickton case and the massive investigation that is happening there is in my constituency.

●(1615)

We have had the murder of a 17 year old girl who had a physical disability. Some guy preyed on her, stripped her down, beat her, killed her and threw her into a river. We have had the case of a 17 year old high school student who was beaten, shot and killed in an Internet cafe in Coquitlam.

My riding has been hit hard by the realities of crime. The City of Coquitlam has \$17 million for policing. It cannot police some of the small and petty crimes. Just in the past six days, two masked men with bear spray and a gun held up a McDonald's in my riding. A student who was on her way to school in Port Moody was grabbed by an attacker. Fortunately she got away, but unfortunately the attacker got away. An 18 year old woman might be losing her eyesight because she was assaulted by some teenaged guy. Thieves broke into four homes in Port Moody on Jane Street, just behind my constituency office. This was in just the last six days.

The City of Port Moody, the City of Coquitlam and the RCMP do not have the resources they need in order to enforce the laws against crime, in order to punish people, catch people and run proper investigations to convict people after they have been caught.

We can think about it in this context. The City of Coquitlam is one of the larger cities in the Province of British Columbia, which is the third largest province in Canada. The City of Coquitlam spends \$17 million a year on policing. In the budget, the federal Liberals found \$114 million for a new official languages initiative, like we needed other ones.

[*Translation*]

I am bilingual, I speak both official languages, but not because the federal government gave me or my school money. I speak French because, when I was young, my parents told me that it was important to learn both languages. It was my parents, not the federal government, who forced me to speak French and learn another language.

[*English*]

Yet the federal government says to throw \$114 million into official languages. Again, we can contrast that with the \$17 million for policing and the problems we are having in some of these suburban ridings that are sprawling out.

The federal Liberals spend \$172 million on an aboriginal cultures centre and \$150 million more on top of what they are already spending for television production in Canada, but not a single dime went to new policing initiatives to help small and medium sized communities or even larger communities like mine. My constituency is actually the third largest in Canada in terms of population. But to help us with policing realities?

There is a lot of corporate welfare. Taxes have, net, gone up. The debt has, net, gone up. Spending has gone up. That means the debts that are going to be paid by my generation are larger than they have ever been before in Canadian history. I appreciate that the Liberals are proud of their record, but the blunt reality is that long after most members in the House are gone, young Canadians like me and like the pages in the House will long be paying the debts that the Liberal government is foisting on young Canadians. The Liberals are doing it with good intentions. They are doing it because they want to help people. They are doing it because they are compassionate. I respect that and I respect that the Liberals believe they are doing what is in the best interests of the country.

The Budget

However, they are not, and young Canadians are going to be paying through the nose. And we will be paying for a very long time. It is a destructive legacy of high taxes, high spending and the biggest spending budget since the mistakes of Pierre Trudeau.

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Mr. Speaker, I have two questions for the hon. member across the way, but just before I ask those two questions I would like to clarify the record. I am under the assumption that he has been provided inaccurate information based on his assertion that the debt is actually going up as opposed to going down. Just to clarify, since 1996-97 the debt has actually been reduced in hard dollars by \$47.6 billion, a fact that Canadians all across the country recognize, and the debt to GDP ratio, which was 66.4% in 1997, is now 46.5%. That is just some accurate information.

More to the issue with regard to funding police services across the country, I have two questions for the hon. member. First, does the member believe that municipal councils should be investing in such things as what we would typically call soft infrastructure, recreational facilities, baseball fields, soccer pitches, and the list goes on and on, as opposed to investing in one of the responsibilities they have, which is that of delivering police service at a local level?

Second, could the member tell me how, constitutionally, we can create a mechanism to deliver federal funds to a local police service to help offset their operational costs?

Mr. James Moore: Certainly, Mr. Speaker, the easy way that the government could do it constitutionally is to do what the Canadian Alliance has been proposing for a long time, which is to return gas tax dollars to provinces. Provinces can then in turn return gas tax dollars to municipalities.

An hon. member: Guarantees?

Mr. James Moore: This can be done. The member from Simcoe says there are no guarantees of that, that it could happen but there are no guarantees. The fact is that there is zero chance of this becoming a reality under this Liberal government. We know that. Its track record is there. It has not been giving this money to provinces.

Here are some facts for the member from Simcoe. Of the 100% of the cost of a litre of gasoline, half of it is taxation. Half of the taxation is federal and half is provincial. Some 97% of the gas tax revenue collected by Ottawa goes into general revenue. It does not go to roads. Also, 91% of the gas tax revenue collected by the provinces goes to roads.

So what the Alliance has been arguing is that rather than continue the current status quo, which is intolerable in terms of transportation infrastructure, we say let the federal government choose one of three alternatives. We have our preference, but it should choose one of three alternatives to the status quo, which is not tolerable. The three alternatives are: first, dedicate gas taxes to roads; second, work hand in hand with the provinces in a clear way, listing how much money is being collected for roads and work on projects; or third, eliminate gas taxes and give the gas tax room to the provinces so the provinces can then delegate gas tax dollars to the municipalities and the municipalities can put the money toward police services. That is precisely what should happen.

I see that the member from Simcoe is scoffing. His annual cameo appearance in the House is a rather energetic one, but what he does not seem to understand is that what the federal Liberal government can do is fund the RCMP properly—

• (1620)

The Acting Speaker (Mr. Bélair): I am sorry to interrupt. I let the first one go but this time around I just cannot accept it. The member knows full well that he cannot refer to the presence or absence of a member in the House so I would ask him to be careful. There is another member who wants to ask a question, so if you want to make it brief, you can have the opportunity to answer two of them. Right now you are answering the hon. member for Simcoe—Grey.

Mr. James Moore: Mr. Speaker, I do not have much time left, but he asked specifically about what the government could do with regard to police services.

An hon. member: Give them money.

Mr. James Moore: Sure, put more money into them. We can put more money into the RCMP, but part of the problem with it is that not all cities in Canada have the RCMP, including the City of Port Moody, which is the third largest of the five in my riding. It is a local municipal force so they have to raise money locally, so give them more tax room. Stop ripping off Canadians at the pump and let them raise the gas taxes for the needs that they want.

The federal Liberal government finds virtue in taking gas tax dollars and using them for resources that are not infrastructure related. Why does it not apply the same principle and let municipalities put gas taxes in place to finance what they need? The first responsibility of the state is always to protect citizens. The government is ripping off citizens and is doing nothing to protect Canadians. It has failed young Canadians and is going to stack my generation with debt and taxes that are going to bury young Canadians in the future.

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Actually I want to talk about spending, Mr. Speaker. The member unfortunately is totally wrong, but I want to make a comment with regard to the issue of gas tax. It was this government in March 2000 that proposed suspending the GST on gasoline. We wrote to each province. How many provinces responded? One. Because they would not suspend the PST. There is no documentation to show that if we were to suspend it without the provinces doing the same the prices would go down. In fact, New Brunswick is a good example, where they did that for 2% and the oil companies raised the prices.

Mr. James Moore: Mr. Speaker, the reality is that the provinces probably did not twin that tax cut because provinces need to pay for health care that the government is gutting from them. They need to pay for other things in the provinces that the government is cutting them off from.

An hon. member: They cut the funding by 25%.

The Budget

Mr. James Moore: As my colleague is saying, the government keeps cutting them off from health care, cutting them off on transportation infrastructure, and cutting them off on the things that they need to provide because this government is tax happy, spend happy and driving Canadians into the ground.

The Acting Speaker (Mr. Bélair): Let us cool things off a little here. It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised at the time of adjournment are as follows: the hon. member for Cumberland—Colchester, Fisheries and Oceans; the hon. member for Winnipeg North Centre, Employment Insurance.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

CITIZENSHIP AND IMMIGRATION

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there have been discussions among the parties and I think that if you were to seek it you would find unanimous consent for the following motion. I move:

That, in relation to its study on border security and enforcement, a group comprised of 2 government members and one member of each of the opposition parties of the Standing Committee on Citizenship and Immigration, be authorized to travel to Washington, D.C., U.S.A. in March 2003, and that the necessary staff do accompany the committee.

The Acting Speaker (Mr. Bélair): Is there consent to table the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Bélair): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

• (1625)

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government, and of the amendment and of the amendment to the amendment

Mr. Paul Bonwick (Simcoe—Grey, Lib.): Mr. Speaker, I am certainly pleased to rise to respond to last week's budget. I certainly want to take this opportunity as well to congratulate the finance minister on what I and I believe most Canadians believe to be very fine work.

Before I address the budget, though, I would like to clarify the record. I know I have to govern myself within the confines of using

parliamentary language. For the hon. member who questioned the amount of time that I spend in the House, I will put my attendance record forward, my voting record forward and my attendance records at committee forward against his. I would be more than pleased to do that, because my commitment has been such that from Sunday to Thursday or Friday, when the House is sitting, I am away from my family working on behalf of my riding, trying to accomplish the good things with which the government is vested by way of responsibility. I do not appreciate the assertion that I am not in Ottawa representing the people of Simcoe—Grey when in fact the complete opposite is true. I find it a slight by the hon. member but typical of the kinds of comments that come from that side of the bench. It is shameful of that member and I am so disappointed.

I say we are in a very unique situation here, a terribly unique situation when we compare ourselves to the other industrialized and developed nations of the world. That was the challenge I was trying to throw out to the Alliance Party: to stand up and try to instill confidence in Canadians and remind them of the excellent fiscal shape this country is in today as opposed to five or six years ago and to create consumer confidence, because we are in a very unique position. We are in a unique position not only because of the hard work of the finance minister and the budget that he brought forward last week, but we are in a great position because of the leadership of the Prime Minister and the leadership that has been shown by the members of Parliament, my Liberal colleagues from all across this country.

This is a Canadian budget. Canadians have spoken. They have spoken to us in our ridings. They have spoken to us by way of survey. They have spoken to us by way of talk shows. They have spoken to us by way of presentations before committee. And this government listened. What did it listen to? There is a \$35 billion increase in health care.

Mr. Speaker, show me somebody in this country who does not think that a \$35 billion increase in health care spending over the next five years will help to raise the quality of life in Canada. Clearly it will, both in urban areas and rural areas.

In my riding of Simcoe—Grey, the three hospitals I have will directly benefit, as long as the province transfers the money in a timely fashion, of course. They will directly benefit from this. We are in a position to do that not simply because of the budget and the hard work on behalf of all my colleagues, but I think we have to take our hats off to the past finance minister as well, for it was under his watch that we went from a \$43 billion yearly deficit to eliminating it in its entirety and to actually starting to reduce debt, to actually seeing the economy grow and the debt to GDP ratio spreading ever wider. Originally it was 66% and now it is 46%.

The country has not been in better financial shape as opposed to its allies or the G-7 countries in many years. Canadians need to know that. This economy is strong. It is stable. Quite frankly, we would not be in a position to invest the kind of money that the government invested in Canadians by way of its budget if we did not have those kinds of surpluses within our budget.

The Budget

A number of things about the budget certainly impressed me tremendously. Health care, absolutely, but I would also like to talk about some of the other things, like the Department of National Defence. CFB Borden is located in my riding. It is one of the largest training bases in Canada. There are no people in this country that I am more proud of than the men and women in our military.

I get an opportunity to visit the base on a regular basis to meet them and hear their stories and I am here to tell the House that this nation is well served by the men and women in our military. I could not be more proud, more happy, to see a \$1.6 billion increase for the Department of National Defence over the next two years and again an incremental increase of \$800 million over the following three years. This is not chump change. This is \$4 billion. That is a significant amount of money for our military, and I am proud to see it go to our military men and women because they certainly deserve it.

●(1630)

We talk about things such as the infrastructure program. When I was chair of the southwestern Ontario caucus for two years my caucus was proud, along with many other caucuses, to champion infrastructure in the House and to tell the government that there was a need for an infrastructure program and a need for cost sharing on some of the demands municipalities are facing today.

Do members know what happened? The government listened. We invested over \$5 billion into infrastructure pre this budget. It had enormous consequences all across the country. My riding was likely one of the largest beneficiaries within rural Ontario. We had a number of tremendous projects that were announced over the last five years that have clearly raised the quality of life, that have created an environment where business wants to invest and that have had a substantive impact on the economy. We asked and the government listened.

What the municipalities want now is a long term sustained infrastructure program, not a one year or two year program but long term. They got it; it is over 10 years. Maybe \$3 billion is not enough over that period of time, I will give that, but let us not lose sight of how it will extrapolate within the public sector, municipal governments, provincial governments and the private sector. We are not all of a sudden talking about \$3 billion, we are talking about \$10 billion or more. Therefore it will have a substantive impact over the next 10 years.

As the government has proven time and time again, when we have the resources to give more we will. As the demand is there, as municipalities are facing challenges, whether they be rural or urban, the government will be walking with them, shoulder to shoulder, as we have in the past. I would challenge anybody in the House to suggest that the infrastructure money we have invested in our great land, in my riding of Simcoe—Grey, has not offered significant benefit.

When I start talking about the wonderful things that have taken place in the budget, I am truly hopeful that both sides of the House will espouse the virtues of a budget that will create the level of confidence that Canadians rightly want to hear and deserve to have.

When I hear that \$985 million will be invested in a national day care program, I say bravo. That is for the working class family. When my wife and I were raising our oldest boy 14 years ago that was the kind of program we needed. It certainly would have helped to elevate our quality of life and to provide a more stable environment for our son. No, we cannot go back and do it, but I am proud of the fact that I am sitting with a government that has the foresight to recognize that kind of investment sometimes needs to take priority over a road or a sewer.

The fact is that this budget invests in the most important thing any government can, its people. I could not have been more proud when some of these approaches were articulated in last week's budget.

There has been mention across the hall with respect to some of the lack of accountability in government spending over the years.

I forgot to say this at the beginning, Mr. Speaker, but I will be splitting my time with the hon. member for Ancaster—Dundas—Flamborough—Aldershot.

The members across the hall raised a very good point. I believe the official opposition is doing its job when it points out these deficiencies in government and in spending. Bravo to them for pointing them out. We do the same thing in the backbenches. If we see there is mismanagement taking place, if we see that we are not maximizing taxpayer money to the best possible ability of the cabinet and the government, we stand up and holler and shout and ask for corrective action.

●(1635)

The fourth principle of this budget, for which I could not have been more pleased, was clear and transparent accrual accounting. Based on a recommendation from the Auditor General, Canadians will now have as clear a picture as they have had in many years of the state of governance is in this country.

What more could they ask for: investment in health care; investment in security in these troubling times; investment in day care; investment in poor people; and investment in our children, while still balancing our budget and still setting aside a contingency to reduce the debt? I say bravo to the Minister of Finance, bravo to the Prime Minister and bravo to all Canadians who will benefit from this budget.

Mr. Leon Benoit (Lakeland, Canadian Alliance): Mr. Speaker, I will only bring up a couple of the issues but I am sure others will bring up other issues.

I cannot believe the nerve of the member to bring up the issue of health care funding. When his government in the 1960s signed on to health care, it promised to pay 50% of the cost of health care. Now it is down to 13%. This budget brings it up over several years to 18% rather than the 50% that was promised. He has the nerve to stand in the House and say that they are doing a good job on health care when they are funding less than half of what they promised when they signed the deal with the provinces. That is disgusting.

The Budget

The other issue concerns the debt. The member made a claim earlier that his government was in fact reducing the debt. If we were to check last year's budget documents against this year's budget documents, we would see that our national debt is higher this year than it was last year.

Mr. Paul Bonwick: Mr. Speaker, he has brought up two points but I will address the health care issue first.

I sit here and question how we get a clear message out to Canadians when we have absolute foolishness being espoused by the other side. These are non-truths.

They do not take into consideration such things as tax points. I am here to say that the provinces certainly took them into consideration when they started to accept them. When we transferred those tax points, those were taxes that we were supposed to be collecting. However in order to save bureaucracy we allowed them to collect them on our behalf. We are talking about billions and billions of dollars.

The hon. member stands and says that we made a promise back in the sixties that we would fund 50% of health care. I challenge the hon. member to find a piece of paper that states that. I challenge him to do so because based on the last budget increases that we have just put forward, \$35 billion over the last five years, we will be putting more than our share into health care.

We have transferred money to the Province of Ontario. Members know that. We transferred money to them and they have put it away in their treasury. They did not dispose of it in a timely fashion, reinvesting in health care.

I am saying that the government is committed to a national health care program.

Mr. Peter Goldring (Edmonton Centre-East, Canadian Alliance): Mr. Speaker, I would like to ask the hon. member for his comments about accountability in another file that has been very evident to Canadians of recent. I am speaking of the homeless file where \$753 million has been spent over the past three years but absolutely nothing for independent living homes; \$753 million in funding that has gone into a system and this winter we have people sleeping on the streets. We are opening up LRT stations in Edmonton to put up homeless people. This is the gain after three years of funding into the system.

If \$753 million was spent and the homeless count is up 60%, how much higher will those homeless numbers go with the \$400 million that is in the budget now?

• (1640)

Mr. Paul Bonwick: Mr. Speaker, I could not be more pleased that the hon. member actually raised these particular points. I have to address them in two ways.

First, I want to articulate what the Alliance, Reformers or whatever they were at the time, suggested about these kinds of social safety nets, the soft money they refer to by way of investing in the homeless. The government has continually supported homeless initiatives by way of supporting the communities partnership initiative. We have invested significant amounts of money in that.

The suggestions being made by the people across the hall in many areas like this are to cut it, to lower taxes and to make tax cuts for the wealthy because we do not need to worry about these kinds of social safety nets that the government puts forward.

I am here to say that we will be working with municipalities, such as Collingwood, Wasaga Beach, Stayner and Clearview, to address this problem because, I agree, it is a shame that we live in one of the wealthiest countries in the world and we still have a homeless problem. However rather than rhetoric we are going to put words into action on this side.

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, it was not an hour and a half that I was sitting in my place and found myself immediately behind the member for Toronto—Danforth, who spoke about attack editorials and attack editorial content against the Liberals for failing to invest mightily in metro Toronto. That really surprised me because the coincidence is that I am a former employee of the *Toronto Star*. I was an editor at the *Toronto Star* in the late seventies and early eighties. I would have liked to have said to the member for Toronto—Danforth that this parochialism, this idea that MPs exist to get money for their ridings, in this case one of the richest regions in the country, is not typical of the *Toronto Star* I once knew.

The *Toronto Star* is a great paper. It is recognized as one of the world's great papers in fact. I think certainly in the early eighties it was seen as one of the top 25 newspapers in the world.

At the time I was at the *Toronto Star* it had a great reputation. First of all it was an enormous paper in terms of the number of copies that were distributed, so it had an enormous influence, but it also had a strong sense of community. It was a local paper in the sense that it covered the news in metro Toronto. Our job as editors was to make sure that we were never beaten on a story in Toronto by the *Globe and Mail* or the *Toronto Sun*.

Despite that, the *Toronto Star* then had a vision. By focusing on the Canada that was Toronto it enlarged its view that took in the entire country. Consequently, in my view, in those days the *Toronto Star* had the best national pages and the best foreign pages. It had foreign correspondents prowling the world and writing stories for the *Toronto Star*. However the important thing is that in those days the *Toronto Star* had a genuine sense of nationalism.

Now what we see in today's editorials is that the *Toronto Star* is criticizing the federal budget because it has not given money directly to the cities. As we heard earlier here, the total amount of money set aside for municipalities has been approximately \$3 billion over 10 years. That is not a lot of money but there is all kinds of other money in the budget that goes into municipal infrastructure. We do know that Toronto is the economic heartland of the country. Consequently, indirectly all kinds of money flows into Toronto.

The important point that I want to make and why I was disappointed to hear the complaint of the member for Toronto—Danforth was picked up precisely by the member for Port Moody—Coquitlam—Port Coquitlam when he rose during questions and comments and said that we as MPs do not represent just our municipalities and just our ridings. He said that every one of us first represents the entire country.

The Budget

What is good in the budget and what is lacking in the criticism in the *Toronto Star* and what was the *Toronto Star* years ago was this idea that each one of us, be we federal politicians or be we journalists of one of the greatest papers in the country, look not just to our parochial interests, not just to whether we can get votes or sell newspapers in our small localities, but look to the benefit of the entire nation. That is what this budget has done, in my view.

We have all heard comments from other members in which, quite apart from the \$3 billion for infrastructure, there is a wonderful section on new money for our students and universities. This is tremendous progress. There is a program of scholarship for post-graduate students. I think there are about \$1.6 billion for the various science, social and humanities research councils. This is the kind of thing that a progressive government invests in. It invests in the future of all Canadians by investing in our youth.

I was really disappointed to think that anyone should be calling upon us on either side of the House. I know this is not shared by the opposition. The opposition would agree that we should be looking to the entire country, not simply to Calgary, Toronto, Fredericton or wherever else. We should be looking to benefit the entire country.

•(1645)

The other flaw in the argument that we see in the *Toronto Star* is the suggestion that the 40 MPs from the GTA should be bringing benefits to the GTA. The reality is, if we are going to invest in municipalities let us invest in those municipalities that really desperately need it. Winnipeg for example is desperately in need. My own area of Hamilton is desperately in need of municipal infrastructure renewal. There are other areas across the country. Look at rural Canada, look at Saskatchewan where the road infrastructure has completely deteriorated and the province does not have the money to upgrade it.

This is the kind of a vision that a budget should have. I think that the budget goes very far toward meeting the expectations of Canadians and trying to help out Canadians who are in need. That is our first concern.

The second concern is to invest in our ability to be competitive. I have a direct criticism of the budget. I would have rather that the budget gave more detail on how there would be better mechanisms of accountability and transparency. The budget talks a good story about how the government will try to bring better transparency to the delivery of health care services. It wants better transparency for corporate Canada. However what is lacking in the budget is in the actual detail.

I would like to have seen some commitment to reform the Access to Information Act or to revisit the Canada Corporations Act to bring in new rules that require higher standards of accountability to businesses and especially non-profit organizations and charities. There are enormous savings to be had there.

On balance, it is a budget that in my mind looks to Canadians and reaches one plateau. I would like very much to see it reach a higher plateau, but perhaps next time.

I do think that whatever anyone says about the budget it does not look parochially. It does not look at getting votes for individual MPs because they happen to be in government and come from one of the

largest cities in the country and one of the richest regions. That is exactly what it should not do and that is what it does not do.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I thank the hon. member for his speech on the budget. I agree it could certainly be at a higher plateau. I want to ask the member specifically about some things that are fact. They are not make believe.

Fact one is in 1993, when I came here, a big plea began and it has happened every year for the last 10 years. That is to make some highway improvements to the international highway, Highway No. 1, which is a two laner that goes beyond Banff, through British Columbia. It has been a two laner ever since we got here. We have been fighting and begging for improvements. In the meantime hundreds of people have lost their lives in tragic accidents on that terribly over populated road.

Fact two is we came here asking for help on the reserves regarding poverty. The United Nations declared Canada as the number one country in which to live but if the reserves were factored in, it would be 38th because of the third world conditions. In 2003 in my riding third world conditions still exist on many of these reserves.

I am really concerned that these kinds of serious problems exist and that have been brought to the attention of the Liberal government for over 10 years. Nothing has happened. Why?

•(1650)

Mr. John Bryden: Mr. Speaker, on the first point I remind my colleague opposite that road construction is 100% a provincial responsibility under the Constitution, including the Trans-Canada Highway. The Trans-Canada Highway was built with federal money given to the provinces to undertake the construction.

My point is this. I would much rather see, if the federal government is going to get involved in spending on roads, that it make that investment in those provinces that cannot afford it.

Alberta is one of the richest provinces. If the road to Banff needs improvement, then Alberta should fix it and let the federal government make its investment in Saskatchewan. The farmers of Saskatchewan are having a terrible difficulty getting their grain to market because of the poor quality of the road infrastructure.

On the member's second point, I agree that we have not made progress that is sufficiently adequate with respect to the problems on the Indian reserves. However that is not a matter of money. That is a matter of the kind of legislation that is now before the House that will bring transparency and accountability to those bands, those reserves and those communities that up to now have received federal money and there has been no transparency or accountability.

The Budget

The member knows full well that this is probably the central problem to the management of Canada's aboriginal people and the government is finally moving on this. I know the member will support the legislation of the Indian and northern affairs minister that is now before the House.

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I would like to refer back to an issue that has already been raised in the House and that is the issue of spending. I know my colleague is concerned about good fiscal management.

In 2000-01 spending was 11% of the GDP. In 2003 it will be 12.2%, the lowest since 1950. The reason for the increase is the \$34.8 billion for health care, something that people on the other side said we needed to do. We deliver and as soon as we deliver, they are not happy. The budget projects figures will fall under 12% in the next two fiscal years. We are the only G-7 country paying off the national debt. It has gone from 71.5% to 44.5% in 2003. I believe it will go below 40% in 2005.

Could the hon. member comment on what he sees is the government's ability to balance the books, pay for health care and still deliver quality of life to Canadians.

Mr. John Bryden: Mr. Speaker, it is a balance. Sometimes we have to bite the bullet and this government did bite the bullet when it undertook the various cuts during the mid-1990s. Now we have reached a position where we have a significant surplus. I tend to be one of the bluer Liberals on this side and I want to see debt reduction always as a major priority.

We cannot turn our backs on the average Canadian across the country who is worried about their private physical health. That was my original point. We should not be looking to parochial local gain. We should be looking to the budget to helping all Canadians, and that is exactly what we have done by our investments in health care.

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, I will be splitting my time today with the hon. member for Yellowhead.

I rise today to address the budget proposed by the Minister of Finance last week on behalf of the people of Edmonton Southwest and as the official opposition critic for industry.

During my address I would like to first offer a general reaction to the budget. Second, I will comment on some specific initiatives that fall within the industry portfolio. Third, I will present the alternative Canadian Alliance approach.

First, and in general, this is a budget of missed opportunities because so much could have been done that was not done.

I will be the first to admit that there are some positive fiscal and economic signs here in Canada. The economy is relatively strong. We have low interest rates. We have relatively good job growth rates. We have stronger than expected government revenues. This is the time for us as a nation to capitalize on our positive points by focusing on our weaker points: lagging productivity, the lowest in the G-7 over the last 25 years, a low dollar, a high public debt and high and punitive tax levels.

This should have been the budget that propelled Canada to the forefront of the most innovative, the most productive nations on earth by substantially paying down our national debt, providing hard-working Canadians and businesses with some real tax relief and re-prioritizing spending from areas such as corporate welfare to health care.

Instead, the finance minister has not only adopted the track of his predecessor with his massive growth in government spending, he has escalated the process. The budget announces \$17.4 billion in new spending initiatives over three years without identifying more than one cut in government spending.

Three things should have been done. First is some real substantive tax relief. It is Canadians, not the government, not the cabinet, who are balancing the yearly budget and they deserve some tax relief from this rapacious Liberal government.

Second, pay down the debt and establish a long term debt repayment plan. We have yearly surpluses but we still have a massive public debt, as well as large unfunded liabilities with the CPP. Passing debt on to future generations is not only fiscally unwise, it is morally wrong.

Third, spending should be re-prioritize. There have been no spending cuts particularly in the area of corporate welfare programs. The government has funded in stop-gap ways for health care and it has funded in absurd ways for climate change for which it has absolutely no plan on how it will meet its Kyoto targets. There is no long term vision on issues such as pensions or EI premiums.

I would like to comment on some specific initiatives that fall within the industry portfolio itself.

First, on the capital tax and following on the Alliance's recommendation both in the last two finance committee reports and in the industry committee report of June 2001, the minister has indicated that he will eliminate this tax. This five year elimination does not make sense. It should be eliminated in one year.

Second, there is the resource income tax change, making it equal to other corporate tax reductions. We agree with this. Also, this could be moved up rather than done over a five year period.

Third, we support funds to research granting agencies. We support addressing the indirect costs of research, as the industry committee has stated in two successive reports. This is simply recognizing that universities need this to sustain a level of service to all students.

We have the Canada graduate program. I know this has been welcomed in most corners. I want to offer a different perspective on this. I know that this may in fact be well intentioned, but in our view this is not the proper way to proceed on education.

The Budget

Instead of putting in education dollars or transferring the money to the provinces, the federal government is setting up programs for Ph. D. and Master's students. It is setting up the millennium scholarship fund, and last year it set up the Trudeau fellowship. The government is taking money away from students who are in university studying and is putting it into these boutique programs, setting up bureaucracy upon bureaucracy.

If the federal government wants to support education, it should do so through a simple transfer to the provinces and let the provinces and the universities fund it. They are closest to the students and they know how to best do this. If the government wants to also support research and development, then do it through the federal granting agencies. Do it through NRC, NSERC or SSHRC, rather than set up other programs such as the Trudeau fellowship.

• (1655)

This brings me to the Alliance approach. I would like to present our alternative approach to industrial policy and research and development.

First, we need to eliminate corporate welfare. We need to move away from an industrial policy where the government attempts to pick winners and losers and selects certain companies within certain industries in the marketplace. Instead, we should target our public research funds into basic and developmental research and development, preferably through the federal granting councils.

We in this party distinguish between grants and loans to specific companies and funding through the granting councils. Those should always be distinguished. The government, whenever we criticize public spending on R and D through corporate welfare, always says that we would eliminate programs through NRC and NSERC. That is absolutely false. It is not true.

The fact is we do support research, if it is done through these granting agencies and if it is a peer review. We have always supported a peer review process, which is non-political, which ensures that the colleagues will ensure that the research has some merit.

We have always supported prudent investments in innovation and technology. As I said before, we support basic and developmental research. We have called, particularly in the last election, for increased funding to these granting councils.

Second, we would also simplify the funding for research and development.

I mentioned in education how the government is making things more complex and more bureaucratic. In the R and D section, one thing it could do to simplify it is to end the duplication through the regional agencies.

The regional agencies in this country are funding R and D. The reason the government is doing that is to try to justify the regional agencies. It uses it as a corporate welfare program but it also then puts through funding for R and D. Through western economic diversification, it will put in a lot of grants to specific companies but then it will fund the synchrotron at the University of Saskatchewan.

Whenever people in our party say that we should not have regional developmental agencies of this type to funnel corporate welfare to certain businesses, we get criticized and people say that we want to end funding for the synchrotron. That is absolutely not true. The funding for the synchrotron should occur through the National Research Council, which it currently does. If we fund the synchrotron through both the National Research Council and through western economic diversification, there is duplication, there is double bureaucracy. It is not necessary. Even one or two government members have recognized this and have spoken publicly about it.

We in this party have consistently called for a funding framework for science and technology, as the former Auditor General did in his report in 2000. Unfortunately, numerous secretaries of state for science and technology and ministers of industry have ignored this advice and failed to establish a framework. This was recommended in the committee report of June 2001. The industry department ignored it again. It was recommended in the Auditor General's report of 2000 in which he stated quite explicitly:

For big science projects, the government should ensure that: A single federal authority is established for accountability purposes. The identified authority reports annually to Parliament on the project's status, on behalf of all the federal participants.

The government responded by saying that this was not necessary, that the program was working well as it was. That is absolutely not true. It is not working well.

One example is the Canadian Coalition for Astronomy. It went to the finance committee, the industry committee, the finance minister and the industry minister. It went to two respective departments. It went to the NRC and the CFI. Five years later the coalition actually thinks it has enough funding. It went through all that instead of having one window where it could present the project and have it approved or not approved, depending on the merits. That is what should be set up. That is what the Auditor General and the Canadian Alliance have recommended. That is what the government has so far refused to implement.

We also hope that the government will appoint a chief scientist of Canada. This is something we have called for in the last two elections. This person would coordinate science activities in all government departments, help scientists communicate their findings and help bridge the gap between scientists, bureaucrats and elected officials.

Also, the government failed in this budget to address the problem with the R and D tax credit. The R and D tax credit on paper is one of the most generous tax credits in the world comparatively. However, if we talked to the researchers and the accountants, we would find that it is simply not effective. The government was asked to address this in the innovation agenda. It failed to even mention it in the budget.

The last point I want to make is with regard to infrastructure development. There was some debate earlier about how we fund infrastructure. The fact is the provinces and municipalities need some guarantee of long term funding.

The Budget

• (1700)

The way the Alliance believes we should do this is by transferring some of the tax room from the gas tax and from the federal excise tax to the provinces and allowing them then to determine best their infrastructure needs. This would be a source of long term stable funding that the provinces and the municipalities could count on.

In conclusion, I want to reiterate that this is a budget of missed opportunities. Because of some of the good economic conditions, we could have really taken on our fundamental problems like productivity, high debt and high taxation. We could have addressed them and propelled ourselves to the top of the nation. Unfortunately we did not and that is why the budget is so disappointing.

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Speaker, I pick up on the member's last point with regard to infrastructure. We have in fact delivered a 10 year program with a down payment of \$1 billion leveraged with the provinces and municipalities.

The reason the member's suggestion is not a good one is that from past experience I can tell him that when provinces like Ontario get transfers, they tend to squander it. Cities complain in Ontario that the province simply offloads and they do not get the dollars. I will give a good example of that. On the housing initiative, we put money on the table for housing in this country and the province of Ontario did not put a quarter down, not a quarter. It simply had municipalities put in their share instead of coming to the table. We believe in partnership over here and we believe in working effectively.

The hon. member has raised some very important issues on skills and innovation. The government certainly has moved forward on the skills and innovation agenda. We did it all by balancing the books, by not going into deficit and by continuing to reduce the national debt, the only G-7 country to do so, down to 44.5% and below 40% by 2005.

The major issue that Canadians raised was health care. We have delivered in partnership with the provinces and the territories. I ask the hon. member, because that was the most expensive part of this budget, what would he have not done, or done in his case, in terms of not delivering on health care? Where would he have put the priorities?

The priorities seemed to be that health care was number one and continuing to balance the books was number two. We think that is extremely important because we are never going back to a deficit situation again.

• (1705)

Mr. James Rajotte: Madam Speaker, first, with regard to infrastructure, I would differ with him in terms of which level of government has been more responsible certainly in funding basic infrastructure needs.

If we look at basic fuel taxes, the provinces spend, as my party's transport critic pointed out, over 90% of the fuel taxes raised on infrastructure. At the federal level it is less than 5%. Less than 5% of the federal fuel tax has been put toward roads and highways. That is the record.

Which level of government do I trust more to deliver on infrastructure needs? I trust that level of government which is closest and understands the infrastructure needs of Edmonton and understands the infrastructure needs of Ottawa and the smaller communities in Canada. The closer governments are to the people, the better they understand their direct infrastructure needs.

In terms of the debt, a lot of members on the opposite side have said they have reduced the debt since 1996-97. The government took office in 1993. It has actually increased the debt since 1993 and I think that needs to be pointed out again and again. The debt to GDP ratio has decreased, but as I said earlier, when times are relatively good, those are the times in which we should be making some substantive payments toward our debt.

In terms of health care, I know our party's health critic will offer a substantive speech to which the member can certainly listen.

In terms of the fiscal situation, what was most disappointing is that the government did not reduce corporate welfare in this budget by one dollar. It did not address the whole fiscal mismanagement of the gun registry, the GST audits or any of those areas in which it could have truly saved money. As I said earlier, cut corporate welfare and put money into priorities like health care. That is what the government should have done in the budget and unfortunately it did not.

Mr. John Harvard (Charleswood—St. James—Assiniboia, Lib.): Madam Speaker, I appreciate the remarks by my friend from Edmonton. I would like to put at least some of the points from his remarks into context.

He mentioned a number of times that we failed to deal with corporate welfare. He did not define corporate welfare. I do not know what he means by corporate welfare.

The gentleman comes from Alberta. I think we all know that there are some pretty favourable tax provisions for the oil industry in Alberta. I am not opposed to that. Is he suggesting that we should pull the rug from under the oil industry in Alberta? I would doubt it but I would love to hear his remarks.

He said that we have no long term vision for employment insurance. Well, we have had 10 annual reductions since 1993. I would say that it implies vision. That is a reduction of several billion. There is one more thing. He talked about there being not one cut in the budget. I recall back in the middle 1990s that we were cutting contributions to the provinces and all we heard were howls from the Alliance.

We Liberals from the west have been fighting proposed environment department cuts to weather stations in Kelowna, in Saskatoon and in Winnipeg. I wonder, would the member from Edmonton be appreciative of cutting out the weather stations in those three cities?

The Budget

• (1710)

Mr. James Rajotte: Madam Speaker, I am sure members opposite are just waiting in anticipation to hear my answer.

First, in regard to corporate welfare, I thought I had defined it in my speech. It was the government picking certain companies within certain industries to favour with public subsidies. For an example of that, take a look at technology partnerships Canada, a program that invests millions in certain companies picked by the program. Of those so-called loans or investments, as the Minister of Industry states, 1.6% have been repaid

Can we and Canadians in the gallery see how much has been repaid? No, because we are not supposed to see the books of these companies to which the taxpayers in the gallery have lent the money. This is the example of the government giving billions and billions to certain companies in certain industries. That should be stopped, or at the very least it should be transparent and accountable.

In terms of the tax regime for the oil companies. I do not know whether he is referring to the oil sands taxing that was put together by the former natural resources minister, who is now the Minister of Health, or actually the resource tax which is now made equal to the other corporate taxes. We certainly support that. This is not corporate welfare to set up a tax regime which is equal to other corporate taxes here in Canada.

If cutting 2¢ off EI premiums counts as a long term national vision for an employment insurance program, I think the government is sadly mistaken.

It is about prioritization of spending. It is about moving money from programs like technology partnerships Canada which are clear examples of corporate welfare into other high priority areas in terms of cutting the debt, lowering taxes for all Canadians, and into areas such as health care.

Mr. Rob Merrifield (Yellowhead, Canadian Alliance): Madam Speaker, it is a privilege and a pleasure to speak today with regard to the federal budget. As the member for Yellowhead and official opposition health critic, I would like to speak to the largest expenditure in the budget, which is the proposed investment dollars for health care and the future of Canadians.

The government has a very dismal track record when it comes to health care, because it really has done nothing except pull money out of it in the mid-nineties and watched it struggle and wrestle and flap in the wind as the provinces dealt with intense problems and intense pressures as they tried to follow their mandate of delivering health care to Canadians.

Health care is number one as far as the priority of Canadians is concerned, yet the government has failed to recognize that over the past number of years. The budget is a failed opportunity by the government to drive accountability and sustainability into the health care system. I will explain that a little further as I go through my deliberations and a review of what has actually happened.

We have to understand where health care is right now. In examining the facts and figures, we see that wait times have increased. Tens of thousands of Canadians lack the ability to access a family physician. Right now in Canada we have an intense problem

with the human resources side of health care. Looking at the budget and looking at the accord, and whether it was signed or not does not really matter, whether agreed to or not by the provinces and the federal government does not really matter, we recognize that precious little was done in this area.

It is no wonder that earlier this year the finance minister was forced to actually concede that his last attempt at putting dollars into the health care system, which was the September accord, was a failed attempt in the sense that it did not shorten wait lists at all or improve access to health care in any significant way. I would suggest that we will be sitting in this same Chamber a year or possibly two from now, having the same debate and examining the same problems with the same significant dilemmas when it comes to human resources in health care.

The new money is now on the table and it is time to get on with the job of real health care reform. The Canadian Alliance will hold the federal and provincial governments accountable to ensure that the new health care funding the new health spending buys genuine reform and does not allow more of the same status quo, which is not a sustainable factor. Looking at the demographics that will hit the health care system and the number of people crowding in at the age of 65 and beyond, we will not start to see any relief from that pressure of that aging demographic until the year 2040.

Therefore we have to discern very carefully the intense dilemma that we are going to be in as we move through the next 20, 30 or 40 year period. In doing so, we have to do our very best to sustain the health care system. In light of that, we have to discern whether the dollars placed in health care in this budget were appropriately placed there and whether there is appropriate accountability for those dollars.

The official opposition welcomes the health accord. We have to understand that it was really the budget for health care. The health accord was reflected within the budget; they were just two weeks away from each other. Nonetheless, it promoted and pushed forward a national agenda of health care reforms.

First and foremost, we think that Canadians will benefit when the provincial and federal governments stop their squabbling and stop their jurisdictional disputes around health care and get on with delivery. If we were to look at the numbers the day after the accord, there was some confusion in this country as to how many dollars were actually spent on health care. We should not really worry about that, because if we did not like the numbers we saw in one paper, we just had to pick up another paper to see a different set of numbers. It was that confusing. After we discern the package in the budget for health care and in the accord, there is still some confusion because there is a lot of negotiation and a lot of fuzzy areas that are yet to be determined as we move forward in the next couple of years. Nonetheless, we know that for primary health care reform there is at least \$12 billion.

The Budget

•(1715)

However, the real change in health care, the real significant paradigm shift that we need in the 21st century, is to put the interests of the patient first. We need to get on with that and we need to stop the fighting between the federal and provincial governments as to whose dollars are going into health care. Let us just start focusing on some of the things that have come out of the accord which we really agree with. I would like to talk about five of them and very briefly go through them and explain why they are important and why we agree with them.

First, the new cash infusion is very important. I talked about the \$12 billion that is going into primary health care reform. We have to discern whether it is really \$12 billion, because \$3.9 billion of that was part of the social accord just prior to the last election. We still get this attempt by the federal government to play politics with the money by re-announcing money previously announced. I do not know how it determined that this is an ethical way to deal with taxpayers' dollars, but regardless of that, I would suggest that we quit arguing about that number. Let us just say there is \$12 billion more, even if \$3.9 billion of it was previously announced money and actually only \$8.1 billion is going into primary health care reform.

It is absolutely pathetic when we see the number of dollars that are going in and discern that this new money is the first real, solid cash injection of money since the mid-nineties when \$25 billion was pulled out of our system. Now we have provinces in which 40% of every provincial dollar goes to health care, whereas the federal government, according to Mr. Romanow's report, only contributed 12¢ of every provincial dollar that was spent on health care this last year.

We have this large injection. Some of my Liberal colleagues would say that this is not quite true because they put in all of this money in the September accord, but not really, because that was a five year accord and not one nickel of the money for health care reform went in until April of the first year. We are only now just crowding in on the third year of that. We still have two years to go on that past accord and we are re-announcing new moneys.

One thing that is important is the flexibility we see within the dollars that are being implemented into the new programs suggested by the accord and by this budget. Because provinces are the deliverers of front line health care services, it is very important that they be allowed the flexibility to apply those dollars to where they are most suited to their provinces' needs.

An example of that is New Brunswick, which has a very extensive home care program. Regarding the new dollars that are supposed to be applied to home care, at least it has the opportunity to take those dollars and apply them in other areas. That flexibility is there and we applaud the provinces for holding fast to their constitutional right in delivering health care, for not allowing the federal government to remove that from the accord or from the budget.

The third thing I want to talk about is restoring core funding to health care. It is very important that those core funds are allowed to be applied where they are most needed. It is really interesting to me to see that \$243 million has been spent by the government for just

studying health care over the last 10 years. That is a horrendous amount of studying.

In Mr. Romanow's study, which went on for 18 months, we see virtually a blank stare when it comes to dealing with the most significant problem in health care: the mounting wait lists. Over a million people in Canada are waiting just to try to access the services and the system. There are a number of shortages of physicians and nurses in our health care system. I have just come from a meeting with a group of physicians who were saying that the problem is much more acute than we originally had thought.

It is very important to talk about the alternative delivery system that the provinces need and must have the flexibility to be able to deliver on. Monopolies never work, whether they are private or public monopolies. We need to make sure that the provinces are allowed to be able to drive efficiency, accountability and sustainability into our health care system. Thank goodness that they have retained this under the accord.

We also are very appreciative of the dedicated health transfer that is going to happen by the end of this next year, in regard to which the Auditor General said that we do not even know how much federal money is going in because the CHST has such fuzzy numbers. It is going to be split. To be able to add accountability to the health care system, we should be able to know how many dollars actually are being spent there.

•(1720)

It is very important that we discern and understand that we are on the right track, but we absolutely have to make sure that now that we are on solid footing, we put the interests of the patients first as we move forward in the 21st century to sustain health care.

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Speaker, I thank my colleague and appreciate his comments, particularly those on health care. I point out to him that this accord is very important. It is the second major accord that the government has been able to reach with the provinces, the first one being the \$23.5 billion in September 2000, and the recent one earlier this month.

The hon. member is absolutely correct when he says that it is the provinces that deliver health care, except for the federal government doing it in areas such as aboriginals and the armed forces. That is absolutely correct. Also, the accountability aspect of the accord is extremely important to Canadians, not to governments but to Canadians. It is very important that they understand. We could get into the numbers game with the 14% and the 40%, and I have all of those figures and would be happy to talk about them, but the real issue is delivery of health care to Canadians. They want to know that they have a health care system they can rely on.

I would like the hon. member to comment, if he would, with regard to the issue of the accountability aspect. Knowing that these transfers are going to go to the provinces and they are going to have to account for these dollars, how will that better improve services in his community?

The Budget

Mr. Rob Merrifield: Madam Speaker, I certainly appreciate the question, because I did not have time in my 10 minutes to get into this in some depth. Hopefully I can answer this in such a way that the member will understand and discern the missed opportunity by the government with this allotment of money. Not only did it miss the opportunity in the September 2000 accord when two or three months prior to the election it supposedly threw \$23 billion at the health care system, none of that money hit that system until the next April. It was just an illusion, no strings attached, nothing following that money.

Supposedly this accord was to attach some strings from the federal government. Let me tell the member something. It will not work when strings are attached from the top down. What we need to do is demand an explanation from the provinces as to where that money is going to be spent in order to drive sustainability, efficiency and accountability into the system. Then we need to make sure that the provinces put the postmarks in a place where we can record them, so we can find out exactly where they should be and then hold them accountable before the people of Canada. That is from the bottom up, and let me say that it will be very difficult for the provinces to back down on an agreement where they take money and apply it to where they say it should go.

They are in a much better position to be able to place that money than to have the federal government demanding where the money should go when the provinces are quite alienated and cannot apply the dollars where they should go. The government has the right idea but it is going in the wrong direction and it is doomed to failure. Mark my words, two years from now we will be in the same position and health care will not be on the sustainable course that we could have placed it on at this moment, and that is unfortunate.

• (1725)

Mr. Bryon Wilfert: Madam Speaker, I hear a lot from time to time about the issue of spending and debt. The fact is that we are the only G-7 state paying off the national debt. I remember a number of years ago when the official opposition talked about the article in *The New York Times* that said we were the basket case of the G-7. Now we are the envy of the G-7. We have gone from 71.5% of GDP for the national debt down to 44.5% and we are going down to 40%. It is the lowest it has been since 1984.

We have been able to invest strategically in things that the member is very concerned about, such as health care. The other member was concerned about skills development and we were able to invest significantly in that area. We were able to make prudent investments in families and at that same time balance the books. That is something, and six balanced budgets or better, I defy anyone to suggest that any other government has been able to do that. The fact is that we have been watching the books very carefully.

I would like to ask the hon. member a question in terms of the issue of debt. There was a comment made about the amount of money being spent on the debt. For this year we could be looking obviously at another significant \$3 billion or \$4 billion. In the hon. member's view we are not going fast enough. What would he suggest we do in order to accelerate spending on the debt, which has already dropped by almost 30% in the last five years?

Mr. Rob Merrifield: Madam Speaker, the hon. member wants me to talk about the debt. There was a change to accrual accounting in the budget. The day before the budget came down the debt was \$536 billion, but because of the accrual accounting it moved to \$563 billion in one day.

When we factor in that money my hon. colleague says that we are moving down and we are not in deficit. The only reason is because of the surplus that was there which is an overtaxation. It is not a government that has put its priorities on health care, which is the number one priority of Canadians. It is a government that has just dipped into the surpluses which is overtaxation and thrown it at the problem. That is an absolute abomination and will not be sustainable.

If the government does not pay down its debt in good times when it has surpluses, when will it pay it down? It never will be paid down.

Hon. Charles Caccia (Davenport, Lib.): Madam Speaker, despite the criticism of the official opposition and the distortions which inevitably come with having to adhere to negativism as it is inherent in the makeup of the role of the official opposition, I would submit that this budget is in the best Liberal tradition. In a way it is an historic budget for children and families. It is a document of social significance, of social cohesion, and of recognition of the needs and aspirations of Canadians.

It puts Canada among the advanced nations in making progress with social, economic and environmental issues coming together. These are the three ingredients of sustainable development. This is also an encouraging and positive aspect of the budget, that the three are mentioned at the same time. The budget is not concerned only with the economy or with other aspects of the economy alone, but brings together social, economic and environmental objectives.

Much has been said about health by other speakers. I would only add that the dimension of provincial accountability in matters of health expenditures represents a real victory for Canadians and for strong federalism. In this respect the Romanow report was a great help in setting out the health care component of the budget. To the former premier of Saskatchewan goes our gratitude and I suspect that of the Canadian people who have benefited from his inquiries, research, and of course, his report.

The Canadian Council on Social Development writes:

The federal government is showing leadership which will benefit parents and children alike.

It notes that 70% of women with preschool age children are working outside the home in Canada, and yet only 12% of children have access to licensed care. It states:

Moreover, research clearly shows that quality early education and care programs make a positive difference in the growth and development of children, especially those from low income families.

Marcel Lauzière, the president of the Canadian Council on Social Development, states:

We are very happy about this announcement but we are concerned that a mere \$25 million has been allocated for the first year. Given that Quebec alone spent \$1.1 billion on child care in 2001, and that the overall price tag for a quality, national child care system is estimated at \$10 billion, we can only hope that all governments will be committed to increasing their support to child care in the years to come.

The Budget

On the national child benefit the same Canadian Council on Social Development writes:

The NCB has provided financial assistance to low income families in Canada, but for far too long, has not reached many of Canada's poorest children—an estimated 700,000 in 2000—who live in families that rely on social assistance. These children have been losing ground, as the value of welfare benefits to these families have fallen by 23% since 1991, and in most provinces, the NCB has been clawed back.

That is something that is profoundly upsetting. The council comments further:

With the budget announcement, the value of the combined Canada child tax benefit will fully replace child benefits under social assistance. For the first time, children in Canada's poorest families should see an increase to their families' incomes.

• (1730)

Katherine Scott, the senior policy associate for the council, states:

Their work isn't done on the child tax front. The federal government must continue to make new and substantial investments in the Canada Child Tax Benefit, including the NCB. The benefit needs to reach at least \$4,200 a child before we will see a significant reduction in the rate and depth of child poverty in Canada.

The same council recognized the fact that something had been done in this budget regarding housing, that one of the greatest needs of many Canadians has been addressed, namely that of affordable housing. It adds that an estimated 200,000 Canadians are homeless and 1.7 million families are in poor housing need. Council President Lauzière states:

The budget commitment of \$320 million over five years will be insufficient to build the number of housing units estimated to be necessary, but at least it recognizes there is a problem that cannot be ignored. We also welcome the \$270 million allocated to fighting homelessness through an extension of the Supporting Communities Partnerships Initiative.

The 2003 federal budget represents the first truly activist budget of the Prime Minister's era according to the council. The new investments in Canada's families will begin to counter the growing gap between rich and poor.

It seems to me that, coming from an independent body, these comments are relevant and also encouraging. This is certainly an institution that has served Canada well and is known for its independent thinking.

I would like to make some comments on the budget and the environment, climate change and Kyoto, which received a considerable amount of attention at this point in time. This is thanks to the plan which was produced last October and the ratification of the Kyoto agreement which was given a massive yes vote in the House on December 10.

The budget is positive in terms of allocation of funds. There is this large figure of \$1.7 billion. It is intended to meet Canada's commitments under the Kyoto protocol. It now needs the decisions necessary to determine how the money should be spent in a specific manner. That is something that would probably be carried out or achieved in the near future.

Let me draw the attention of members to the fact that four ministers: the environment minister, the natural resources minister, the agriculture minister and the transport minister, all have access to these funds. It would seem from public statements that they would have to compete to obtain these funds.

The Minister of the Environment has already warned of a danger with this process last week. Kyoto money intended to help reduce greenhouse gas emissions could be spent by other ministers for what has been termed hobby horses or pet projects which would not necessarily have the full impact and priority that the reduction of greenhouse gas emissions require.

• (1735)

It would be desirable against this background perhaps to recommend that a central agency be in charge of the allocation of this very large fund. Possibly the Privy Council Office could perform the task of being in charge of the climate change funds so as to ensure the funds are used to the best possible effect in reducing Canada's greenhouse gas emissions.

The budget offers a range of possible programs, and it is quite interesting to go over them, to reach our Kyoto goal. However it does not specify which programs will be implemented.

Incentive programs to encourage for instance homeowners and businesses to make their buildings more energy efficient would go a long way in reaching the Kyoto target. Such type of program aimed at reducing the losses in energy would not be expensive and would pay off in the medium term, and sometimes in the short term, in energy savings for both the homeowner and businesses.

I would like to draw the attention of the House that the city of Toronto for instance has already a prototype program of this kind. It is called the Toronto atmospheric fund. It is a revolving fund which provides or revolves \$10 million of public investment which has apparently triggered some \$126 million in energy savings and improvements. I am sure that other municipalities are adopting this model or probably thinking of moving in that same direction.

There are many other incentives that could go a long way in moving Canada toward its Kyoto goal. An increase in the wind power production incentive and expansion of that incentive to include all forms of renewable energy would be very helpful. We had a measure already in the last budget of 1.2 ¢ per kilowatt hour. Industry has indicated that the incentive needs to be increased. I would imagine that is an item that requires attention in the next budget as well.

We need to promote energy conservation to educate consumers on energy efficiency and more careful consumption and are items that remain still to be specified in the budget.

I must point out that a large sum of money devoted to the implementation of Kyoto and reducing greenhouse gas emissions would have a limited effect unless it is accompanied by an overhaul of our taxation system. Our current taxation was designed for the pre-Kyoto era. What we need now is to adopt a system that is tailored in a manner that will help to achieve the Kyoto objectives; in other words, a system of taxation that will remove the obstacles that stand in the way in the reduction of greenhouse gas emissions.

The Budget

For example, at the present time the federal government through the taxation system of course subsidizes the oil sands industry which is an industry that in the production of oil produces a high level of greenhouse gases. Preferential tax treatment is a tax that consists of accelerated write-offs and deferrals. A considerable series of measures need to be dealt with and gradually phased out, because that industry can compete and can do very well without being subsidized in what could be described as a rather socialistic regime, and of all places it is happening in the province of Alberta. In other words these are perverse subsidies that ought to be removed.

• (1740)

Therefore a level playing field needs to be established to deal with the greenhouse gas producing sources. Removing these subsidies would have the effect of letting all prices reach their level at the marketplace, reflecting the cost of production without being favoured by what is obviously becoming rapidly an outdated taxation system.

I know that this may not sound like very good news to members opposite, but I do not think that members from Alberta need to fear. That industry can stand very well on its feet without subsidies, without corporate welfare and without the help of the Alberta government and, in the case of the taxation system, without the help of the Government of Canada.

One of the tenets of the Alliance Party is to promote free enterprise and a capitalistic society. Therefore I cannot understand why some members of the Alliance want to defend the taxation subsidies, which are actually the product of a socialistic ideology.

The government's tax expenditures to the oil sands industry amounted to some \$585 million between 1996 and the year 2002. The removal of the subsidies would save Canadian taxpayers a considerable sum of money. This is an item that our friends in the official opposition always preach. They would like to have a reduction in taxes and if they are to be consistent with their desire to reduce taxes, then they would also want to have the removal of perverse subsidies which stand in the way in the achievement of the Kyoto objectives.

One has to also mention the importance of energy innovation in this debate. There is a very brief reference in the budget to innovation in general, but I submit, in the limited time available, that there are two departments and two ministers key to the success in Canada's achieving its Kyoto objectives. One, as I mentioned, is the Minister of Finance. The other one is the Minister of Industry, because the innovation program, if it were to be designed in a manner so as to give energy innovation a key central role, it would help considerably in achieving the Kyoto objectives.

Therefore, I would take the opportunity in this debate to call on the Minister of Industry and to urge him or her, whoever it might be at a certain time, to design an innovation program in the Department of Industry that would take into account the absolutely urgent necessity of adopting and including an energy innovation component for that program.

In doing so, by redesigning the tax system and by adopting a strong policy of energy innovation, we can look forward with a certain degree of confidence to the year 2012, which is our next

appointment with destiny in the implementation of Canada's commitment to the Kyoto agreement.

• (1745)

[*Translation*]

Mr. André Harvey (Parliamentary Secretary to the Minister of International Cooperation, Lib.): Madam Speaker, first, I want to congratulate my hon. colleague for Davenport for his extremely important contribution of many decades to environmental issues. Our hon. colleague did not wait for us to experience the consequences of our abuse of the planet before speaking out. I want to pay tribute to him.

I would also like to take advantage of his expertise to ask him if my perception of the consequences of Kyoto are correct. I think that, ten years from now, we will reach and even greatly surpass Kyoto objectives, in view of what we are seeing now, particularly in the auto industry, where there is a demand to increase use of fuels other than those currently available.

I would like to ask my hon. colleague if he feels quite optimistic about reaching and, I hope, greatly surpassing Kyoto objectives.

• (1750)

Hon. Charles Caccia (Davenport, Lib.): Madame Speaker, I would like to thank my colleague for his intervention. The question he asked is very difficult to answer. I can only tell him that increased use of other fuels as soon as possible is probably a key issue for meeting the Kyoto protocol objectives.

The Minister of the Environment has already made proposals to the automobile industry recommending the need to meet new performance standards in the vehicles manufactured by 2010.

That is an aspect of the budget that should be raised and underscored because transportation is very significant. More than 30% of green house gas emissions come from transportation activities.

The parliamentary secretary raised a very central issue. It is a key issue in the debate on our performance in this area.

[*English*]

Mr. Alan Tonks (Parliamentary Secretary to the Minister of the Environment, Lib.): Madam Speaker, my colleague will be aware from most of the research that has come, in particular from urban areas, that there is an indirect health consequence to the existence of persistent organic pollutants and the effect of climate change. This indirect effect is in the form of premature deaths. All of this has been detailed and chronicled. There have been cases of chronic bronchitis. It is estimated that 320,000 asthma symptom days have resulted from smog and in emergency room visits. This is as a result of environmental pollution.

Given the angst that has been demonstrated from urban leaders, from his knowledge of the plan of the budget, could the hon. member indicate what instruments would be available that would over the next number of years make a serious approach to deal with the problems of smog and the implications with respect to health, particularly in urban areas?

The Budget

Hon. Charles Caccia: Madam Speaker, a plan was launched I believe in the year 2000 in terms of achieving clean air objectives in order to deal with the premature deaths to which the member referred. The Minister of the Environment has, on a number of occasions, made public statements on the desirability of achieving a healthier environment and improving the longevity of Canadians through initiatives that would reduce air pollution.

In that respect, both of us coming from the province of Ontario, we cannot help thinking of the Nanticoke coal fired plant, which, along with another plant, contributes considerably to the poor air quality, particularly in the summer months, in southern Ontario. Definitely there has to be, sooner or later, at least that would be my hope, an agreement between Ottawa and Queen's Park for a joint initiative that would modernize these two coal fired plants, reverse them or transform them into natural gas fired plants or to another type of technology that would be less polluting. In doing that I would hope that perhaps we could earmark some of the funds mentioned on page 150 of the budget plan to that particular end in order to improve the quality of air that the constituents in York South—Weston and Davenport have to breathe and suffer under on certain occasions.

• (1755)

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Madam Speaker, I listened to my colleague's speech and he made some rather strong statements on the tax system in place regarding the oil and gas industry. I want to clarify a couple of points. I think I know the answer but I want to get the member on record.

Does the member support or oppose the finance minister's proposal to reduce the resource tax to equalize it to other corporate taxes? Does he support or oppose the oil sands tax regime that was put together in large part by the current Minister of Health?

At the industry committee we are studying the implementation of the Kyoto accord. While we are on opposite sides of the accord, I think we can agree that there needs to be some sort of an implementation plan. We do not sign something without having a plan.

A member of the Sierra Club said quite explicitly that if the federal government had been serious about Kyoto it would have been more detailed and explicit in this federal budget about how it was going to achieve Kyoto and what specific credits it would give to homeowners for whatever. It is very disappointing to see this large fund which is just an open-ended fund. Does he think the finance minister should have been more specific as the Sierra Club advised?

Hon. Charles Caccia: Madam Speaker, to answer the last question first, I am sure everybody would like the finance minister to be more specific. I suspect that the specificity with regard to Kyoto will emerge gradually with the next budget because the government machinery needs time to adjust and the ratification of the Kyoto agreement took place only in December. We cannot redesign the taxation system that fast, but time I hope certainly will bring forward the specifics.

As to the reduction of the resource tax from I believe 28% to 21%, to which the hon. member referred, yes, this measure was promised. We brought the natural resources sector in line with other industrial

sectors that have the same level of taxation treatment. It is because of this reduction from 28% to 21% that I would say, and bring to the attention of the hon. member again, that the subsidy to the oil sands industry, amounting to \$585 million between 1996 and 2002, could now be gradually phased out because they are subsidies which encourage the production of greenhouse gases which are the ones that we would like to reduce rather than encourage.

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Madam Speaker, I will begin my speech on the budget by making it clear that this year's budget must have hit a new low as far as any excitement or interest was concerned.

We MPs, even on the government side, get all excited at the prospect of the Minister of Finance coming to announce what we hope will be something interesting. He turned up with a fresh rose in his button hole, but I did not have a chance to look at his feet. According to tradition, he is also meant to have new shoes on.

It did not take long for people to realize several things about the budget's contents. The main one is that it had nothing to their advantage in it. I will explain.

People are beginning to understand that the Minister of Finance has for some time been intentionally underestimating the end of year surplus. When there turns out to be a surplus, like this year's \$12 billion or so, people's reaction is that these mistakes have been happening for some years now. The day after a budget, I never notice anything different about my pay cheque, or anything in my community either. Yet, if there is a surplus, that means that I had too much tax taken off my pay cheque, and paid too much in other kinds of taxes to the federal government but it does not take advantage of this opportunity to give it back to me. Instead—and we all must agree on this—it goes out and makes investments, it reduces the debt. That is what has gone on in recent years.

Now, it is doing something even worse: increasing spending in areas of activity that have no impact on middle or low income people. The public says “The federal government had more money this year again, a surplus of \$12 billion or \$13 billion. That is the same as always, and yet I see nothing around me that shows that this money has been well invested”.

All the sympathy and enthusiasm was short lived. People figured out in no time that nothing had changed. When then get their pay cheques, they will see that nothing has changed, and when they make purchases, they will see that nothing has changed: there are still taxes and they have not been reduced.

But there were means available to the government to help the mainstay of Parliaments, that is the middle class. These are the people who contribute the most to the governments' budgets. This is not only true at the federal level, but also at the provincial level, including in Quebec. The middle class is the one paying. These people leave home with their lunch boxes to go to work in a garage, a hospital or the private sector. They are the ones paying, but also the forgotten ones.

The Budget

The government had an opportunity not to forget them. What would it have cost the public purse in Ottawa to reduce the GST? Let us talk about our Liberal friends. We all remember the promise they made in 1993 to scrap the GST if they were elected. It would have been a good thing for us, for the taxpayers to scrap the GST. It would have put more money into circulation, more money into the pockets of voters and taxpayers. It would have fueled economic activity in all the regions.

That is not what they did. They maintained the GST. They did so again in the latest budget. Since they took office, the Liberals have maintained the GST and have been counting on this money. They could have afforded saying, "Instead of having a \$12 billion surplus this year, let us reduce the GST by a few percentage points and give people a chance to pocket some of this money. It will revive the local economy". This could even have been beneficial to the federal public purse.

A budget entails political choices. We feel that, year after year, this government falls short in its budget. Yet consultations have taken place. It cannot be said that this government is not consulting.

We, as parliamentarians, also conduct consultations. But we often caution the middle class and the disadvantaged, saying "We are prepared to convey what you will tell us to the government, but it is highly unlikely that the Liberal federal government will grant your requests".

• (1800)

I would even say that it is a very rare exception when the government does so. So, the government had an opportunity to slowly reduce the GST, but it did not take it.

There is something else, namely employment insurance. The minister says that he will lower the premium rate to \$1.98, but we know that the system would be self-funding with a rate of \$1.60. Why does the minister do that? Again, it is because he wants to accumulate surpluses, at the expense of the jobless.

The government is silent about improving the system. The program will remain the way it is and premiums will go down by a few pennies, since the minister announced that they would go from \$2.10 down to \$1.98. But the government had already mentioned that they would be set at \$2. So, it can be said that employment insurance premiums will go down by about 2 cents.

And the minister is waiting for another consultation later on. Why? To once again accumulate surpluses at the expense of those who need the money the most, and there are a number of people who currently find themselves in that situation. Just think that, when the Liberal government took over this program, seven people out of 10 qualified, whereas now only four out of 10 do so.

The government is far from having improved the program, because it has reduced the number of weeks of benefits. In some cases, it has also extended the number of weeks required to qualify. There are even students who will never qualify for the employment insurance program even though they are contributing to it. Imagine all the money that the government is accumulating, but not redistributing to people.

There are also other examples relating to the employment insurance program. What is the government waiting for to make the program an independent one? The government does not make any contribution. It is the unions and the employers who pay, but the government sets the rules. There is something very wrong here.

If the government gave that independent fund to those who contribute to it, to workers and employers, there would be no need to worry, because they would adjust the fund according to the needs. At that point, the two sides would negotiate, probably with a view to improving the program.

I am not sure whether, for once, workers and employers would agree to improve Quebec's parental program, which is something that we have been asking for for a long time. The Quebec government is prepared to make a little money available to allow young mothers in Quebec to extend their maternity leave by a bit under decent conditions.

But once again, the federal government refuses because that means helping the middle class and the less well off. Multi-millionaires do not necessarily need this help. But the federal government is telling those who do that they are out of luck.

It is the same thing for self-employed workers and forestry workers who are grappling with the softwood lumber problem. They are being completely forgotten.

The government could make the transition easier for them. Yes, it was announced that \$300 million is being given, but this \$300 million is for the entire country.

There are villages in Quebec currently having difficulty coping with the closure of their lumber mill. They are forced to beg the government and ask them daily to share a little of the surplus, but the government does not want to help these people.

These are examples where the government could have intervened, but it chose not to.

There is another very interesting, and very current, aspect and that is gasoline. In my riding, people are telling me that they cannot pay more than \$40 every two weeks to fuel their vehicle. Now they will have to put their vehicles away a few days a week because there was an explosion in gas prices at the pump.

What is the federal government doing for these people? When it was running deficits, it imposed a deficit reduction tax of 1.5 cents a litre. We have not had a deficit for five or six years and the tax still exists. Maybe it is time to eliminate it. Of course, they will say that if they do, the major oil companies will find a way to make it up.

The federal government has jurisdiction over competition—or non-competition—within the oil industry and it is doing absolutely nothing. We have been asking the government about this for two weeks, we have been saying that it needs to conduct an investigation and tell the oil companies that they are inflating their prices. We have evidence. Just stand at a corner where there are four service stations to see the prices all change in the span of three minutes.

• (1805)

We need to understand. It is not difficult. Once again, the government is closing its eyes and people are suffering.

The Budget

Why will the government not say that it will eliminate the GST on all products? It could be taken off gasoline, forcing the oil and gas companies to operate without recovering the 6.5% or 7% GST. The government is not doing this. It is leaving everything as it is, because it knows that the higher the price, the greater the revenues from GST on gas and the 1.5% tax, to fight the deficit, it can pocket.

Do not tell me that the Liberal government members are helping the middle class. These people often need their cars to get to work. That is without counting the cost of gasoline and inflation and the increased cost of food from the corner store or the supermarket. When fruits and vegetables come from Florida, and trucking companies pay higher gas, who do you think will foot the bill? Consumers, that is who. They will pay more for their food. These people are already having problems. The middle class is saying, "We are paying for everything and we never get anything back". Now is the time to help. But, the government has missed the mark when it comes to gas and employment insurance.

There is another group of people who have been suffering greatly for some time, because the government took money from them and did not tell them they were entitled to it. I am talking about the elderly, seniors. A thousand of them, in the Saint-Jean riding, were entitled to the Guaranteed Income Supplement, and they were not informed.

So we needed to go out looking for the seniors, the people of three score and ten. We really got them stirred up by asking them "Are you interested in this issue? If you know any people affected, let them know they are entitled to the GIS". There were a couple of hundred people in St-Jean who got the supplement in the end. We got phone calls thanking us. "Thank you, Mr. Bachand, for helping me get my Guaranteed Income Supplement". We called upon the government to remedy this injustice, which had been going on for nine years. If a person is now 75 and receiving the GIS, why not go back 9 years and give him or her retroactivity?

It is pretty strange. When the tax department decides it is going to look into past returns, we cannot say a word, and have to pay up. Seniors were entitled to the GIS, so why has the government not given it to them in this budget? It ought to acknowledge that it has done people an injustice, and give them their back payments.

I might point out in passing that this would inject money into the economy. It is the same thing with employment insurance. If people get help, then they spend money in their regional economy, which will help them in the end. The government has the means but does nothing.

There is also nothing in the budget whatsoever about older workers and POWA, the older worker adjustment program. Goodness knows we all have people aged 45 to 60 coming into our offices. I have people telling me, "Mr. Bachand, we have lost our jobs and no one wants to hire us". There was an excellent program but it was done away with; no trace of it remains. There is nothing in the budget as far as any government programs that might help these people are concerned. Absolutely nothing.

Fiscal imbalance is often mentioned. Quebec should be getting \$50 million each week; that is \$2.5 billion a year. What happens when people need to go to the hospital? They see the emergency

wards are overflowing, and they blame the Quebec government. They must be made to realize that Ottawa is the one with the money. Quebec City will not have a surplus this year. Ottawa is the one with the surplus and the provinces are the ones with the expenses. God knows that we are not alone in saying this. The Séguin commission says it, and Mr. Séguin is not the biggest sovereignist. The members of the National Assembly are also saying it. It is not just the "evil separatists" as the Liberals say. In fact, there are ADQ and Liberal members in the National Assembly. Everyone says that this situation is unfair for the provinces and Quebec. Only the Liberal government in Ottawa refuses to face reality and is bent on pocketing surplus after surplus and not helping people.

Unfortunately, I am getting the signal that I only have a minute left. I could have addressed the issue of infrastructures and the fact that municipalities could have been given a hand up. I think that in Montreal alone, infrastructure requirements are in excess of \$10 billion. The government provided hardly anything. In fact, it is being questioned daily on this.

• (1810)

Once again, the Liberal party missed the boat. It could have helped the middle class and the disadvantaged but did not, once again telling them to keep paying because there is nothing coming their way.

It is clear that this budget is not to the liking of the Bloc Québécois. Sadly for the Liberal party and luckily for the people we represent, we will gladly be voting against this budget that ignored what the people said and does nothing either for the middle class or for the disadvantaged.

• (1815)

The Acting Speaker (Ms. Bakopanos): It being 6.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment now before the House.

[English]

Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Ms. Bakopanos): The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Bakopanos): All those in favour of the amendment to the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Ms. Bakopanos): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Ms. Bakopanos): In my opinion the nays have it.

The Budget

And more than five members having risen:

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

• (1845)

[*Translation*]

(The House divided on the amendment to the amendment, which was negatived on the following division:)

(*Division No. 42*)

YEAS

Members

Abbott	Anders
Anderson (Cypress Hills—Grasslands)	Asselin
Bachand (Saint-Jean)	Bailey
Barnes (Gander—Grand Falls)	Benoit
Bergeron	Bigras
Blaikie	Borotsik
Bourgeois	Breitkreuz
Burton	Cadman
Cardin	Casey
Casson	Clark
Comartin	Crête
Cummins	Dalmond-Guiral
Davies	Day
Desjarlais	Desrochers
Doyle	Dubé
Duceppe	Duncan
Elley	Epp
Fitzpatrick	Forseth
Gagnon (Québec)	Gagnon (Lac-Saint-Jean—Saguenay)
Gallant	Gaudet
Gauthier	Girard-Bujold
Godin	Goldring
Gouk	Grewal
Grey	Guay
Guimond	Hanger
Harper	Harris
Heam	Herron
Hill (Prince George—Peace River)	Hill (MacLeod)
Hilstrom	Hinton
Jaffér	Johnston
Laframboise	Lalonde
Lancôt	Lebel
Lill	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	MacKay (Pictou—Antigonish—Guysborough)
Marceau	Martin (Esquimalt—Juan de Fuca)
Mayfield	Ménard
Meredith	Merrifield
Moore	Nystrom
Obhrai	Paquette
Penon	Perron
Picard (Drummond)	Plamondon
Proctor	Rajotte
Reid (Lanark—Carleton)	Reynolds
Robinson	Rocheleau
Sauvageau	Schmidt
Skelton	Solberg
Sorenson	Spencer
St-Hilaire	Stoffer
Strahl	Thompson (Wild Rose)
Toews	Wasylcia-Leis
Wayne	White (North Vancouver)
Williams	Yelich — 104

NAYS

Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bagnell
Bakopanos	Beaumier
Bélair	Bélangier
Bellemare	Bennett
Bevilacqua	Binet
Blondin-Andrew	Bonwick
Boudria	Bradshaw

Brown	Bryden
Bulte	Byrne
Caccia	Calder
Caplan	Carignan
Carroll	Catterall
Cauchon	Chamberlain
Charbonneau	Chrétien
Coderre	Collenette
Copps	Cotler
Cullen	Cuzner
DeVillers	Dhaliwal
Dion	Discepola
Drouin	Duplain
Easter	Eggleton
Eyking	Farrah
Finlay	Folco
Fontana	Frulla
Fry	Galloway
Goodale	Graham
Grose	Guarnieri
Harb	Harvard
Harvey	Ianno
Jackson	Jennings
Jordan	Keyes
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Lastewka
LeBlanc	Lee
Leung	Lincoln
Longfield	MacAulay
Macklin	Mahoney
Malhi	Maloney
Manley	Marcil
Marleau	Martin (LaSalle—Émard)
Matthews	McCallum
McGuire	McKay (Scarborough East)
McTeague	Mills (Toronto—Danforth)
Minna	Mitchell
Murphy	Myers
Nault	Neville
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Owen
Pacetti	Pagtakhan
Paradis	Parrish
Patry	Peric
Peschisolido	Peterson
Pettigrew	Phinney
Pickard (Chatham—Kent Essex)	Pratt
Proulx	Provenzano
Redman	Reed (Halton)
Regan	Robillard
Rock	Saada
Savoy	Scherrer
Scott	Sgro
Shepherd	Simard
Speller	St-Jacques
St. Denis	Steckle
Stewart	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Tirabassi
Tonks	Torsney
Ur	Valeri
Vanclief	Venne
Wappel	Whelan
Wilfert	Wood — 148

PAIRED

Members

Bertrand	Bonin
Gagnon (Champlain)	Loubier
McCormick	Tremblay — 6

The Speaker: I declare the amendment to the amendment lost.

GOVERNMENT ORDERS

[English]

SPECIFIC CLAIMS RESOLUTION ACT

The House resumed from February 20 consideration of the motion that Bill C-6, an act to establish the Canadian Centre for the Independent Resolution of First Nations Specific Claims to provide for the filing, negotiation and resolution of specific claims and to make related amendments to other acts, be read the third time and passed, and of the amendment.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the amendment to the motion at third reading stage of Bill C-6.

Ms. Marlene Catterall: Mr. Speaker, I believe if you asked, you would find consent in the House that those who voted on the previous motion be recorded as voting on the motion now before the House, with the Liberal members voting no.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Mr. Dale Johnston: Mr. Speaker, Canadian Alliance members will be voting yes to this motion.

[Translation]

Mr. Michel Guimond: Mr. Speaker, the members of the Bloc Québécois are in favour of this motion.

Mr. Yvon Godin: Mr. Speaker, the members of the New Democratic Party vote no on this motion. We would also like the name of the member for Halifax to be added.

[English]

Mr. Rick Borotsik: Mr. Speaker, the Progressive Conservative Party will be voting no to this motion.

• (1850)

[Translation]

Mr. Jean-Guy Carignan: Mr. Speaker, I vote no on this motion.

Mr. Ghislain Lebel: Mr. Speaker, I vote yes on this motion.

Ms. Pierrette Venne: Mr. Speaker, I vote yes on this motion.

[English]

(The House divided on the amendment which was negatived on the following division:)

(Division No. 43)

YEAS

Members

Abbott
Anderson (Cypress Hills—Grasslands)
Bachand (Saint-Jean)
Benoit
Bigras
Breitkreuz
Cadman
Casson
Cummins
Day
Dubé
Duncan
Epp
Forseth

Anders
Asselin
Bailey
Bergeron
Bourgeois
Burton
Cardin
Crête
Dalphond-Guiral
Desrochers
Duceppe
Elley
Fitzpatrick
Gagnon (Québec)

Gagnon (Lac-Saint-Jean—Saguenay)
Gaudet
Girard-Bujold
Gouk
Grey
Guimond
Harper
Hill (MacLeod)
Hilstrom
Jaffer
Laframboise
Lancôt
Lunn (Saanich—Gulf Islands)
Marceau
Mayfield
Meredith
Moore
Paquette
Perron
Plamondon
Reid (Lanark—Carleton)
Rocheleau
Schmidt
Solberg
Spencer
Strahl
Toews
White (North Vancouver)
Yelich— 85

Gallant
Gauthier
Goldring
Grewal
Guay
Hanger
Harris
Hill (Prince George—Peace River)
Hinton
Johnston
Lalonde
Lebel
Lunney (Nanaimo—Alberni)
Martin (Esquimalt—Juan de Fuca)
Ménard
Merrifield
Obhrai
Penson
Picard (Drummond)
Rajotte
Reynolds
Sauvageau
Skelton
Sorenson
St-Hilaire
Thompson (Wild Rose)
Venne
Williams

NAYS

Members

Adams
Allard
Assad
Augustine
Bakopanos
Beaumier
Bélanger
Bennett
Binet
Blondin-Andrew
Borotsik
Bradshaw
Bryden
Byrne
Calder
Carignan
Casey
Cauchon
Charbonneau
Clark
Collenette
Copps
Cullen
Davies
DeVillers
Dion
Doyle
Duplain
Eggleton
Farrah
Folco
Frulla
Galloway
Goodale
Grose
Harb
Harvey
Herron
Jackson
Jordan
Kilgour (Edmonton Southeast)
Kraft Sloan
LeBlanc
Leung
Lincoln
MacAulay
Macklin
Malhi
Manley
Marleau

Alcock
Anderson (Victoria)
Assadourian
Bagnell
Barnes (Gander—Grand Falls)
Bélair
Bellemare
Bevilacqua
Blaikie
Bonwick
Boudria
Brown
Bulte
Caccia
Caplan
Carroll
Catterall
Chamberlain
Chrétien
Coderre
Comartin
Cotler
Cuzner
Desjarlais
Dhaliwal
Discepola
Drouin
Easter
Eyking
Finlay
Fontana
Fry
Godin
Graham
Guarnieri
Harvard
Heam
Ianno
Jennings
Keyes
Knutson
Lastewka
Lee
Lill
Longfield
MacKay (Pictou—Antigonish—Guysborough)
Mahoney
Maloney
Marcil
Martin (LaSalle—Émard)

Matthews	McCallum
McDonough	McGuire
McKay (Scarborough East)	McTeague
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Nault
Neville	Nystrom
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Owen
Pacetti	Pagtakhan
Paradis	Parrish
Patry	Peric
Peschisolido	Peterson
Pettigrew	Phinney
Pickard (Chatham—Kent Essex)	Pratt
Proctor	Proulx
Provenzano	Redman
Reed (Halton)	Regan
Robillard	Robinson
Rock	Saada
Savoy	Scherrer
Scott	Sgro
Shepherd	Simard
Speller	St-Jacques
St. Denis	Steckle
Stewart	Stoffer
Szabo	Telegdi
Thibault (West Nova)	Thibeault (Saint-Lambert)
Tirabassi	Tonks
Torsney	Ur
Valeri	Vanclief
Wappel	Wasylcia-Leis
Wayne	Whelan
Wilfert	Wood— 168

PAIRED

Members

Bertrand	Bonin
Gagnon (Champlain)	Loubier
McCormick	Tremblay— 6

The Speaker: I declare the amendment defeated.

* * *

CANADA PENSION PLAN

The House resumed from February 20 consideration of the motion that Bill C-3, an act to amend the Canada Pension Plan and the Canada Pension Plan Investment Board Act, be read the third time and passed.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at third reading stage of Bill C-3.

[*Translation*]

Ms. Marlene Catterall: Mr. Speaker, I believe you would find consent that the members who voted on the preceding motion be recorded as voting on the motion now before the House, with Liberal members being recorded as voting yea.

The Speaker: Is there unanimous consent to proceed in this fashion?

Some hon. members: Agreed.

[*English*]

Mr. Dale Johnston: Mr. Speaker, members of the Canadian Alliance will oppose this motion.

[*Translation*]

Mr. Michel Guimond: Mr. Speaker, the members of the Bloc Québécois are in favour of this motion.

[*English*]

Mr. Yvon Godin: Mr. Speaker, members of the NDP vote no to this motion.

[*Translation*]

Mr. Rick Borotsik: Mr. Speaker, the members of the Progressive Conservative Party vote yes on this motion.

Mr. Jean-Guy Carignan: Mr. Speaker, I vote yes on this motion.

Mr. Ghislain Lebel: Mr. Speaker, I vote no on this motion.

Ms. Pierrette Venne: Mr. Speaker, I vote no on this motion.

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 44*)

YEAS

Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Asselin	Augustine
Bachand (Saint-Jean)	Bagnell
Bakopanos	Barnes (Gander—Grand Falls)
Beaumier	Bélair
Bélanger	Bellemare
Bennett	Bergeron
Bevilacqua	Bigras
Binet	Blondin-Andrew
Bonwick	Borotsik
Boudria	Bourgeois
Bradshaw	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Caplan
Cardin	Carignan
Carroll	Casey
Catterall	Cauchon
Chamberlain	Charbonneau
Chrétien	Clark
Coderre	Collenette
Copps	Cotler
Crête	Cullen
Cuzner	Dalphond-Guiral
Desrochers	DeVillers
Dhaliwal	Dion
Discepola	Doyle
Drouin	Dubé
Duceppe	Duplain
Easter	Eggleton
Eyking	Farrah
Finlay	Folco
Fontana	Fulla
Fry	Gagnon (Québec)
Gagnon (Lac-Saint-Jean—Saguenay)	Galloway
Gaudet	Gauthier
Girard-Bujold	Goodale
Graham	Grose
Guarnieri	Guay
Guimond	Harb
Harvard	Harvey
Hearn	Herron
Ianno	Jackson
Jennings	Jordan
Keys	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laframboise	Lalonde
Lancôt	Lastewka
LeBlanc	Lee
Leung	Lincoln
Longfield	MacAulay

MacKay (Pictou—Antigonish—Guysborough)	Macklin
Mahoney	Malhi
Maloney	Manley
Marceau	Marcil
Marleau	Martin (LaSalle—Émard)
Matthews	McCallum
McGuire	McKay (Scarborough East)
McTeague	Ménard
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Nault
Neville	O'Brien (Labrador)
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pacetti
Pagtakhan	Paquette
Paradis	Parrish
Patry	Peric
Perron	Peschisolido
Peterson	Pettigrew
Phinney	Picard (Drummond)
Pickard (Chatham—Kent Essex)	Plamondon
Pratt	Proulx
Provenzano	Redman
Reed (Halton)	Regan
Robillard	Rocheleau
Rock	Saada
Sauvageau	Savoy
Scherrer	Scott
Sgro	Shepherd
Simard	Speller
St-Hilaire	St-Jacques
St. Denis	Steckle
Stewart	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Tirabassi
Tonks	Torsney
Ur	Valeri
Vanclief	Wappel
Wayne	Whelan
Wilfert	Wood— 186

NAYS

Members

Abbott	Anders
Anderson (Cypress Hills—Grasslands)	Bailey
Benoit	Blaikie
Breitkreuz	Burton
Cadman	Casson
Comartin	Cummins
Davies	Day
Desjarlais	Duncan
Elley	Epp
Fitzpatrick	Forseth
Gallant	Godin
Goldring	Gouk
Grewal	Grey
Hanger	Harper
Harris	Hill (Macleod)
Hill (Prince George—Peace River)	Hilstrom
Hinton	Jaffer
Johnston	Lebel
Lill	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	Martin (Esquimalt—Juan de Fuca)
Mayfield	McDonough
Meredith	Merrifield
Moore	Nystrom
Obhrai	Penson
Proctor	Rajotte
Reid (Lanark—Carleton)	Reynolds
Robinson	Schmidt
Skelton	Solberg
Sorenson	Spencer
Stoffer	Strahl
Thompson (Wild Rose)	Toews
Venne	Wasylcia-Leis
White (North Vancouver)	Williams
Yelich— 67	

PAIRED

Members

Bertrand	Bonin
Gagnon (Champlain)	Loubier
McCormick	Tremblay— 6

The Speaker: I declare the motion carried.
(Motion agreed to, bill read the third time and passed)

* * *

[English]

FIRST NATIONS FISCAL AND STATISTICAL
MANAGEMENT ACT

The House resumed from February 20 consideration of the motion that Bill C-19, an act to provide for real property taxation powers of first nations, to create a First Nations Tax Commission, First Nations Financial Management Board, First Nations Finance Authority and First Nations Statistical Institute and to make consequential amendments to other acts, be read the second time and referred to a committee.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at the second reading stage of Bill C-19.

Ms. Marlene Catterall: Mr. Speaker, I believe you will find consent in the House that those who voted on the previous motion be recorded as voting on the motion now before the House, with the Liberals voting yes.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Mr. Dale Johnston: Mr. Speaker, Canadian Alliance members will vote no to this motion.

[Translation]

Mr. Michel Guimond: Mr. Speaker, members of the Bloc Québécois vote yes on this motion.

Mr. Yvon Godin: Mr. Speaker, members of the New Democratic Party vote no on this motion.

[English]

Mr. Rick Borotsik: Mr. Speaker, the Progressive Conservative Party will vote no to this motion.

[Translation]

Mr. Jean-Guy Carignan: Mr. Speaker, I vote yes on this motion.

Mr. Ghislain Lebel: Mr. Speaker, I vote no on this motion.

Ms. Pierrette Venne: Mr. Speaker, I also vote no on this motion.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 45)

YEAS

Members

Adams	Alecock
Allard	Anderson (Victoria)
Assad	Assadourian
Asselin	Augustine
Bachand (Saint-Jean)	Bagnell

Bakopanos
Bélair
Bellemare
Bergeron
Bigras
Blondin-Andrew
Boudria
Bradshaw
Bryden
Byrne
Calder
Cardin
Carroll
Cauchon
Charbonneau
Coderre
Coppes
Crête
Cuzner
Desrochers
Dhaliwal
Discepola
Dubé
Duplain
Eggleton
Farrah
Folco
Frulla
Gagnon (Québec)
Galloway
Gauthier
Goodale
Grose
Guay
Harb
Harvey
Jackson
Jordan
Kilgour (Edmonton Southeast)
Kraft Sloan
Lalonde
Lastewka
Lee
Lincoln
MacAulay
Mahoney
Maloney
Marceau
Marleau
Matthews
McGuire
McTeague
Mills (Toronto—Danforth)
Mitchell
Myers
Neville
O'Brien (London—Fanshawe)
Owen
Pagtakhan
Paradis
Patry
Perron
Peterson
Phinney
Pickard (Chatham—Kent Essex)
Pratt
Provenzano
Reed (Halton)
Robillard
Rock
Sauvageau
Scherrer
Sgro
Simard
St-Hilaire
St. Denis
Stewart
Telegdi
Thibault (Saint-Lambert)
Tonks
Ur
Vanclief
Whelan
Wood— 177

Beaumier
Bélangier
Bennett
Bevilacqua
Binet
Bonwick
Bourgeois
Brown
Bulte
Caccia
Caplan
Carignan
Catterall
Chamberlain
Chrétien
Collenette
Cotler
Cullen
Dalphond-Guiral
DeVillers
Dion
Drouin
Duceppe
Easter
Eyking
Finlay
Fontana
Fry
Gagnon (Lac-Saint-Jean—Saguenay)
Gaudet
Girard-Bujold
Graham
Guarnieri
Guimond
Harvard
Ianno
Jennings
Keyes
Knutson
Laframboise
Lancôt
LeBlanc
Leung
Longfield
Macklin
Malhi
Manley
Maril
Martin (LaSalle—Émard)
McCallum
McKay (Scarborough East)
Ménard
Minna
Murphy
Nault
O'Brien (Labrador)
O'Reilly
Pacetti
Paquette
Parrish
Peric
Peschisolido
Pettigrew
Picard (Drummond)
Plamondon
Proulx
Redman
Regan
Rocheleau
Saada
Savoy
Scott
Shepherd
Speller
St-Jacques
Steckle
Szabo
Thibault (West Nova)
Tirabassi
Torsney
Valeri
Wappel
Wilfert

NAYS

Members

Abbott
Anderson (Cypress Hills—Grasslands)
Bames (Gander—Grand Falls)
Blaikie
Breitkreuz
Cadman
Casson
Comartin
Davies
Desjarlais
Duncan
Epp
Forseth
Godin
Gouk
Grey
Harper
Hearn
Hill (MacLeod)
Hilstrom
Jaffer
Lebel
Lunn (Saanich—Gulf Islands)
MacKay (Pictou—Antigonish—Guysborough)
Mayfield
Meredith
Moore
Obhrai
Proctor
Reid (Lanark—Carleton)
Robinson
Skelton
Sorenson
Stoffer
Thompson (Wild Rose)
Venne
Wayne
Williams

Anders
Bailey
Benoit
Borotsik
Burton
Casey
Clark
Cummins
Day
Doyle
Elley
Fitzpatrick
Gallant
Goldring
Grewal
Hanger
Harris
Herron
Hill (Prince George—Peace River)
Hinton
Johnston
Lill
Lunney (Nanaimo—Alberni)
Martin (Esquimalt—Juan de Fuca)
McDonough
Merrifield
Nyström
Penson
Rajotte
Reynolds
Schmidt
Solberg
Spencer
Strahl
Toews
Wasylcia-Leis
White (North Vancouver)
Yelich— 76

PAIRED

Members

Bertrand
Gagnon (Champlain)
McCormick

Bonin
Loubier
Tremblay— 6

The Speaker: I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources.

(Bill read the second time and referred to a committee)

* * *

● (1855)

[*English*]

DIVORCE ACT

The House resumed from February 20 consideration of the motion that Bill C-22, An Act to amend the Divorce Act, the Family Orders and Agreements Enforcement Assistance Act, the Garnishment, Attachment and Pension Diversion Act and the Judges Act and to amend other Acts in consequence, be read the second time and referred to a committee.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at the second reading stage of Bill C-22.

Ms. Marlene Catterall: Mr. Speaker, I believe you will find consent in the House that those who voted on the previous motion be recorded as voting on this motion, with the Liberal members voting yes.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: There is no consent.

• (1905)

[*Translation*]

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 46*)

YEAS

Members

Adams
Allard
Assad
Augustine
Bakopanos
Beaumier
Bélanger
Bennett
Binet
Blondin-Andrew
Borotsik
Bradshaw
Bryden
Byrne
Calder
Carignan
Casey
Cauchon
Chrétien
Coderre
Comartin
Cotler
Cuzner
Desjarlais
Dhaliwal
Discepolo
Drouin
Easter
Farrah
Folco
Frulla
Godin
Graham
Harb
Harvey
Herron
Jackson
Jordan
Kilgour (Edmonton Southeast)
Kraft Sloan
LeBlanc
Leung
Lincoln
MacKay (Pictou—Antigonish—Guysborough)
Mahoney
Maloney
Marcil
Martin (LaSalle—Émard)
Matthews
McDonough
McKay (Scarborough East)
Mills (Toronto—Danforth)
Mitchell
Myers
Neville
O'Reilly
Pacetti
Paradis
Peschisolido
Pettigrew
Pickard (Chatham—Kent Essex)
Proctor

Alcock
Anderson (Victoria)
Assadourian
Bagnell
Barnes (Gander—Grand Falls)
Bélair
Bellemare
Bevilacqua
Blaikie
Bonwick
Boudria
Brown
Bulte
Caccia
Caplan
Carroll
Catterall
Charbonneau
Clark
Collenette
Coppes
Cullen
Davies
DeVillers
Dion
Doyle
Duplain
Eyking
Finlay
Fontana
Fry
Goodale
Grose
Harvard
Hearn
Ianno
Jennings
Keyes
Knutson
Lastewka
Lee
Lill
MacAulay
Macklin
Malhi
Manley
Marleau
Masse
McCallum
McGuire
McLellan
Minna
Murphy
Nault
Nystrom
Owen
Pagtakhan
Patry
Peterson
Phinney
Pratt
Proulx

Provenzano
Reed (Halton)
Robillard
Rock
Savoy
Scott
Shepherd
Speller
St. Denis
Stoffler
Telegdi
Thibeault (Saint-Lambert)
Tonks
Ur
Wappel
Wayne
Wilfert

Redman
Regan
Robinson
Saada
Scherrer
Sgro
Simard
St-Jacques
Stewart
Szabo
Thibault (West Nova)
Tirabassi
Torsney
Vanclief
Wasylycia-Leis
Whelan
Wood— 158

NAYS

Members

Anders
Asselin
Bailey
Bergeron
Bourgeois
Burton
Cardin
Chamberlain
Cummins
Day
Dubé
Duncan
Epp
Forseth
Gagnon (Lac-Saint-Jean—Saguenay)
Gallaway
Gauthier
Goldring
Grey
Guimond
Harper
Hill (Prince George—Peace River)
Hilstrom
Jaffer
Laframboise
Lancôt
Lunn (Saanich—Gulf Islands)
Marceau
Mayfield
Ménard
Merrifield
O'Brien (Labrador)
Obhrai
Penson
Perron
Plamondon
Reid (Lanark—Carleton)
Rocheleau
Schmidt
Solberg
Spencer
Steckle
Thompson (Wild Rose)
Valeri
White (North Vancouver)
Velich— 92

PAIRED

Members

Bertrand
Gagnon (Champlain)
McCormick

Bonin
Loubier
Tremblay— 6

The Speaker: I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Justice and Human Rights.

(Bill read the second time and referred to a committee)

* * *

[English]

YUKON ENVIRONMENTAL AND SOCIO-ECONOMIC ASSESSMENT ACT

The House resumed from February 20 consideration of Bill C-2, an act to establish a process for assessing the environmental and socio-economic effects of certain activities in Yukon, as reported (with amendment) from the committee, and of Motion No. 1.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the report stage of Bill C-2. The question is on Motion No. 1.

Ms. Marlene Catterall: Mr. Speaker, I think you would find consent that those who voted on the immediately previous motion be recorded as voting on the motion now before the House, with the Liberal members voting yes, with the exception of the Member for Ottawa Centre.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Mr. Dale Johnston: Mr. Speaker, the Canadian Alliance will be opposing the motion.

[Translation]

Mr. Michel Guimond: Mr. Speaker, members of the Bloc Québécois vote yes on this motion.

[English]

Mr. Yvon Godin: Mr. Speaker, the members of the NDP are voting yes to the motion.

Mr. Rick Borotsik: Mr. Speaker, the Progressive Conservative Party will be voting no to the motion.

Mr. Jim Gouk: Mr. Speaker, I do not believe I was recorded on the last vote, but I wish to be recorded as opposed on this one.

[Translation]

Mr. Jean-Guy Carignan: Mr. Speaker, I vote yes on this motion.

Mr. Ghislain Lebel: Mr. Speaker, I vote yes on this motion.

Ms. Pierrette Venne: Mr. Speaker, I vote no to this motion.

[English]

Mr. Tony Valeri: Mr. Speaker, I would like to be recorded as voting in favour of the motion.

Mr. Roger Gallaway: Mr. Speaker, I wish to be recorded as voting in favour.

Mrs. Judi Longfield: Mr. Speaker, I would like to be recorded as voting in favour.

[Translation]

Mr. Dan McTeague: Mr. Speaker, I would like to be recorded as voting in favour of the motion.

[English]

Mr. Pat O'Brien: Mr. Speaker, I would like to be recorded as voting in favour.

Mrs. Carolyn Parrish: Mr. Speaker, I want to be recorded as voting in favour.

Mr. Janko Peric: Mr. Speaker, I am voting in favour of the motion.

Hon. Art Eggleton: Mr. Speaker, I am voting in favour of the motion.

Mrs. Brenda Chamberlain: Mr. Speaker, I am voting in favour of the motion.

Ms. Albina Guarnieri: Mr. Speaker, I wish to be recorded in favour of the motion.

● (1910)

[Translation]

(The House divided on Motion No. 1, which was agreed to on the following division:)

(Division No. 47)

YEAS

Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Asselin	Augustine
Bachand (Saint-Jean)	Bagnell
Bakopanos	Beaumier
Bélair	Bélanger
Bellemare	Bennett
Bergeron	Bevilacqua
Bigras	Binet
Blaikie	Blondin-Andrew
Bonwick	Boudria
Bourgeois	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Caplan	Cardin
Carignan	Carroll
Catterall	Cauchon
Chamberlain	Charbonneau
Chrétien	Coderre
Collenette	Comartin
Copps	Cotler
Crête	Cullen
Cuzner	Dalphond-Guiral
Davies	Desjarlais
Desrochers	DeVillers
Dhaliwal	Dion
Discepola	Drouin
Dubé	Duceppe
Duplain	Easter
Eggleton	Eyking
Farrah	Finlay
Folco	Fontana
Frulla	Fry
Gagnon (Lac-Saint-Jean—Saguenay)	Gagnon (Québec)
Gallaway	Gaudet
Gauthier	Girard-Bujold
Godin	Goodale
Graham	Grose
Guarnieri	Guay
Guimond	Harvard
Harvey	Ianno
Jackson	Jennings
Jordan	Keyes
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Laframboise
Lalonde	Lanctôt
Lastewka	Lebel
LeBlanc	Lee
Leung	Lill
Lincoln	Longfield
MacAulay	Macklin
Mahoney	Malhi

Maloney
 Marceau
 Marleau
 Masse
 McCallum
 McGuire
 McLellan
 Ménard
 Minna
 Murphy
 Nault
 Nystrom
 O'Reilly
 Pacetti
 Paquette
 Parrish
 Peric
 Peschisolido
 Pettigrew
 Picard (Drummond)
 Plamondon
 Proctor
 Provenzano
 Reed (Halton)
 Robillard
 Rocheleau
 Saada
 Savoy
 Scott
 Shepherd
 Speller
 St-Jacques
 Steckle
 Stoffer
 Telegdi
 Thibeault (Saint-Lambert)
 Tonks
 Ur
 Vanclief
 Wasylcia-Leis
 Wilfert

Manley
 Marciel
 Martin (LaSalle—Émard)
 Matthews
 McDonough
 McKay (Scarborough East)
 McTeague
 Mills (Toronto—Danforth)
 Mitchell
 Myers
 Neville
 O'Brien (London—Fanshawe)
 Owen
 Pagtakhan
 Paradis
 Patry
 Perron
 Peterson
 Phinney
 Pickard (Chatham—Kent Essex)
 Pratt
 Proulx
 Redman
 Regan
 Robinson
 Rock
 Sauvageau
 Scherrer
 Sgro
 Simard
 St-Hilaire
 St. Denis
 Stewart
 Szabo
 Thibault (West Nova)
 Tirabassi
 Torsney
 Valeri
 Wappel
 Whelan
 Wood— 190

Gagnon (Champlain)
 McCormick
 Loubier
 Tremblay— 6

The Speaker: I declare the motion carried.

[English]

Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.) moved that the bill be concurred in with a further amendment.

Ms. Marlene Catterall: Mr. Speaker, I believe you would find consent in the House that those who voted on the previous motion be recorded as voting on this motion, with the Liberal members voting yes.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Mr. Dale Johnston: Mr. Speaker, Canadian Alliance members will oppose the motion.

[Translation]

Mr. Michel Guimond: Mr. Speaker, the members of the Bloc Québécois will be voting in favour of this motion, and the name of the hon. member for Manicouagan should be added to the list.

Mr. Yvon Godin: Mr. Speaker, the members of the NDP will be voting yes to this motion.

Mr. Rick Borotsik: Mr. Speaker, the members of the Progressive Conservative Party will be voting yes to this motion.

Mr. Jean-Guy Carignan: Mr. Speaker, I will be voting yes to this motion.

Mr. Ghislain Lebel: Mr. Speaker, I will be voting no to this motion.

Ms. Pierrette Venne: Mr. Speaker, I will be voting no to this motion.

[English]

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 48)

YEAS

Members

Adams
 Allard
 Assad
 Asselin
 Bachand (Saint-Jean)
 Bakopanos
 Beaumier
 Bélanger
 Bennett
 Bevilacqua
 Binet
 Blondin-Andrew
 Borotsik
 Bourgeois
 Brown
 Bulte
 Caccia
 Caplan
 Carignan
 Casey
 Cauchon

Alcock
 Anderson (Victoria)
 Assadourian
 Augustine
 Bagnell
 Barnes (Gander—Grand Falls)
 Bélaïr
 Bellemare
 Bergeron
 Bigras
 Blaikie
 Bonwick
 Boudria
 Bradshaw
 Bryden
 Byrne
 Calder
 Cardin
 Carroll
 Catterall
 Chamberlain

NAYS

Members

Abbott
 Anderson (Cypress Hills—Grasslands)
 Barnes (Gander—Grand Falls)
 Borotsik
 Burton
 Casey
 Clark
 Day
 Duncan
 Epp
 Forseth
 Goldring
 Grewal
 Hanger
 Harris
 Herron
 Hill (Prince George—Peace River)
 Hinton
 Johnston
 Lunney (Nanaimo—Alberni)
 Martin (Esquimalt—Juan de Fuca)
 Meredith
 Moore
 Penson
 Reid (Lanark—Carleton)
 Schmidt
 Solberg
 Spencer
 Thompson (Wild Rose)
 Venne
 White (North Vancouver)
 Yelich— 63

Anders
 Bailey
 Benoit
 Breitzkreuz
 Cadman
 Casson
 Cummins
 Doyle
 Elley
 Fitzpatrick
 Gallant
 Gouk
 Grey
 Harper
 Hearn
 Hill (MacLeod)
 Hilstrom
 Jaffer
 Lunn (Saenich—Gulf Islands)
 MacKay (Pictou—Antigonish—Guysborough)
 Mayfield
 Merrifield
 Obhrai
 Rajotte
 Reynolds
 Skelton
 Sorenson
 Strahl
 Toews
 Wayne
 Williams

PAIRED

Members

Bertrand

Bonin

Charbonneau
Clark
Collenette
Coppes
Crête
Cuzner
Davies
Desrochers
Dhaliwal
Discepolo
Drouin
Duceppe
Easter
Eyking
Finlay
Fontana
Frulla
Gagnon (Lac-Saint-Jean—Saguenay)
Galloway
Gauthier
Godin
Graham
Guarnieri
Guimond
Harvey
Herron
Jackson
Jordan
Kilgour (Edmonton Southeast)
Kraft Sloan
Lalonde
Lastewka
Lee
Lill
Longfield
MacKay (Pictou—Antigonish—Guysborough)
Mahoney
Maloney
Marceau
Marleau
Masse
McCallum
McGuire
McLellan
Ménard
Minna
Murphy
Nault
Nystrom
O'Reilly
Pacetti
Paquette
Parrish
Peric
Peschisolido
Pettigrew
Picard (Drummond)
Plamondon
Proctor
Provenzano
Reed (Halton)
Robillard
Rocheleau
Saada
Savoy
Scott
Shepherd
Speller
St-Jacques
Steckle
Stoffer
Telegdi
Thibeault (Saint-Lambert)
Tonks
Ur
Vanclief
Wasylcia-Leis
Whelan
Wood— 199

Chrétien
Coderre
Comartin
Cotler
Cullen
Dalphond-Guiral
Desjarlais
DeVillers
Dion
Doyle
Dubé
Duplain
Eggleton
Farrah
Folco
Fournier
Fry
Gagnon (Québec)
Gaudet
Girard-Bujold
Goodale
Grose
Guay
Harvard
Hearn
Ianno
Jennings
Keyes
Knutson
Laframboise
Lanctôt
LeBlanc
Leung
Lincoln
MacAulay
Macklin
Malhi
Manley
Marcil
Martin (LaSalle—Émard)
Matthews
McDonough
McKay (Scarborough East)
McTeague
Mills (Toronto—Danforth)
Mitchell
Myers
Neville
O'Brien (London—Fanshawe)
Owen
Pagtakhan
Paradis
Patry
Perron
Peterson
Phinney
Pickard (Chatham—Kent Essex)
Pratt
Proulx
Redman
Regan
Robinson
Rock
Sauvageau
Scherrer
Sgro
Simard
St-Hilaire
St. Denis
Stewart
Szabo
Thibault (West Nova)
Tirabassi
Torsney
Valeri
Wappel
Wayne
Wilfert

NAYS

Members

Abbott
Anderson (Cypress Hills—Grasslands)
Benoit
Burton
Casson
Day
Elley
Fitzpatrick
Gallant
Gouk
Grey
Harper
Hill (MacLeod)
Hilstrom
Jaffier
Lebel
Lunney (Nanaimo—Alberni)
Mayfield
Merrifield
Obhrai
Rajotte
Reynolds
Skelton
Sorenson
Strahl
Toews
White (North Vancouver)
Yelich— 55

Anders
Bailey
Breitkreuz
Cadman
Cummins
Duncan
Epp
Forsyth
Goldring
Grewal
Hanger
Harris
Hill (Prince George—Peace River)
Hinton
Johnston
Lunn (Saanic—Gulf Islands)
Martin (Esquimalt—Juan de Fuca)
Meredith
Moore
Penson
Reid (Lanark—Carleton)
Schmidt
Solberg
Spencer
Thompson (Wild Rose)
Venne
Williams

PAIRED

Members

Bertrand
Gagnon (Champlain)
McCormick

Bonin
Loubier
Tremblay— 6

The Speaker: I declare the motion carried.

* * *

LOBBYISTS REGISTRATION ACT

The House resumed from February 20 consideration of Bill C-15, an act to amend the Lobbyists Registration Act, as reported (without amendment) from the committee, and of Motion No. 1.

The Speaker: The House will now proceed to the taking of the deferred recorded divisions on the report stage of Bill C-15.

The question is on Motion No. 1.

● (1925)

[*Translation*]

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 49*)

YEAS

Members

Abbott
Anders
Assad
Bachand (Saint-Jean)
Beaumier
Bellemare
Bergeron
Blaikie
Breitkreuz
Bryden
Caccia
Cardin

Alcock
Anderson (Cypress Hills—Grasslands)
Asselin
Bailey
Bélanger
Benoit
Bigras
Bourgeois
Brown
Burton
Cadman
Casson

Chamberlain
Comartin
Cullen
Dalphond-Guiral
Day
Desrochers
Duceppe
Elley
Fitzpatrick
Forseth
Gagnon (Lac-Saint-Jean—Saguenay)
Gallant
Gauthier
Godin
Grewal
Guay
Hanger
Harris
Hill (Prince George—Peace River)
Hilstrom
Jaffer
Laframboise
Lancôt
Lill
Lunney (Nanaimo—Alberni)
Martin (Esquimalt—Juan de Fuca)
Mayfield
Ménard
Merrifield
Moore
O'Brien (Labrador)
Paquette
Peric
Phinney
Pickard (Chatham—Kent Essex)
Proctor
Reid (Lanark—Carleton)
Robinson
Sauvageau
Shepherd
Solberg
Spencer
Steckle
Strahl
Telegdi
Toews
Wappel
White (North Vancouver)
Yelich — 121

Charbonneau
Crête
Cummins
Davies
Desjarlais
Dubé
Duncan
Epp
Folco
Fournier
Gagnon (Québec)
Gaudet
Girard-Bujold
Goldring
Grey
Guimond
Harper
Harvard
Hill (MacLeod)
Hinton
Johnston
Lalonde
Lebel
Lunn (Saanich—Gulf Islands)
Marceau
Masse
McDonough
Meredith
Mills (Toronto—Danforth)
Nystrom
Obhrai
Penson
Perron
Picard (Drummond)
Plamondon
Rajotte
Reynolds
Rocheleau
Schmidt
Skelton
Sorenson
St-Hilaire
Stoffer
Szabo
Thompson (Wild Rose)
Venne
Wasylcia-Leis
Williams

MacAulay
Mahoney
Maloney
Marleau
McCallum
McLellan
Minna
Myers
Neville
O'Reilly
Pacetti
Paradis
Patry
Peterson
Pratt
Provenzano
Regan
Rock
Savoy
Scott
Simard
St-Jacques
Stewart
Thibeault (Saint-Lambert)
Tonks
Ur
Vanclief
Wilfert

Macklin
Malhi
Marcil
Martin (LaSalle—Émard)
McGuire
McTeague
Mitchell
Nault
O'Brien (London—Fanshawe)
Owen
Pagtakhan
Parrish
Peschisolido
Pettigrew
Proulx
Redman
Robillard
Saada
Scherrer
Sgro
Speller
St. Denis
Thibault (West Nova)
Tirabassi
Torsney
Valeri
Whelan
Wood — 116

PAIRED

Members

Bertrand
Gagnon (Champlain)
McCormick
Bonin
Loubier
Tremblay — 6

The Speaker: I declare the motion carried.

[English]

Hon. Allan Rock (Minister of Industry, Lib.) moved that the bill, as amended, be concurred in at report stage and read the second time.

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

Ms. Marlene Catterall: Mr. Speaker, I believe you would find consent in the House that those who voted on the previous motion be recorded as voting on the motion now before the House, with the Liberal members voting yes.

The Speaker: For the clarification of all hon. members, I presume the chief government whip means all the Liberals who voted, whichever way they voted, when she refers to the previous vote. Is that correct?

Ms. Marlene Catterall: Thank you for the clarification, Mr. Speaker.

The Speaker: I thought it might be helpful to clarify that matter and save a bit of time. Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Mr. Dale Johnston: Mr. Speaker, Canadian Alliance members present here tonight will vote no.

[Translation]

Mr. Michel Guimond: Mr. Speaker, the members of the Bloc Québécois will vote no to this motion.

[English]

Mr. Yvon Godin: Mr. Speaker, members of the NDP are voting yes to the motion.

NAYS

Members

Adams
Anderson (Victoria)
Augustine
Bakopanos
Bennett
Binet
Bonwick
Bradshaw
Byrne
Caplan
Carroll
Cauchon
Coderre
Copp
DeVillers
Dion
Duplain
Eggleton
Farrah
Fontana
Fry
Goodale
Grose
Harb
Ianno
Jennings
Keyes
Knutson
Lastewka
Lee
Allard
Assadourian
Bagnell
Bélair
Bevilacqua
Blondin-Andrew
Boudria
Bulte
Calder
Carignan
Catterall
Chrétien
Collenette
Cuzner
Dhaliwal
Drouin
Easter
Eyking
Finlay
Frulla
Galloway
Graham
Guarnieri
Harvey
Jackson
Jordan
Kilgour (Edmonton Southeast)
Kraft Sloan
LeBlanc
Leung

Mr. Rick Borotsik: Mr. Speaker, all members of the Progressive Conservative Party present will vote yes to the motion.

[*Translation*]

Mr. Jean-Guy Carignan: Mr. Speaker, I vote yes to this motion.

Mr. Ghislain Label: Mr. Speaker, I vote no to this motion.

Ms. Pierrette Venne: Mr. Speaker, I too vote no to this motion.

[*English*]

(The House divided on the motion, which was agreed to on the following division:)

(*Division No. 50*)

YEAS

Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Augustine	Bagnell
Bakopanos	Barnes (Gander—Grand Falls)
Beaumier	Bélair
Bélangier	Bellemare
Bennett	Bevilacqua
Binet	Blaikie
Blondin-Andrew	Bonwick
Borotsik	Boudria
Bradshaw	Brown
Bryden	Bulte
Byrne	Caccia
Calder	Caplan
Carignan	Carroll
Casey	Catterall
Cauchon	Chamberlain
Charbonneau	Chrétien
Clark	Coderre
Collenette	Comartin
Copps	Cullen
Cuzner	Davies
Desjarlais	DeVillers
Dhaliwal	Dion
Doyle	Drouin
Duplain	Easter
Eggleton	Eyking
Farrah	Finlay
Folco	Fontana
Frulla	Fry
Galloway	Godin
Goodale	Graham
Grose	Guarnieri
Harb	Harvard
Harvey	Hearn
Herron	Ianno
Jackson	Jennings
Jordan	Keyes
Kilgour (Edmonton Southeast)	Knutson
Kraft Sloan	Lastewka
LeBlanc	Lee
Leung	Lill
MacAulay	MacKay (Pictou—Antigonish—Guysborough)
Macklin	Mahoney
Malhi	Maloney
Marcil	Marleau
Martin (LaSalle—Émard)	Masse
McCallum	McDonough
McGuire	McLellan
McTeague	Mills (Toronto—Danforth)
Minna	Mitchell
Myers	Nault
Neville	Nystrom
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Owen
Pacetti	Pagtakhan
Paradis	Parrish
Patry	Peric
Peschisolido	Peterson
Pettigrew	Phinney

Pickard (Chatham—Kent Essex)
Proctor
Provenzano
Regan
Robinson
Saada
Scherrer
Sgro
Simard
St-Jacques
Steckle
Stoffler
Telegdi
Thibeault (Saint-Lambert)
Tonks
Ur
Vanclief
Wasylcia-Leis
Whelan
Wood — 161

Pratt
Proulx
Redman
Robillard
Rock
Savoy
Scott
Shepherd
Speller
St. Denis
Stewart
Szabo
Thibault (West Nova)
Tirabassi
Torsney
Valeri
Wappel
Wayne
Wilfert

NAYS

Members

Abbott	Anders
Anderson (Cypress Hills—Grasslands)	Asselin
Bachand (Saint-Jean)	Bailey
Benoit	Bergeron
Bigras	Bourgeois
Breitkreuz	Brien
Burton	Cadman
Cardin	Casson
Crête	Cummins
Dalphondu-Guiral	Day
Desrochers	Dubé
Duceppe	Duncan
Elley	Epp
Fitzpatrick	Forsyth
Fournier	Gagnon (Québec)
Gagnon (Lac-Saint-Jean—Saguenay)	Gallant
Gaudet	Gauthier
Girard-Bujold	Goldring
Grewal	Grey
Guay	Guimond
Hanger	Harper
Harris	Hill (Macleod)
Hill (Prince George—Peace River)	Hilstrom
Hinton	Jaffer
Johnston	Laframboise
Lalonde	Lanctôt
Lebel	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	Marceau
Martin (Esquimalt—Juan de Fuca)	Mayfield
Ménard	Meredith
Merrifield	Moore
Obhrai	Paquette
Penson	Perron
Picard (Drummond)	Plamondon
Rajotte	Reid (Lanark—Carleton)
Reynolds	Rocheleau
Sauvageau	Schmidt
Skelton	Solberg
Sorenson	Spencer
St-Hilaire	Strahl
Thompson (Wild Rose)	Toews
White (North Vancouver)	Williams
Yelich — 85	

PAIRED

Members

Bertrand	Bonin
Gagnon (Champlain)	Loubier
McCormick	Tremblay — 6

The Speaker: I declare the motion carried.

* * *

CANADA ELECTIONS ACT

The House resumed from February 20 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.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the amendment to the amendment to the motion at second reading stage of Bill C-24.

Ms. Marlene Catterall: Mr. Speaker, I believe you would find consent in the House that the vote previously taken on Bill C-2 be applied in reverse to the motion now before the House and to the subsequent motion on Bill C-20.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

• (1930)

The Speaker: I would ask the chief government whip for some clarification. On Bill C-2 there were two votes. One was on the concurrence motion and one was on an amendment. Perhaps she could tell us which vote it is that applies in this case because I gather there was a difference.

Ms. Marlene Catterall: Mr. Speaker, it was the motion for concurrence in Bill C-2.

(The House divided on the amendment to the amendment, which was negatived on the following division:)

(Division No. 51)

YEAS

Members

Abbott	Anders
Anderson (Cypress Hills—Grasslands)	Bailey
Benoit	Breitkreuz
Burton	Cadman
Casson	Cummins
Day	Duncan
Elley	Épp
Fitzpatrick	Forseth
Gallant	Goldring
Gouk	Grewal
Grey	Hanger
Harper	Harris
Hill (Macleod)	Hill (Prince George—Peace River)
Hilstrom	Hinton
Jaffar	Johnston
Lebel	Lunn (Saanic—Gulf Islands)
Lunney (Nanaimo—Alberni)	Martin (Esquimalt—Juan de Fuca)
Mayfield	Meredith
Merrifield	Moore
Obhrai	Penson
Rajotte	Reid (Lanark—Carleton)
Reynolds	Schmidt
Skelton	Solberg
Sorenson	Spencer
Strahl	Thompson (Wild Rose)
Toews	Venne
White (North Vancouver)	Williams
Yelich — 55	

NAYS

Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Asselin	Augustine
Bachand (Saint-Jean)	Bagnell
Bakopanos	Barnes (Gander—Grand Falls)
Beaumier	Bélair
Bélangier	Bellemare
Bennett	Bergeron
Bevilacqua	Bigras
Binet	Blaikie
Blondin-Andrew	Bonwick
Borotsik	Boudria
Bourgeois	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Caplan	Cardin
Carignan	Carroll
Casey	Catterall
Cauchon	Chamberlain
Charbonneau	Chrétien
Clark	Coderre
Collenette	Comartin
Copps	Cotler
Crête	Cullen
Cuzner	Dalphond-Guiral
Davies	Desjarlais
Desrochers	DeVillers
Dhaliwal	Dion
Discepolo	Doyle
Drouin	Dubé
Duceppe	Duplain
Easter	Eggleton
Eyking	Farrah
Finlay	Folco
Fontana	Fournier
Fruella	Fry
Gagnon (Québec)	Gagnon (Lac-Saint-Jean—Saguenay)
Galloway	Gaudet
Gauthier	Girard-Bujold
Godin	Goodale
Graham	Grose
Guay	Guimond
Harvard	Harvey
Hearn	Herron
Ianno	Jackson
Jennings	Jordan
Keyes	Kilgour (Edmonton Southeast)
Knutson	Kraif Sloan
Laframboise	Lalonde
Lancôt	Lastewka
LeBlanc	Lee
Leung	Lill
Lincoln	Longfield
MacAulay	MacKay (Pictou—Antigonish—Guysborough)
Macklin	Mahoney
Malhi	Maloney
Manley	Marceau
Marcil	Marleau
Martin (LaSalle—Émard)	Masse
Matthews	McCallum
McDonough	McGuire
McKay (Scarborough East)	McLellan
McTeague	Ménard
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Nault
Neville	Nystrom
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Owen
Pacetti	Pagtakhan
Paquette	Paradis
Parrish	Patry
Peric	Perron
Peschisolido	Peterson
Pettigrew	Phinney
Picard (Drummond)	Pickard (Chatham—Kent Essex)
Plamondon	Pratt
Proctor	Proulx

Provenzano	Redman
Reed (Halton)	Regan
Robillard	Robinson
Rocheleau	Rock
Saada	Sauvageau
Savoy	Scherrer
Scott	Sgro
Shepherd	Simard
Speller	St-Hilaire
St-Jacques	St. Denis
Steckle	Stewart
Stoffer	Szabo
Telegdi	Thibault (West Nova)
Thibeault (Saint-Lambert)	Tirabassi
Tonks	Torsney
Ur	Valeri
Vanclief	Wappel
Wasylycia-Leis	Wayne
Whelan	Wilfert
Wood— 199	

PAIRED

Members

Bertrand	Bonin
Gagnon (Champlain)	Loubier
McCormick	Tremblay— 6

The Speaker: I declare the amendment to the amendment lost.

* * *

CRIMINAL CODE

The House resumed from February 20 consideration of the motion that Bill C-20, an act to amend the Criminal Code (protection of children and other vulnerable persons) and the Canada Evidence Act, be read the second time and referred to a committee, and of the amendment.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the amendment to the motion at second reading of Bill C-20.

(The House divided on the amendment, which was negated on the following division:)

*(Division No. 52)***YEAS**

Members

Abbott	Anders
Anderson (Cypress Hills—Grasslands)	Bailey
Benoit	Breitkreuz
Burton	Cadman
Casson	Cummins
Day	Duncan
Elley	Epp
Fitzpatrick	Forseth
Gallant	Goldring
Gouk	Grewal
Grey	Hanger
Harper	Harris
Hill (Macleod)	Hill (Prince George—Peace River)
Hilstrom	Hinton
Jaffer	Johnston
Lebel	Lunn (Saanich—Gulf Islands)
Lunney (Nanaimo—Alberni)	Martin (Esquimalt—Juan de Fuca)
Mayfield	Meredith
Merrifield	Moore
Obhrai	Penson
Rajotte	Reid (Lanark—Carleton)
Reynolds	Schmidt
Skelton	Solberg
Sorenson	Spencer
Strahl	Thompson (Wild Rose)

Toews
White (North Vancouver)
Yelich— 55

Venne
Williams

NAYS

Members

Adams	Alcock
Allard	Anderson (Victoria)
Assad	Assadourian
Asselin	Augustine
Bachand (Saint-Jean)	Bagnell
Bakopanos	Barnes (Gander—Grand Falls)
Beaumier	Bélair
Bélangier	Bellemare
Bennett	Bergeron
Bevilacqua	Bigras
Binet	Blaikie
Blondin-Andrew	Bonwick
Borotsik	Boudria
Bourgeois	Bradshaw
Brown	Bryden
Bulte	Byrne
Caccia	Calder
Caplan	Cardin
Carignan	Carroll
Casey	Catterall
Cauchon	Chamberlain
Charbonneau	Chrétien
Clark	Coderre
Collenette	Comartin
Copps	Cotler
Crête	Cullen
Cuzner	Dalphond-Guiral
Davies	Desjarlais
Desrochers	DeVillers
Dhaliwal	Dion
Discepolo	Doyle
Drouin	Dubé
Duceppe	Duplain
Easter	Eggleton
Eyking	Farrah
Finlay	Folco
Fontana	Fournier
Frulla	Fry
Gagnon (Québec)	Gagnon (Lac-Saint-Jean—Saguenay)
Galloway	Gaudet
Gauthier	Girard-Bujold
Godin	Goodale
Graham	Grose
Guay	Guimond
Harvard	Harvey
Hearn	Herron
Ianno	Jackson
Jennings	Jordan
Keyes	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laframboise	Lalonde
Lancôt	Lastewka
LeBlanc	Lee
Leung	Lill
Lincoln	Longfield
MacAulay	MacKay (Pictou—Antigonish—Guysborough)
Macklin	Mahoney
Malhi	Maloney
Manley	Marceau
Marcil	Marleau
Martin (LaSalle—Émard)	Masse
Matthews	McCallum
McDonough	McGuire
McKay (Scarborough East)	McLellan
McTeague	Ménard
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Nault
Neville	Nystrom
O'Brien (Labrador)	O'Brien (London—Fanshawe)
O'Reilly	Owen
Pacetti	Pagtakhan
Paquette	Paradis
Parrish	Patry
Peric	Perron
Peschisolido	Peterson

Pettigrew
Picard (Drummond)
Plamondon
Proctor
Provenzano
Reed (Halton)
Robillard
Rocheleau
Saada
Savoy
Scott
Shepherd
Speller
St-Jacques
Steckle
Stoffer
Telegdi
Thibeault (Saint-Lambert)
Tonks
Ur
Vanclief
Wasylcyia-Leis
Whelan
Wood— 199

Phinney
Picard (Chatham—Kent Essex)
Pratt
Proulx
Redman
Regan
Robinson
Rock
Sauvageau
Scherrer
Sgro
Simard
St-Hilaire
St. Denis
Stewart
Szabo
Thibault (West Nova)
Tirabassi
Torsney
Valeri
Wappel
Wayne
Wilfert

PAIRED

Members

Bertrand
Gagnon (Champlain)
McCormick

Bonin
Loubier
Tremblay— 6

The Speaker: I declare the amendment lost.

ADJOURNMENT PROCEEDINGS

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

[*English*]

FISHERIES AND OCEANS

Mr. Bill Casey (Cumberland—Colchester, PC): Madam Speaker, I am pleased to rise again on a question I raised on November 6. It was about a job in Nova Scotia that was advertised in the City of Halifax. I rose to make a point because it happens that the Minister of Fisheries and Oceans lives in Digby county and people who lived in his county could apply for this job in Halifax, but the people who lived in Cumberland county, my county, or in Pictou county, could not apply for this job in Halifax.

I wanted to raise the question because it was a fisheries job. In that case the Minister of Fisheries and Oceans was able to have his constituents apply for the job, whereas I could not, nor could the member for Pictou—Antigonish—Guysborough. I rose to make the point about the inequities of the system, whereby some people, even though fully qualified, could not apply for a job just because of the county in which they lived, while others could apply, even though they might have been far less qualified. Since that has happened the rules have been changed. The Public Service Commission has addressed the issue.

However, I want to take advantage tonight of the opportunity to make another point about something that is just as offensive. I went to the computer in the lobby and rattled off five advertisements for federal government jobs. They are in a variety of departments: the Department of Industry, the RCMP, the Library of Canada, and the

Adjournment Debate

Department of Public Works. All these jobs are available only to people in the immediate Ottawa-Hull area. One has to have a postal code in eastern Ontario or western Quebec to apply for the job. A person in my province of Nova Scotia cannot apply, nor can people apply if they are from New Brunswick, Manitoba, Saskatchewan, Alberta, British Columbia, Yukon, Newfoundland and Labrador, or P.E.I. No one can apply to work in these jobs in Ottawa unless they live in the immediate Ottawa-Hull area and have that postal code.

One is a contract for a procurement officer for the Department of Industry. One is for a communications officer for the Department of Industry. Can anybody in my riding apply? No.

Madam Speaker, no one from your riding could apply. No one from any riding, unless they live in the immediate Ottawa-Hull area, can apply for these jobs. It is unfair and wrong.

One is for a shift operator for the Department of Public Works. Again, who can apply? Only those who live in the immediate Ottawa area, eastern Ontario or western Quebec. No one in Nova Scotia, in my entire province, can apply, nor can anyone from British Columbia and so on. One is for a student loans clerk for the Department of Human Resources Development. Imagine: a person cannot apply unless they live in eastern Ontario or western Quebec. One is for the National Library of Canada for a digital imaging specialist. Another is for a junior policy analyst for the RCMP.

How can the government develop policy if it hires only people from Ottawa? How can it hire someone to develop a policy that would apply appropriately to Nova Scotia or to British Columbia if the only applications it will accept are those from the immediate Ottawa area?

For thermal hazard scientists for Natural Resources Canada, who can apply? Only those people in eastern Ontario or western Quebec. For a trade policy analyst for the Department of Agriculture, who can apply? Only those people from the immediate Ottawa area. Not one person from Newfoundland or Nova Scotia or all the other provinces will have an application accepted: only those from Ontario and Quebec.

That is just an example of unfair hiring practices. Jobs in Ottawa should be available to every Canadian who is qualified to apply. They should not be restricted, because Ottawa develops policies for the entire country and if Ottawa only has the view and the experience from the immediate Ottawa area and not from Pictou, not from Advocate, Nova Scotia, not Nanaimo, B.C., or not from Edmonton, then the policies will not be appropriate for the entire country. They will be—

• (1935)

Mr. Tony Tirabassi (Parliamentary Secretary to the President of the Treasury Board, Lib.): Madam Speaker, I would like to thank the member for Cumberland—Colchester for bringing this issue before the House.

We recognize the hon. member's concerns on this very important issue. The practice of using geographical criteria to determine who can apply for certain positions with the Public Service of Canada has been a subject of discussion among parliamentarians and Canadians for some time now.

Adjournment Debate

Hiring public servants is the responsibility of the Public Service Commission of Canada, which is an independent federal agency responsible for recruiting and appointing qualified candidates to public service positions in accordance with the provisions and principles of the Public Service Employment Act. The act allows for the use of geographic criteria, a practice which has been in use for about 40 years. Although we agree in principle with the concerns that have been raised in the House, there is a rationale for imposing geographic criteria on public service competitions.

First, let us appreciate that the objective of advertising job openings is to generate a sufficient pool of qualified and representative candidates for a given position. Common sense dictates that when the job is a highly specialized one or when the labour market has a low concentration of the sought after skills, the net has to be cast widely to ensure that there will be a sufficient pool of qualified candidates to choose from. That is the approach that the commission has traditionally taken.

Conversely, for junior level positions, it makes much more sense to limit the scope of the search to a smaller geographic area because the labour market is likely to contain a higher concentration of the sought after competencies per capita. I should point out that it is not unusual for the Public Service Commission to receive hundreds or even thousands of applications for open competitions and that it is required by law, via the Public Service Employment Act, to assess every one of those applications within the current recruitment system. This is performed manually. Clearly the government has to find the right balance between equity of access to public service jobs and the wise use of taxpayers' money.

That said, the Public Service Commission has expressed on numerous occasions its desire to move away from geographically based areas of selection to the fullest extent possible. Such a course of action cannot be pursued without assessing all of the implications within a merit based staffing system. We do not want to find ourselves in the position of promising Canadians something that we simply cannot deliver.

Therefore, the Public Service Commission has been taking a measured approach to this issue, phasing in wider areas of selection and evaluating the consequences. One thing it has discovered, not surprisingly, is that broadening the geographic area of selection for a given position increases the volume of applications, adds to the workload of departmental managers, lengthens the selection process and places additional pressures on an already strained staffing system.

The commission is currently studying how best to solve these issues at a reasonable cost. I would like to point out that the Auditor General has commented favourably on the approach that has been taken in this regard. In her report to Parliament last year she concluded that it would be premature to eliminate geographic selection criteria without careful study first. She wrote:

Opening all positions across the country could have a significant impact on the affordability and efficiency of recruitment. It could increase the volume of applications and therefore the time it takes to hire someone. It could increase the costs of the selection process and of moving successful candidates to the job location.

• (1940)

Mr. Bill Casey: Madam Speaker, I do not mean to home in on the parliamentary secretary, but just to point out the unfairness of this, I

wonder how he answers his constituents in Niagara Centre as to why they cannot apply for these jobs. Are they not qualified? Are they not smart enough? Are they not educated enough? Do they not have the qualifications? Do the people in Niagara Centre not have something to offer the government? Do the people in Niagara Centre not have even some ideas and some abilities and qualities to bring to the government that could help influence the government and draft policies that would be very positive for Niagara Centre?

I do not mean to home in on the parliamentary secretary, but just as an example of how unfair it is, I am sure he has people in his riding who would qualify for these nine jobs, people who are really well and fully qualified. Why should they not have the opportunity to come to Ottawa and bring their experience from Niagara Centre and help influence the government to—

The Acting Speaker (Ms. Bakopanos): The hon. Parliamentary Secretary to the President of the Treasury Board.

Mr. Tony Tirabassi: Madam Speaker, I appreciate again the question from the hon. member. As a matter of fact, the government was very concerned that perhaps the selection process was too restrictive. More than a year ago the Public Service Commission broadened the area of selection for all senior officer level jobs to Canadians residing anywhere. It also launched a series of pilot studies to determine how these changes would affect costs, workload and other aspects of the selection process.

The commission briefed parliamentarians this past November on the result of its projects and on its planned course of action with regard to systematically moving away from geographical based areas of selection. The government is concerned about the process and has undertaken the pilot projects with the hope that it would be able to broaden its selection area from coast to coast to coast.

EMPLOYMENT INSURANCE

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Madam Speaker, I want to pursue a matter that I raised in the House this past November regarding the heroic struggle of Kelly Lesiuk to end the discriminatory provisions of Canada's employment insurance regime toward women and part time workers.

Kelly Lesiuk was a part time nurse who was unable to claim EI benefits because she fell 33 hours short of the qualifying time she needed. Without EI assistance she had to return to work six weeks after undergoing a Caesarean section to make ends meet. She and her family had to deplete their savings and borrow money. She launched a charter challenge to the Employment Insurance Act and actually won. In that case the judge stated:

Adjournment Debate

In my view, the eligibility requirements demean the essential human dignity of women who predominate in the part-time labour force because they must work for longer periods than full-time workers in order to demonstrate their labour force attachment...

Women make up 70% of the part time work force and carry most of the responsibility for raising children. The decision recognized the juggling act of working mothers and indicated that they should not be penalized. Incredibly, instead of immediately introducing changes to EI eligibility requirements to correct the systemic inequalities facing women, the government took Kelly Lesiuk's case back to court on appeal. On January 8 of this year the Federal Court tabled its decision which is now being reviewed by Kelly Lesiuk. Ironically, she has until March 8, International Women's Day, to take further legal action.

Why should women in Canada have to resort to court cases to gain legal access to employment insurance? There is a \$43 billion EI surplus that was collected for the direct benefit of unemployed workers. Yet only 38% are eligible to qualify for a program set up by the Liberals.

Many Canadians were shocked and disgusted at the government's determination to keep the lowest paid part time working women from accessing financial support in time of need. It was hoped that the government would finally do the right thing in last week's budget and announce changes to the EI fund to cover women like Kelly Lesiuk. Did they? No. Did it allocate funds for programs to assist workers in improving their job marketability? No again. Is one more unemployed worker eligible for a penny of the \$43 billion today? Certainly not. What a message it is to desperate Canadian women caught in the web of unattainable government EI criteria and the urgent demand of supporting their families.

The government is demanding that they juggle with one hand tied behind their backs. That is inexcusable and I again call on the government to remove the barriers it has put in place that discriminate against women and part time workers.

• (1945)

[*Translation*]

Ms. Diane St-Jacques (Parliamentary Secretary to the Minister of Human Resources Development, Lib.): Madam Speaker, I want to start by telling the hon. member for Winnipeg North Centre that the federal Court of Appeal allowed Human Resources Development Canada to apply judicial review in this case, and that the period to apply for leave to appeal to the Supreme Court of Canada expires on March 7, 2003. Therefore, it is not appropriate to comment on this, since the period has not yet expired.

I can, however, confirm that the changes made to the employment insurance system have benefited women. The adoption, in 1996, of an hours-based system, in addition to amending the provisions affecting persons returning to the labour market and the recovery process, as well as the extending of maternity or parental leave from six months to one year, have greatly benefited women.

Improved parental and maternity benefits under the employment insurance system have been a huge success and well received by Canadians. These benefits allow workers to remain home for their child's first year, which, as we know, is a time when parents play an essential role.

Since January 2001 parents have had the possibility of staying at home with a little one for a year, and I can tell you that recent figures show that a lot of Canadians are taking advantage of this. We are pleased to see that our efforts to help out working parents are having some success.

I will provide a few figures to back up my statements. Over 200,000 Canadians received maternity or parental benefits in 2001. Applications for parental leave rose from 173,790 in 2000 to 216,010 in 2001, an increase of 24.3%. Applications for maternity benefits also rose 16.1%, from 170,950 in 2000 to 198,420 in 2001.

In 2001, 8,240 more Canadians were able to draw maternity or parental benefits because of the reduction in the required hours from 700 to 600.

The 2001 Monitoring and Assessment Report clearly indicates that 88% of workers would be entitled to EI benefits if they lost their jobs or left them for just cause. For full time female workers, the percentage rises to 96%. Among part time workers, more women—55%—would be eligible than men—40%.

The labour market situation is, therefore, favourable to women. In January 2003, the unemployment rate for adult females was 6.1%. Since we became the government in 1993, the number of jobs held by women has risen by 1.4 million.

All in all, the employment insurance program helps women when they need help, and we will continue to see that it remains accessible to Canadians in need.

[*English*]

Ms. Judy Wasylycia-Leis: Madam Speaker, with all due respect, the parliamentary secretary and the government have missed the point and continue an injustice against Canadian women.

Let us be perfectly clear that Kelly Lesiuk today would not be eligible under EI for legitimate benefits as a part time worker who has established attachment to the labour force. Yes, she might be eligible for special benefits under the sickness, maternity or parental leave provisions. That is not the point. She ought to be entitled to benefits because she has a legitimate right to regular benefits.

The government continues to hide behind court cases to deny women justice. Court cases and the legal wrangling of the government should not be an excuse for not making specific amendments to the act that would meet this concern.

Adjournment Debate

My questions remain. When will the government act to recognize the real circumstances of women in the workforce? Why has the government chosen to postpone justice for Canadian workers? What is the government prepared to do to address this particular situation? Will the government change the eligibility—

• (1950)

The Acting Speaker (Ms. Bakopanos): Order. The hon. Parliamentary Secretary to the Minister of Human Resources Development.

[*Translation*]

Ms. Diane St-Jacques: Madam Speaker, let me assure you that the numbers that I mentioned a few moments ago prove one thing, namely that this government has the best interests of workers at heart, particularly women who must balance work and family responsibilities. We will always work toward allowing women

access to the job market while taking the family aspect into consideration.

But beyond the numbers, we have here a program that is effective and transparent. Through several programs and various initiatives that were introduced, the government has adopted a human approach that is tailored to the needs expressed by working mothers over the last few years. And we have every intention of continuing down that road.

The Acting Speaker (Ms. Bakopanos): The motion to adjourn the House is now deemed to have been adopted.

[*English*]

Accordingly the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:52 p.m.)

CONTENTS

Tuesday, February 25, 2003

ROUTINE PROCEEDINGS

Transportation

Mr. Collenette 3943

Transportation Amendment Act

Mr. Collenette 3943

Bill C-26. Introduction and first reading 3943

(Motions deemed adopted, bill read the first time and printed) 3943

Petitions

Refugees

Ms. Davies 3943

Rights of the Unborn

Mr. Peric 3943

Employment Insurance

Mr. Elley 3943

Child Pornography

Mr. Elley 3943

Stem Cell Research

Mr. Szabo 3943

Child Pornography

Mr. Goldring 3944

Freedom of Religion

Mr. Speller 3944

Child Pornography

Mr. Speller 3944

Questions on the Order Paper

Mr. Regan 3944

GOVERNMENT ORDERS

The Budget

Financial Statement of Minister of Finance

Budget motion 3944

Ms. Augustine (Etobicoke—Lakeshore) 3944

Mr. Bagnell 3945

Mr. Forseth 3947

Ms. Picard 3948

Mr. Adams 3950

Mr. Wilfert 3951

Mr. Valeri 3951

Mr. Forseth 3952

Mr. Cullen 3953

Mr. Bailey 3954

Mr. Elley 3955

Mr. Benoit 3955

Mr. Wilfert 3957

Mr. Szabo 3957

Mr. Duncan 3957

Mr. Benoit 3958

Ms. Bulte 3959

Mr. Mahoney 3960

Mr. Mahoney 3961

Mr. Goldring 3962

Mr. Forseth 3962

Mr. Blaikie 3963

Mr. Szabo 3964

Ms. Lill 3965

Mr. Szabo 3966

Mr. Anderson (Cypress Hills—Grasslands) 3967

Mr. Shepherd 3968

Mr. Epp 3969

Mr. Borotsik 3970

Mr. Wilfert 3971

Miss Grey 3972

Mr. Casey 3972

STATEMENTS BY MEMBERS

Fredericton Boys and Girls Club

Mr. Scott 3974

Child Pornography

Mr. Thompson (Wild Rose) 3974

Order of Canada

Mr. Tirabassi 3974

Marijuana

Mr. Szabo 3974

Grosvenor Elementary School

Ms. Neville 3974

Canadian Forces

Mr. Bailey 3975

Peace

Ms. Guay 3975

Heritage Day

Ms. Bulte 3975

Firearms Registry

Mr. Harris 3975

Charles Devlin

Mrs. Jennings 3975

Canada Winter Games

Mr. Godin 3976

Canadian Forces

Mr. Pratt 3976

Centenary of Hébertville-Station

Mr. Gagnon (Lac-Saint-Jean—Saguenay) 3976

Scott Tournament of Hearts

Mr. Regan 3976

Senior Citizens

Mrs. Wayne 3976

Peace

Mr. Harvey 3977

Justice			
Mr. Moore	3977		
ORAL QUESTION PERIOD			
Ethics			
Mr. Harper	3977		
Mr. Chrétien	3977		
Mr. Harper	3977		
Mr. Chrétien	3977		
Mr. Harper	3977		
Mr. Chrétien	3977		
Mr. Hill (Macleod)	3977		
Mr. Chrétien	3978		
Mr. Hill (Macleod)	3978		
Mr. Chrétien	3978		
Iraq			
Mr. Duceppe	3978		
Mr. Chrétien	3978		
Mr. Duceppe	3978		
Mr. Chrétien	3978		
Ms. Lalonde	3978		
Mr. Chrétien	3978		
Ms. Lalonde	3978		
Mr. Chrétien	3978		
Mr. Blaikie	3978		
Mr. Chrétien	3978		
Mr. Blaikie	3979		
Mr. Chrétien	3979		
Softwood Lumber			
Mr. Casey	3979		
Mr. Pettigrew	3979		
Iraq			
Mr. Clark	3979		
Mr. Graham (Toronto Centre—Rosedale)	3979		
Ethics			
Mr. Strahl	3979		
Mr. Chrétien	3979		
Mr. Strahl	3980		
Mr. Chrétien	3980		
Iraq			
Mr. Rocheleau	3980		
Mr. Graham (Toronto Centre—Rosedale)	3980		
Mr. Rocheleau	3980		
Mr. Graham (Toronto Centre—Rosedale)	3980		
Goods and Services Tax			
Mr. Jaffer	3980		
Ms. Caplan	3980		
Mr. Jaffer	3980		
Ms. Caplan	3980		
Softwood Lumber			
Mr. Bergeron	3980		
Mr. Dhaliwal	3981		
Mr. Bergeron	3981		
Mr. Dhaliwal	3981		
Citizenship and Immigration			
Mrs. Yelich	3981		
Mr. Coderre	3981		
Mrs. Yelich	3981		
Mr. Coderre	3981		
Veterans Affairs			
Mr. Wood	3981		
Mr. Pagtakhan	3981		
Infrastructure			
Mrs. Desjarlais	3981		
Mr. Manley	3981		
Agriculture			
Mr. Proctor	3982		
Mr. Vanclief	3982		
Ethics			
Mr. Clark	3982		
Mr. Chrétien	3982		
Mr. Clark	3982		
Mr. Chrétien	3982		
Citizenship and Immigration			
Mrs. Ablonczy	3982		
Mr. Coderre	3982		
Mrs. Ablonczy	3982		
Mr. Coderre	3982		
Port Facilities			
Mr. Laframboise	3983		
Mr. Collenette	3983		
Mr. Laframboise	3983		
Mr. Collenette	3983		
Firearms Registry			
Mr. Breitzkreuz	3983		
Ms. Robillard	3983		
Mr. Breitzkreuz	3983		
Mr. Cauchon	3983		
Aboriginal Affairs			
Ms. Neville	3983		
Mr. Goodale	3984		
Transportation			
Mr. Casson	3984		
Ms. Caplan	3984		
Mr. Casson	3984		
Ms. Caplan	3984		
Production Assistance			
Ms. Gagnon (Québec)	3984		
Ms. Copps	3984		
Firearms Registry			
Ms. Venne	3984		
Mr. Cauchon	3985		
Softwood Lumber			
Mr. Stoffer	3985		
Mr. Pettigrew	3985		
Firearms Registry			
Mr. Keddy	3985		

Mr. Cauchon	3985
Points of Order	
Official Report	
Mr. Clark	3985
Mr. Boudria	3985
Privilege	
Standing Committee on Public Accounts—Speaker's Ruling	
The Speaker	3986
Letter from Member for Calgary West	
Mr. Mahoney	3987
Mr. Reynolds	3987
Mr. Anders	3987

Points of Order	
Official Report	
Mr. Boudria	3987
Mr. Hearn	3988
Business of the House	
Bill C-15	
Mr. Bryden	3988
(Motions Nos. 2 and 3 withdrawn)	3988

GOVERNMENT ORDERS

The Budget	
Financial Statement of Minister of Finance	
Budget motion	3988
Mr. Szabo	3988
Mr. Owen (Vancouver Quadra)	3988
Mr. Wilfert	3990
Mr. Gouk	3990
Mr. Mills (Toronto—Danforth)	3991
Mr. Moore	3991
Mr. Thompson (Wild Rose)	3992
Mr. Mills (Red Deer)	3992
Mr. Bonwick	3994
Mr. Thompson (Wild Rose)	3994
Mr. Moore	3994
Mr. Bonwick	3996
Mr. Wilfert	3996

ROUTINE PROCEEDINGS

Committees of the House	
Citizenship and Immigration	
Mr. Regan	3997
Motion	3997
(Motion agreed to)	3997

GOVERNMENT ORDERS

The Budget	
Financial Statement of Minister of Finance	
Budget Motion	3997
Mr. Bonwick	3997
Mr. Benoit	3998
Mr. Goldring	3999
Mr. Bryden	3999

Mr. Thompson (Wild Rose)	4000
Mr. Wilfert	4001
Mr. Rajotte	4001
Mr. Wilfert	4003
Mr. Harvard	4003
Mr. Merrifield	4004
Mr. Wilfert	4005
Mr. Caccia	4006
Mr. Harvey	4008
Mr. Caccia	4008
Mr. Tonks	4008
Mr. Rajotte	4009
Mr. Bachand (Saint-Jean)	4009
Amendment to the amendment negated	4012

GOVERNMENT ORDERS

Specific Claims Resolution Act	
Bill C-6. Third reading	4013
Amendment negated	4014

Canada Pension Plan	
Bill C-3. Third reading	4014
Motion agreed to	4015
(Motion agreed to, bill read the third time and passed) ..	4015

First Nations Fiscal and Statistical Management Act	
Bill C-19. Second reading	4015
Motion agreed to	4016
(Bill read the second time and referred to a committee) ..	4016

Divorce Act	
Bill C-22. Second reading	4016
Motion agreed to	4017
(Bill read the second time and referred to a committee) ..	4018

Yukon Environmental and Socio-Economic Assessment Act	
Bill C-2. Report stage	4018
Motion No. 1 agreed to	4019
Mr. Nault	4019
Motion for concurrence	4019
Motion agreed to	4020

Lobbyists Registration Act	
Bill C-15. Report Stage	4020
Motion agreed to	4021
Mr. Rock	4021
Motion for concurrence and second reading	4021
Motion agreed to	4023

Canada Elections Act	
Bill C-24. Second reading	4023
Amendment to the amendment negated	4024

Criminal Code	
Bill C-20. Second reading	4024
Amendment negated	4025

ADJOURNMENT PROCEEDINGS

Fisheries and Oceans	
Mr. Casey	4025
Mr. Tirabassi	4025

Employment Insurance

Ms. Wasylcia-Leis 4026

Ms. St-Jacques 4027

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

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

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
TPSGC, Ottawa (Ontario) K1A 0S5
Internet: <http://publications.gc.ca>
1-800-635-7943 ou appel local (613) 941-5995

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

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

Also available on the Parliamentary Internet Parlementaire at the following address:

Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :
<http://www.parl.gc.ca>

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

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

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

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

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