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(HANSARD)

Monday, May 12, 2003

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, May 12, 2003

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1105)
[English]

HEALTH

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance)
moved:

Motion M-83

That the Standing Committee on Health fully examine, study and report to Parliament on: (a) whether or not abortions are medically necessary for the purpose of maintaining health, preventing disease or diagnosing or treating an injury, illness or disability; and (b) the health risks for women undergoing abortions compared to women carrying their babies to full term.

He said: Mr. Speaker, I am pleased to be starting the debate today on the first piece of private members' business of the many I have introduced in the House which now will be votable. Nine years of work to make all private members' business votable has finally paid off and I wish to thank all my colleagues in all parties who made this change to our Standing Orders possible.

Today I am hoping to convince the majority of members of the House to support my Motion No. 83. The motion is very simple. It asks the Standing Committee on Health to fully examine, study and report to Parliament on two issues related to the delivery of abortion services in Canada. The first is to determine whether or not abortions are medically necessary as defined in the Canada Health Act. The second is to determine the health risks for women undergoing abortions.

Doctors take an oath to "do no harm". I believe that government should take the same oath. We should hold the government to the same standard we would hold individuals and corporations, that is, we are all responsible for our actions and the damages they cause. If medical procedures are proven to cause harm, then precautions have to be taken. If medical procedures cause more harm than good, then we have to be even more careful in how we deliver these services under the Canada Health Act.

Let us start this debate with the health minister's position on abortion. On October 3, 2002, the health minister said in the *Saint John Telegraph-Journal*:

Our view is that obviously abortion is a medically necessary service, therefore it has to be insured whether it's performed in a hospital or a private clinic.

The minister's statement came as a complete surprise to me because I had a letter from Health Canada dated March 8, 2001, stating that there were no records in the department that would "provide evidence that abortions are medically necessary". I immediately filed another access to information request asking for the new information the Department of Health must have to support the minister's statement, but on October 31, 2002, Health Canada once again responded that after a thorough search no records were located.

I was shocked that the Minister of Health would make such a clear policy statement for the government without having the medical evidence to support her claim, so I dug through my files looking for some justification for the minister making such a statement without medical evidence being immediately available in her department.

I found a memorandum dated March 30, 2001, sent by Health Canada in response to questions asked by members of the Standing Committee on Health during committee hearings held on March 13 and 15, 2001. The committee asked, "Does Health Canada have a list of what it considers 'medically necessary' hospital and physician services?" Health Canada responded and I would like to quote the response:

The comprehensiveness criteria of the Canada Health Act (CHA) requires that provincial/territorial health insurance plans insure all medically necessary hospital and physician services. Health Canada does not maintain a list of medically necessary physician and hospital services for the purpose of the administration of the CHA, although the definition of hospital services in the Act is very detailed. The federal government's position with respect to the determination of medical necessity has always been to leave the responsibility to decide what services are medically necessary to the provinces and territories, in conjunction with the medical profession.

Health Canada monitors provincial/territorial decisions to remove or add services to their lists of insured services on an on-going basis to ensure that there is no breach to the requirements of the CHA. The assessment of whether the deinsurance of a service by a province or territory is a breach of the comprehensiveness criterion generally takes into consideration whether the service is covered in other provinces or territories, and whether there is a consensus in the medical community that the service is effective for the purpose of maintaining health, preventing disease and diagnosing or treating an injury, illness or disability.

I remind everyone listening today that the health department's definition of which procedures it considers medically necessary is identical to the wording of my motion. This is because I took the definition for my motion right out of the Canada Health Act.

Private Members' Business

The Standing Committee on Health was told by the Department of Health that the responsibility of determining which medical procedures are medically necessary rests with the provinces and territories, so last summer we wrote the ministers of health in the provinces and territories. Only Quebec did not respond. Those that responded considered abortion to be both medically necessary and therapeutic, but also informed us that they had not conducted any risk benefit analysis with respect to the provision of abortion services delivered in their jurisdiction.

• (1110)

So in fact, nowhere in Canada were we able to find any medical evidence to justify the minister's conclusion that "obviously abortion is a medically necessary service". If no government, federal, provincial or territorial, has completed a risk benefit analysis on abortion, how can it be claimed that all abortions are medically necessary and therapeutic? How can the federal government demand that all abortions be insured under the Canada Health Act if the government does not know what the risks are or if the benefits outweigh those risks? This question can only be resolved by independent research and analysis provided by medical professionals and reported to the Standing Committee on Health. This is why I introduced the motion and this is why the research is so essential to preserve the integrity of the Canada Health Act and its enforcement.

Despite the lack of medical evidence to support the minister's view that all abortions are medically necessary, the government still enforces the Canada Health Act quite vigorously against some provinces that do not provide abortion services as dictated by the federal government. For example, the minister of health for Newfoundland and Labrador, Mr. Gerald Smith, MHA, in his letter dated August 22, 2002, wrote:

I understand that the decision to pay for the health costs in connection with abortion procedures in this Province largely came as a result of views expressed by the federal government that abortions are medically necessary services under the Canada Health Act and should be covered by the provinces. Indeed, for a period of time some transfer payments from the Federal Government were withheld from this Province because the Province did not cover the full cost of abortion services.

Media reports last fall revealed that the Province of Nova Scotia had been penalized by Health Canada since 1995 for failing to pay the facility fee at the Morgentaler abortion clinic in Halifax.

How can the government ensure that abortion services are enforced equally in all provincial jurisdictions or provided equally to women in each and every province, as Dr. Morgentaler is demanding, if it does not have the medical evidence justifying that all abortions are in fact medically necessary and therapeutic and that the medical benefits outweigh the risks in all cases being insured under the Canada Health Act?

The Standing Committee on Health needs to hear Dr. Morgentaler's views on why he feels it is important for the health of the mother to conduct an abortion as early as possible in the pregnancy and how the health risks for the mother increase as the pregnancy progresses. Even Dr. Morgentaler appears to agree that at some point during the pregnancy the risks for the mother of having an abortion would outweigh the medical benefits.

The committee also has to hear from front line health care providers such as the Canadian Nurses for Life, who wrote a letter to each one of us dated November 18, 2002, that clearly stated

"Abortion is not a medical necessity". The Canadian Nurses for Life went on to say:

As members of the most populous health care profession, we are well aware of the necessity of conserving our health care dollars. We are there on the front lines of health care twenty-four hours a day, seven days a week. We are uniquely involved in every aspect of caring for our patients and as such are able to distinguish the need for medical information when we see it.

The standing committee should also hear from the Canadian Physicians for Life, who wrote to the Prime Minister on October 7, 2002, stating:

Women's health is being harmed by abortion, without their knowledge or consent. Available studies make this clear and the politics of abortion is keeping this information from women—they are not fully informed before they make their choice for abortion.

The letter goes on to list a number of the more serious risks of which women contemplating an abortion should be informed, including increased risk of breast cancer, post-abortion emotional trauma, and loss or impairment of children through premature delivery in subsequent pregnancies.

The Health Canada response to the standing committee also stated that another factor in determining the medical necessity of a medical procedure is "whether there is a consensus in the medical community".

• (1115)

Another issue for the health committee to examine and report on to Parliament is whether or not such a consensus exists and how the consensus was determined. The letters from Nurses for Life and Physicians for Life would seem to indicate that there is not a consensus.

I would like to quote from a secret memo I received under access to information. The subject of the memorandum to the minister was a letter to Dr. Henry Morgentaler. Page 6 of the document states, and I quote:

Abortion is recognized as a medically necessary insured service in all the provinces and territories. Under the Canada Health Act, all medically necessary health services (physician or hospital) must be insured, and access to these services should be provided on uniform terms and conditions. In 1995, the federal policy on private clinics came into effect requiring provinces paying the physician fee for services provided at private clinics to also pay the facility fee. Three provinces (Alberta, Newfoundland and Nova Scotia) were penalized for not paying the facility fee at private abortion clinics. While Alberta and Newfoundland have since resolved the situation, Nova Scotia remains in non-compliance. New Brunswick, Manitoba and Prince Edward Island were not penalized under the clinics policy because clinic abortions were not deemed to be an insured service in these provinces. Quebec was not penalized because it was paying the physician fee plus an additional \$40 facility fee for abortions performed in private clinics. Quebec's position was that any additional charges to patients were for non-insured services (e.g. counselling).

Clearly this shows the confusion that exists in regard to the medical necessity and insurability of abortion. It is obvious that a consensus does not exist in the provinces either. Maybe this can explain the inconsistency in enforcement of the same violation in non-compliant provinces.

Private Members' Business

It is obvious from this one government document alone that every jurisdiction would benefit from having the medical evidence necessary to prove when and where a medically necessary procedure can be provided at the lowest risk to the health of the mother.

I believe that every province should insure counselling for mothers so they are completely and fully aware of all the risks associated with having an abortion and the alternatives to having an abortion. This counselling for mothers concerning the risks would also have to be based on sound medical evidence that does not appear to be available at either the federal or the provincial level.

I have not had time to go into all the medical evidence that is being debated across the country, but I have another quote that shows there is risk to having an abortion. In response to Order Paper Question No. 151 dated April 24, 2002, Statistics Canada reported, and I quote:

Statistics Canada has only a limited amount of data and research on the death rate after a pregnancy. Statistics Canada also annually publishes data on deaths and death rates, including maternal mortality, defined as deaths caused by complications of pregnancy, childbirth, and the 42 days following termination of a pregnancy. Of the 329 maternal deaths that occurred from 1979 to 1998, seven deaths had an underlying cause of complications from abortion.

Unfortunately, another Access to Information Act request to Health Canada drew another "no records" response when I tried to find reports documenting the total death risk for women having an elective abortion compared to that for women carrying their baby to term. There is also a long list of medical complications suffered by women undergoing abortions but I will leave that for others to itemize, or hopefully for the health committee to study to reveal and determine the extent of these complications and their impact on the therapeutic nature of providing abortion services in Canada.

In closing I would like to add that every argument I have made today was made on medical grounds, not moral grounds. I strongly believe that our laws should protect all life from the moment of conception. I recognize that the medical evidence gathered by the Standing Committee on Health may not support my strongly held belief, but I am willing to live with whatever the committee finds during its examination. I hope that every member of Parliament is prepared to do the same. I appeal to everyone voting on this motion to vote on the actual wording of the motion. I look forward to the debate that will be held over the remainder of this hour and in the second hour.

•(1120)

I ask the people of Canada to let their members of Parliament know how they feel about this, and I hope members will vote accordingly. This is an important issue, an issue that has not been debated in the House as long as I have been an MP. I appeal to members to listen, read the words of the motion and then vote accordingly.

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I would like to ask the member a couple of questions. We know the Supreme Court struck down the Canadian abortion law in 1988. That may not have much of an impact on the member. I know the Alliance is not very fond of many of the rulings by the Supreme Court.

The member mentioned that he was concerned about abortion on medical grounds. We know the anti-abortion activists do not support abortions whether they are safe or not. I and people in the medical

field have found no linkages between abortion and breast cancer. It seems to me that bringing in potential health issues at this point in time when they have not been proven is a bit of a red herring.

The opposition is trying to put this issue into the political realm when in fact is the issue not simply that the member does not support a women's right to choose an abortion, whether he believes it is a safe or an unsafe procedure?

Mr. Garry Breitkreuz: Mr. Speaker, I want the members of the House to look at what I have put forward. The member is bringing in other issues which I do not want the health committee to examine at this point.

I am asking the committee to examine the health risks that are involved here. Many studies have been done, and I can get into some of those, but if the motion passes then it is up to the health committee to examine the health risks.

For years people thought smoking was all right. Doctors even thought there were benefits to smoking, that it protected people from harmful diseases. Doctors thought that if people were in contact with a patient who had an infectious disease that smoking would protect them. We have changed our minds after research indicated the risks. Maybe we will have to change our minds on this issue and begin to inform the public about the risks, just as we did for smoking.

This really is not tied in to what the Supreme Court ruled. The motion deals with the health risks of abortion. I wish we would confine it to that issue.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I too would like to direct my question to the hon. member for Yorkton—Melville.

I noted with interest that his motion is in fact focused on the health risks facing women who have undergone abortion. The motion does not mention the issue of whether the fetus constitutes human life, but restricts the examination to the health of the mother.

Because the motion focuses on the mother's health, I think each of us could support it. It would be in the best interests of women and women's health to have a discussion on that issue to make sure we are kept up to date on any developments in that respect.

Would the member elaborate more specifically on third trimester abortions and the concerns he may have regarding the impact these late abortions can have on a woman's health?

•(1125)

Mr. Garry Breitkreuz: Mr. Speaker, there is a lot of evidence out there and it is in reputable journals. Studies have been done by many medical professionals.

I recently came across a list of some of the short term and long term effects of these abortions. First, with regard to infection, there was four times higher risk of infection than in the control group. With regard to surgery, there was a five times higher rate for those who had abortion in comparison to the control group.

The third study I saw was that hospitalization for psychiatric problems was five times higher for those who had an abortion in the third trimester than in the control group.

Private Members' Business

Several studies show an increased suicide rate; anywhere from two to six times higher than for women who carry their babies to term. Another study indicated uterine perforations, pelvic inflammatory disease and infertility were linked to abortion.

The sixth study I came across was that there was a pain higher than fractures, sprains neuralgia and equal to the pain of amputees in patients with cancer.

Some of the long term effects were an 85% increase in pre-term or low birth weights in babies and an increase in disabilities.

The last study showed that infertility due to retained fetal bone fragments was a factor and an increased risk of breast cancer of at least 30% and higher in women under—

The Acting Speaker (Mr. Bélair): I am sorry to interrupt the hon. member but he was past his five minutes questions and comments.

[*Translation*]

Mr. Jeannot Castonguay (Parliamentary Secretary to the Minister of Health, Lib.): Mr. Speaker, the first part of the motion before us asks that the Standing Committee on Health to fully examine whether or not abortions are medically necessary for the purpose of maintaining health, preventing disease or diagnosing or treating an injury, illness or disability.

The Government of Canada attaches considerable importance to the surveillance of issues affecting the health of Canadians. In 1995, the department began developing the Canadian perinatal surveillance system, or CPSS, as part of a departmental initiative to fill the gaps in national public health surveillance.

The CPSS collaborates with Statistics Canada, the Canadian Institute for Health Information, provincial and territorial governments, health professionals organizations, advocacy groups and university researchers. Representatives of these groups and several international experts serve on the CPSS steering committee and its study groups.

The CPSS considers a health surveillance system to be a core system of ongoing data collection, analysis and interpretation on vital public health issues. Two issues related to public health surveillance, which greatly interest the CPSS and Canadian women, are the health effects associated with induced abortions and those associated with and full-term pregnancies.

There are no studies directly comparing the risks associated with induced abortions and those associated with full-term pregnancies in scientific journals. This can be attributed to the fact that Canadian women and their health care providers do not consider direct comparisons very important.

The physiology of pregnancy varies widely from one stage to the next. The risks associated with most undesirable events during pregnancy are, in all likelihood, higher later in pregnancy than at the stage when induced abortions are performed.

The close monitoring of undesirable events on health and the risk factors are more instructive in the case of induced abortions and full-term pregnancies. The department, thanks to the CPSS, has undertaken several important initiatives in this regard.

As far as induced abortions are concerned, the maternal health task force of the CPSS is looking thoroughly into the statistics on this provided by Statistics Canada. In addition to examining the complication rate as reported by Statistics Canada, the CPSS is examining delayed complications via a study on readmissions after discharge from hospital.

These efforts to link induced abortions in hospital with subsequent readmissions will further our understanding of the nature and frequency of serious complications connected to induced abortions.

As far as the health risks relating to pregnancy in general, the CPSS is involved in two pertinent initiatives. The first of these is a national study of maternal deaths, a first of its kind in Canada, which will attempt to examine all maternal deaths from 1997 to 2000, regardless of cause. A summary of the various provincial and territorial review processes for maternal death coupled with a study by experts on reported maternal deaths will be published by the department in 2004.

Fortunately, maternal deaths are still relatively rare in Canada, but the CPSS recognizes the need to monitor serious pregnancy outcomes that do not lead to deaths.

As a result, a study is currently under way to examine the profile of serious maternal morbidity in Canada. It will use surrogate variables including blood transfusions and admissions to intensive care to establish serious negative events involving pregnant women. These two initiatives will yield a more thorough knowledge of the risk factors and of the scope of serious outcomes affecting the health of Canadian women during pregnancy.

In short, a direct comparison of the health risks for women undergoing induced abortions and women going to full term does not necessarily represent the optimum approach. A careful monitoring of serious events for women's health at all stages of pregnancy will provide the basis for policies and programs designed to provide Canadian women with the safest possible perinatal health services.

The department is fully behind this effort with these initiatives for surveillance.

● (1130)

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ) Mr. Speaker, today we are debating a motion by an hon. member of the Canadian Alliance who declared in a press release on March 31 that his motion will be the first pro-life vote in Parliament in 12 years.

To my knowledge, this is the third time the hon. member for Yorkton—Melville has brought forward a motion to recriminalize abortion. In February 2001, I was the only feminist female member present in this House and if it had not been for the presence of the Bloc Québécois, which opposed the motion, the hon. members would probably have had to take action. Later, last year, the same hon. member brought forward another motion and again, thanks to the Bloc Québécois, the motion died on the Order Paper.

Today, I am pleased to see that once more, answering the call of the Bloc Québécois, a number of my female colleagues from all parties are here, and I thank them for their support. My hon. colleagues are present in order to show the Alliance member that we have had enough of his stubborn insistence on bringing forward pro-life motions.

If the motion were passed by this House, it would compel the Standing Committee on Health to fully examine whether or not abortions are medically necessary services in accordance with the Canada Health Act and, as the hon. member says “everyone needs to know the health risks for the mother”.

In 1988, the Supreme Court of Canada struck down the abortion law, arguing that it was unconstitutional because it contravened the charter of rights and freedoms. The abortion law, according to the charter, is contrary to the right to life, liberty and security of the person. The Supreme Court said in its judgment:

Forcing a woman, by threat of criminal sanction, to carry a foetus to term unless she meets certain criteria unrelated to her own priorities and aspirations, is a profound interference with a woman's body and thus an infringement of security of the person.

Since then, women in Canada have had the right to choose abortion as a means of ending an unwanted pregnancy. Thus, to revive the debate on this topic is to call into question the decision of the Supreme Court of Canada, and I strongly doubt that the members of the Standing Committee on Health are prepared to debate this decision.

The Canada Health Act, which sets out the general principles and conditions the provinces must respect in order to receive funding for health care services, stipulates that the provinces and Quebec must pay for all hospital and medical services that are medically necessary. However, the act does not define “medically necessary”, nor does it establish how that is to be done.

Each province, including Quebec, decides which medical services it must provide. The question of how far the federal government could go in applying national standards without interfering in provincial and Quebec jurisdiction is far from settled.

This is why the medical and hospital services that are insured differ in each province. This is why the practice of abortion also differs in each province and in Quebec. This situation has been denounced by the Canadian Abortion Rights Action League, which noted—and this is probably the conclusion that the Standing Committee on Health would reach—that the five principles laid out in the Canada Health Act are constantly being violated by the provinces.

The principle of transferability is violated when provinces treat abortion like plastic surgery and place it on the list of services that are not included in the interprovincial reciprocal billing plan. The principle of accessibility is violated when provinces, such as Prince Edward Island refuse to provide any abortion services, forcing women to go to New Brunswick and Nova Scotia to terminate their pregnancies.

• (1135)

Comprehensiveness as a principle is trampled when Nova Scotia, New Brunswick and Manitoba refuse to pay for a medically necessary abortion performed in an independent clinic instead of in a

Private Members' Business

hospital. In New Brunswick, a physician is even reported as having threatened a woman to stop caring for her and her family if she tried to get an abortion.

Also, the public administration principle is denied when, following the merger of Catholic and secular hospitals, public institutions run by Catholics do not offer women any reproductive health services, like contraception and abortion.

Finally, the universality principle becomes totally inoperative when the availability of abortion services in hospitals varies between 0% and 35% depending on the location.

Therefore, asking the Standing Committee on Health to report to Parliament on whether or not abortions are medically necessary goes against the five principles set out in the Canada Health Act and against the decision by the Supreme Court of Canada, and would put the committee in the unfortunate position of interfering in a provincial jurisdiction.

As to the second part of the motion, concerning the “health risks for women undergoing abortions compared to women carrying their babies to full term”, this is a more insidious and biased part. For many if not most women, the decision to have an abortion is a difficult one and, for all, a painful experience. A majority of the studies as well as the official records of an international symposium on the subject show that an unwanted pregnancy is a crisis most often resolved through an induced abortion.

Following an induced abortion, most women feel relieved. Only a minority are emotionally or psychologically scarred; in fact, performed in appropriate conditions, induced abortions have fewer negative emotional effects than the birth of an unwanted child. As for guilt feelings, they basically depend on social context.

It is also incorrect to claim that abortion has serious consequences for the woman's physical health. Studies on thousands of women clearly show that the rate of complication in abortions is minimal. For early abortions, the risk is below 1% and clearly lower than the risk inherent in childbirth, which is the only alternative. There is no proof that there is an increase in sterility, or higher risks in later pregnancies, or a higher risk of breast cancer among women who have had an abortion.

Neither have there been more psychological problems found in women who have had abortions. The post-abortion syndrome is an invention of the anti-abortion camp. Women who are forced to give birth against their will—and their unwanted children—suffer more often from psychological or psychosomatic problems than women who have had abortions or who have children who were wanted.

The consequence of harsh laws is that abortions are carried out by unqualified people, that women suffer complications, that they are afraid to seek treatment, and that, often, too much time elapses before they find a way to get an abortion, especially for women without financial means, and that causes other problems.

Private Members' Business

When abortions are performed illegally and not by professionals, women are risking their lives and their health. In Canada, following the Canadian Abortion Rights Action League's hospital access report for women seeking abortions, it has been noted that only 17.8% of all Canadian hospitals perform abortions. In some provinces, hospital access to abortion simply does not exist. Many hospitals also make it difficult for women to access abortion, the hospital staff is unable to provide women with proper information, and the doctors and nurses prevent women from having access to these services.

• (1140)

In closing, I want to say that health care reforms and budget cuts directly threaten abortion services, and this is putting women's lives at risk. Such limitations on or the refusal to provide abortion services not only signify that the legal right to abortion is losing all meaning, but women are being denied total reproductive freedom.

I would like to say, in conclusion, that women are not defined only by their ability to reproduce and their status as mothers. The right to an abortion must be seen as an important factor in the emancipation—

The Acting Speaker (Mr. Bélair): I am sorry to interrupt the hon. member for Terrebonne—Blainville, but her time is up.

The hon. member for Vancouver East.

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, is it not ironic that all of a sudden the Canadian Alliance is interested in women's health? Is it not curious and interesting that all of a sudden it is concerned about upholding the Canada Health Act?

If we look back over the record in public debates that have taken place, the Alliance is the party that has consistently ignored issues and spoken out against equality, poverty concerns, charter rights and the status of women, in Canada, as well as globally. It has the worst record of any political party in Canada, and certainly in this House, of supporting women's rights, and now it is claiming that this is about supporting women's health.

I hope that a majority of members stand up in the House, particularly the women, and say that they see clearly what this is about. It is a thinly veiled attempt to use the hook, to use the smokescreen, of a health issue to drag us back into a debate that will undermine a woman's right to control her own body and health. That is what this motion is about and that is where it is leading us.

I am proud to say that the New Democratic Party is very clear on this issue. At our convention in September 2000 we updated our policies concerning reproductive rights and technologies. The NDP fully supports women's rights to control their own bodies and opposes the recriminalization of abortion. New Democrats are committed to protecting the interests of women in the development of new reproductive genetic technologies. We support a comprehensive reproductive health policy which would include a commitment to a woman's right to self-determination in every sense, including her right to decide whether or not to bear children.

We believe that a comprehensive reproductive health policy must include assurances that Canadians have equitable access to safe, effective, and publicly funded reproductive health services for

women and their families. We believe that there should be a focus on family planning with adequate funding for educational programs and research into safe and effective contraception so that fewer women are faced with the painful decision arising from an unwanted pregnancy. We believe strongly that the establishment of non-profit women's community health clinics which provide a wide range of counselling and medical services, including abortion and accessibility to the full range of reproductive health services throughout Canada, must be implemented.

I was looking over some material for this debate today and one thing that struck me was how marginalized and alone the Canadian Alliance was on this issue. For example, a poll from November 2002 published in the *National Post* stated:

Support for a woman's right to an abortion has reached an all-time high in Canada, according to a National Post/Global National poll that found almost four of five Canadians, or 78%, believe women should have a completely free choice in the matter.

That was the Canadian public speaking and it certainly did not support the position that taken by the Alliance.

In 1988 the Supreme Court of Canada struck down Canada's abortion law, section 251, ruling that it was unconstitutional. The justices found that the law violated Canada's Charter of Rights and Freedoms because it infringed on a woman's right to life, liberty and security of person. That decision came 20 years after Dr. Morgentaler first performed an abortion in Canada.

I know Dr. Morgentaler is vilified by members across the way, but he has been a person who has shown his commitment to women's health and women's rights consistently, experiencing personal abuse and imprisonment. He has sacrificed much to bring this forward and I think he is a real hero to a lot of women.

It was in November 1989 that the government introduced Bill C-43, a Criminal Code amendment, which would have prohibited an abortion unless a physician found the pregnancy a threat to the woman's physical, mental or psychological health. Fortunately, it was defeated by the Senate. It actually passed in the House by a narrow vote, but was defeated in the Senate. Abortion is now treated like any other medical procedure governed by provincial and medical regulations, as it should be.

• (1145)

There are issues about services being accessible and available to women. In fact, there was a recent 75 page report from the Canadian Abortion Rights Action League, CARAL, which documented some of the issues and concerns regarding accessible services for women. It stated:

Despite being legal and covered under the Canada Health Act, abortion has been marginalized in Canada because of persistent attempts by anti-choice groups to politicize the procedure. Women have become victims of the bureaucratic "do-nothing" approach of medical associations and governments when they are discriminated against by "gate keepers" at hospitals who deny them medical services, anti-choice doctors who refuse to refer and politicians who place restrictions on access.

Private Members' Business

The member for Yorkton—Melville said earlier that his was a simple motion. It was about doing no harm and preserving the integrity of the Canada Health Act. I fundamentally disagree with what his motion is about in terms of where it would lead us. While there are issues clearly relating to the services that are needed for women, it is a very far stretch to have it come from this party in terms of its credibility in defending women's rights and women's health in this country.

I hope that all members will vote against this motion and focus instead on protecting women's health and women's rights. We should be focusing on issues to ensure that this medical procedure is available to all women in Canada should they need it and that they have the proper support and counselling. We should be focusing on issues of equality and dealing with poverty. That is what we should be doing. Approval of this motion will take us in a direction that is supported by the Campaign Life Coalition. It is clearly saying that the motion is the first parliamentary pro-life vote in 12 years. This is how it sees it. I say we should reject that.

We should see this motion for what it is in terms of where it is leading us. I am proud of the fact that our party and the member for Winnipeg North Centre, who is our women's equality critic, have done a lot of work in committee in terms of reproductive technologies in trying to protect women's rights and women's health. That is where the work has been done by our member and other members who are truly, genuinely interested in women's health and the protection of women's rights. That is where we should focus our attention, not on this Canadian Alliance motion that will drag us back into the dark ages and will create the kind of debate that is now long gone in this country.

As we see from the polls, Canadians have spoken out and said that they support a woman's right to choose. That is something that all members should support in the House.

• (1150)

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, I would like to say a few words on Motion No. 83. It calls upon the Standing Committee on Health to study and report to Parliament on the medical necessity of abortion for purposes of maintaining the health of a woman and preventing injury or disease as well as to study the medical risk of women undergoing abortions compared to women carrying a child to full term.

I want to congratulate the hon. member on raising this issue. It is a very important motion and one to which we should give very serious consideration. I support the motion because any serious debate on this issue is better than no debate at all.

Before 1969, as we are all very much aware, abortion was illegal in Canada. In 1969 the federal law changed to give legal status to abortions that were approved by a hospital's therapeutic abortion committee. Now if the committee decided that an abortion was necessary for the health of the mother, then the procedure was legal. Health was not specifically defined in law. As a result of that, committees had wide latitude in approving abortions.

However in 1998 the Supreme Court ruled that under the Charter of Rights and Freedoms laws regarding abortion were a violation of a pregnant woman's rights. What we essentially have today is abortion on demand, subject only to the usual restraints of hospital

budgets and so on, or the availability of a local abortion clinic to carry out the procedure.

We all have different reasons in this place for supporting or rejecting this motion. It is no secret that I oppose abortion on moral grounds. I believe that life begins and is sacred from conception. However abortion is much more than a health issue. It is a moral issue as well but we are not being asked today to rule on the morality of the issue. We are being asked to look at forming a committee to report to Parliament on the medical necessity of abortion for the purposes of maintaining the health of a woman and to further look at the medical risks to women of undergoing abortions compared to carrying a child to full term.

As I mentioned, in 1998 the Supreme Court ruled, under the Charter of Rights and Freedoms, that laws regarding abortion were a violation of the pregnant woman's rights, and what we have today is abortion on demand.

I am under no illusions, as I am sure no one in the House is, that this debate today will result in restraint or prohibition being placed on the practice of abortion in our country. However those of us who believe that something should be done would support having the committee look at assessing the risk and asking that committee to report back to Parliament on the risk involved to the woman. The request of the hon. member is very reasonable.

Abortion was made a health issue by the federal government a number of years ago so that abortions could be regularized under the supervision of the medical profession. It was the Liberal large *l*, small *l* thing to do at that time. However once the new charter gave individuals more and more freedoms and more and more rights, it was only a matter of time before abortion became merely a matter of choice. It was no longer necessary to maintain a fiction of medical necessity around this whole procedure.

• (1155)

As members will remember, the former PC government tried to pass a bill back in 1989 that again would have put the medical profession back into the abortion approval process but it was defeated in the Senate. Had it passed, I fear the law may have very well been struck down by the courts anyway.

Surely the risk to a mother and to the unborn child must have some rights under law and under the Constitution of our country. The fact that the unborn seem to have no rights is at the core of the problem, but it is not really what the hon. member is asking when he requests that a committee look at the medical necessity of it.

I would certainly be in favour of striking a committee to look at the medical necessity of the whole procedure and allowing that committee to assess the risk. It is a very reasonable request by the hon. member.

Some faint-hearted people do not even want to assess the risk to the mother. We have to ask why. The whole issue of abortion has caused great division among people. Since 1968, when Pierre Elliott Trudeau introduced the abortion reform bill, abortion rights people and pro-life people have worked very hard to advance their causes.

Government Orders

I would imagine that people who would vote against this motion would be afraid that the rights of the individual to have an abortion would somehow go into reverse. Some would say as well that we are a more secular nation today and as a result should have greater freedoms. Others would say that because we have greater freedoms we are headed down a path that embraces the culture of death and that we are embracing the freedoms but we are failing somehow to exercise the responsibility. They feel that voting for the motion would somehow cause them to lose ground on the abortion issue generally.

The health minister claims that abortion is medically necessary. However what we should remember is that Health Canada has no studies to justify that kind of claim. If abortion is not medically necessary, I guess we would have to ask why taxpayer dollars are used to fund it.

Informal and professional provincial pollings in Alberta, Saskatchewan, Ontario and New Brunswick have shown majority support for de-funding at least some abortion procedures. Not that the comparison is valid anyway but childbirth is safer than abortion. I think any medical individual would have to agree with that, especially when we consider the growing body of research on the physical and psychological effects of abortion on many women, for example, infertility, breast cancer, a greater risk of suicide, higher rates of substance abuse, depression, social dysfunction and so on.

Calling upon the Standing Committee on Health to fully examine, study and report to Parliament on whether abortions are medically necessary for the purpose of maintaining health seems to me to be a very reasonable request by the hon. member, and I support him in that.

● (1200)

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I am pleased to join in debate on this important proclamation brought forward by my colleague from Yorkton—Melville.

I would like to read into the record once more the motion since some of the debate has strayed quite radically from the wording and intent of the motion. Motion No. 83 states:

That the Standing Committee on Health fully examine, study and report to Parliament on: (a) whether or not abortion;s are medically necessary for the purpose of maintaining health, preventing disease or diagnosing or treating an injury, illness or disability; and (b) the health risks for women undergoing abortions compared to women carrying their babies to full term.

It is very evident to all of us that this is a motion concerned with women's health and concerned with the prudent use of scarce medicare funds to ensure that they are being directed toward medically necessary and not those that are medically unnecessary.

I would like at the outset to point to an experience I had as a member of the Standing Committee on Finance of the House last year when a witness appeared before us, Marilyn Wilson, the executive director of the Canadian Abortion Rights Action League, the principal advocate of the abortion licence in Canada. In her presentation to the finance committee she stated that "the vast majority of abortions performed in Canada are done for socio-economic reasons".

I found it very instructive that the principal advocate of the abortion licence in Canada felt that the vast majority of the procedures performed were not related to a health indication and certainly she did not argue they were medically necessary for reasons of prevention of disease, or maintaining health, or diagnosing or treating an injury, illness or disability, but rather for social and economic reasons.

Of course I was not particularly surprised because, as we have heard from other members in the debate today, those who advocate the absence of any kind of regulation of the procedure in law believe that it is an elective matter. It is not a health matter, so much as an elective procedure sought for social and economic reasons.

That is why there is interesting and useful grounds for health committee hearings on this question. Perhaps the health committee could invite before it Marilyn Wilson to expand on the Abortion Rights Action League's view that this is a social and economic and not a health care procedure. Perhaps the health committee could invite Dr. Henry Morgentaler before the committee, who in an article in the 1970s indicated that fewer than 1% of abortions were done for reasons of grave health. Perhaps the committee could invite the former minister of health of the province of Alberta, Shirley McClellan, who once said that pregnancy was not disease. Perhaps the committee could invite as testimony the people from the Government of Saskatchewan, which in 1991 held a referendum on this question where 64% of the electors and a majority in every single electoral district voted to de-insure medically unnecessary procedures in this regard.

Therefore I think there is very deep and wide evidence which could be heard by the committee to determine whether the medicare dollars directed toward financing what appears to be a medically unnecessary procedure could instead be directed toward life-saving procedures perhaps procuring MRIs, hiring more nurses, increasing acute care beds.

At a time when we are looking at very scarce and shrinking dollars for medical procedures, this is a thoughtful motion which deserves the support of all thoughtful members.

● (1205)

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

GOVERNMENT ORDERS

BUDGET IMPLEMENTATION ACT, 2003

The House proceeded to the consideration of Bill C-28, an act to implement certain provisions of the budget tabled in Parliament on February 18, 2003, as reported (with amendment) from the committee.

Government Orders

[English]

SPEAKER'S RULING

The Acting Speaker (Mr. Bélair): First, I would like to read a ruling on Bill C-28, an act to implement certain provisions of the budget tabled in Parliament on February 18, 2003.

There are 19 motions in amendment standing on the Notice Paper for the report stage of Bill C-28.

[Translation]

The Chair will not select Motions Nos. 1 to 3 and 5 to 7 because they could have been moved in committee.

The Chair will not select Motions Nos. 4, 8, 12 and 16 because they were defeated in committee.

[English]

All remaining motions have been examined and the Chair is satisfied that they meet the guidelines expressed in the note of Standing Order 76.1(5) regarding the selection of motions in amendments at the report stage.

Motions Nos. 13 to 15 and 17 to 19 will be grouped for debate and voted upon according to the voting pattern available at the table.

[Translation]

I will now put Motions Nos. 13 to 15 and 17 to 19 to the House.

MOTIONS IN AMENDMENT

Ms. Pauline Picard (Drummond, BQ) moved:

Motion No. 13

That Bill C-28 be amended by deleting Clause 64.

[English]

Ms. Wendy Lill (Dartmouth, NDP) moved:

Motion No. 14

That Bill C-28 be amended by deleting clause 74.

Motion No. 15

That Bill C-28 be amended by deleting clause 75.

Ms. Libby Davies (Vancouver East, NDP) moved:

Motion No. 17

That Bill C-28 be amended by deleting clause 84.

Motion No. 18

That Bill C-28 be amended by deleting clause 85.

Motion No. 19

That Bill C-28 be amended by deleting clause 86.

[Translation]

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, the Bloc Québécois' amendment reads as follows:

That Bill C-28 be amended by deleting Clause 64.

The amendment that I am moving in the House would delete this clause from Bill C-28, the Budget Implementation Act. More specifically, what we would like to remove is the element of retroactivity.

In his budget, the Minister of Finance announced his intention to retroactively amend provisions of the Excise Tax Act related to school buses. By doing so, the minister could establish a new rate for

all school boards, despite judgments rendered by the courts since December 21, 2001.

The government is simply planning to override judgments that recognized that school boards were right on the issue of the refunding the GST paid for school transportation. This retroactive measure is a very serious departure from the rule of law and from the authority of a final judgment. This could be precedent setting in Canadian parliamentary practice.

In order to give members some context on this and to help them understand the scope of this situation, allow me to sketch a brief history of this issue and the actions the Liberal federal government has taken against the school boards.

From 1996 to 2001, Quebec and Ontario school boards submitted GST claims for the transportation of students. On November 17, 2001, the federal appeal court brought down a unanimous decision in favour of the first 29 Quebec school boards. I have the judgment relating to a board in my riding, Commission scolaire des Chênes.

Normally, school boards with cases pending at the time of the judgment ought to have been paid.

On December 21, 2001, the Minister of Finance announced his intention of making a retroactive amendment to the Excise Tax Act, which included pending cases. This measure is legal, but unfair. The school boards, and their federations, opposed it.

More than a year later, the school boards of Quebec and Ontario have obtained favourable final judgments that represent eight and ten million dollars respectively.

On February 18, 2003, when the Minister of Finance brought down his budget, he proposed a retroactive amendment that would go still further than the proposal of December 21, 2001, since it goes against the judgment obtained by the school boards of Quebec and Ontario.

School boards want the rights they had before December 21, 2001, which they protected by filing their claims with the Tax Court of Canada before that date and for which they received a successful final decision before the February 2003 budget, to be restored and respected.

What is it important to remember? Through clause 64 of Bill C-28, the federal government is preparing to disregard a court decision. Informed of this plan, the Barreau du Québec and the Canadian Bar Association responded quickly, describing the finance minister's plan as a dangerous approach that could undermine the public's confidence in the courts. It would seem that both associations wrote the Minister of Finance and the Minister of Justice, saying that they opposed the legislative change proposed in the last budget.

● (1210)

Here is what President of the Bar in Quebec, Claude G. Leduc, had to say about the federal government's approach:

It does not respect any of these decisions or commitments, which, in our view, seriously erodes the principle of the authority of a final judgment and is contrary to the sound management of justice. Such a legislative approach discredits the judicial process and is likely to undermine taxpayers' confidence in the courts.

Government Orders

Along the same line, Simon Potter, of the Canadian Bar Association, stated, and I quote:

—we are persuaded that the policy behind any such retroactivity is deeply flawed and dangerous.

In October 2001, 29 school boards in Quebec, including the Commission scolaire Des Chênes, in my riding, won their case before the Federal Court, the court recognizing that school bus services were indeed a commercial activity within the meaning of the act, which entitled them to recover all the GST paid. The federal government must therefore refund the overpayment on the GST. We are talking about approximately \$18 million.

The case was next heard by the Tax Court of Canada last January. The case appeared to be over because the federal government agreed in a settlement to abide by the judgment of the lower court, on condition that the school boards withdraw their demand for an appeal before the Federal Court of Appeal.

To the astonishment of the school boards, the federal government did an about-face, pointedly ignored its obligations and, in the recent budget, introduced a clause that would completely change all its promises. At the Standing Committee on Finance, the present secretary of state did his utmost to try to remind us of what the federal government had published in a press release on this subject, but was unable to adequately defend the government in view of the letters from representatives of the bar.

The government's decision may not be unconstitutional, but the government should realize how dangerous such actions are to parliamentary democracy and the judicial system. The Minister of Finance should recognize that he made a mistake and give his support to our amendment which states:

That Bill C-28 be amended by deleting clause 64.

If the government takes a hard line, it will have to live with the consequences. This clause will do nothing less than weaken one of the pillars of democracy, which is the authority of a final judgment.

It has always been the case that school boards pay the GST. The government should rebate the tax because it is part of the commercial purpose of school transportation. But in this case, without warning the school boards, they withheld the GST and said, "The rules of the game have changed. And in addition, we are going to hold on to the four or five months you have already paid in advance". That is what is known as retroactivity.

The school boards went before the courts and won their case because they are entitled to GST rebates. But in this case, the government, in addition to no longer providing rebates, is making this a retroactive measure.

There have been two decisions by the Court of Appeal, and the government is creating a precedent. This has never before been seen in the history of Canada. That is why we ask that clause 64 be deleted.

•(1215)

[English]

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, it is with anger that I rise today and am forced to move the amendments asking for the deletion of clauses 74 and 75 of Bill C-28 which deal with the

proposed restrictions to the disability tax credit. These clauses show contempt for the House. On November 19 the House unanimously passed the following motion:

That this House call upon the government to develop a comprehensive program to level the playing field for Canadians with disabilities, by acting on the unanimous recommendations of the committee report "Getting It Right for Canadians: The Disability Tax Credit"; in particular the recommendations calling for changes to the eligibility requirements of the disability tax credit so that they will incorporate in a more humane and compassionate manner the real life circumstances of persons with disabilities, and withdraw the proposed changes to the disability tax credit released on August 30, 2002.

The government reluctantly withdrew the amendments released on August 30 but injected them back into the ways and means bill in the February budget which was followed by clauses 74 and 75 of Bill C-28, the budget implementation bill.

Those clauses of the bill show that the finance department, the finance minister and the government as a whole cannot understand that Parliament is supreme. Parliament said on November 19 that the tax credit being dealt with should be reformed in a compassionate and humane manner reflecting the real life circumstances of persons with disabilities. What clauses 74 and 75 propose as changes to the eligibility criteria for the disability tax credit is to further restrict eligibility for this credit. That is contemptible.

The disability tax credit is already so restrictive that officials of the department admitted to the committee that Terry Fox would not be considered as having a disability under its draconian interpretations of the law. All of us should consider that for a minute. Terry Fox was a fighter and continues to live on in everybody's dreams for a better, healthier society where we all work on behalf of persons with disabilities and fight for people struggling with cancer. All of this is because of Terry Fox who lost a leg to cancer. At this point in time he would not be considered to be disabled under the laws of our government.

By proposing these changes the finance department is saying that people who have a hard time eating, those who are challenged every day because most of the food available to Canadians will kill them, should not be considered as having a disability. Finance department officials are also saying that just because some people have no arms and cannot dress themselves or need special clothes, they should not be considered as having a disability. Through these clauses the finance minister is saying that the amendments in the unanimous report of the HRDC committee are wrong and should be ignored.

Last week the finance minister clearly showed that he has no respect for the democratic process or for this chamber. He did this by reissuing an almost identical response to the committee's report that the House condemned in November. The committee and the House asked to have the system fixed and make the credit refundable. We have asked for the system to be co-ordinated and to make eligibility conditions reflect the real life conditions of people with disabilities. Here we see that the disability tax credit is still not refundable so that the vast majority of those who are most vulnerable, those with no income or a low taxable income, still get nothing.

Government Orders

I am proud to have led the fight to change this bad tax credit. I congratulate my colleagues on all sides of the House who have stood up against the Minister of Finance's proposal to further restrict who would receive this small tax credit.

Thousands of letters have been received from people across Canada. My friend from the Bloc received over 6,000 names on a petition. Every member of the House, with the exception of the Minister of Finance, stood up and asked that those restrictions be withdrawn.

• (1220)

I call on members from all sides of the House to once again show the finance department who runs the country and join with me to eliminate these clauses. Let us show the minister, the deputy and the department that they are not above the will of the House. What finance officials lost on the floor of this place last November, they are trying to sneak back in through those clauses in Bill C-28.

I do not believe the House will stand for that. I know that Canadians with disabilities are watching very closely to see how people on all sides of the House behave at this point in time with these critical amendments which will have a critical impact on the lives of persons with disabilities.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am very happy to follow my colleague, the member for Dartmouth, in speaking to report stage of Bill C-28. The bill implements the last federal budget. It is a very important debate because the bill lays out the priorities of the government in terms of where it is spending money and where it is also giving tax cuts. That is the issue at hand today.

From the NDP's perspective I will be speaking to Motions Nos. 17, 18 and 19. Two of the motions have to do with the elimination of the capital tax as outlined in the budget. One of them has to do with clause 84 regarding an increase in allowable contributions to RRSPs.

Clauses 85 and 86 on the capital tax are amendments that were brought forward by the government in the budget which would allow a huge tax break under the capital tax to Canadian businesses and corporations. The elimination of this tax would cost \$695 million over three years.

We have to look at this in the context of the rest of the budget. We have to recognize that \$1.2 billion was spent in new tax cuts in this budget over and above the \$100 billion that was announced in the 2000 budget. This is yet another massive tax cut that is being awarded by the government to the country's corporate elite.

What this means if we want to look at this in terms of priorities of where our real needs are, it will be low income and middle income Canadians who will really feel the brunt of this. They will not receive any benefits from the tax cuts in this budget.

On the other side of the coin, we can see that the Liberal government's budget bill will spend five times as much scrapping the capital tax for businesses than it invested, for example, in affordable housing. I am the housing critic for our party and I have been one person in this house with a few friends, but not very many, who have been championing the critical need for a national affordable housing strategy.

We have been talking about the 1% solution for housing. We need to invest a further 1% in the provision of affordable, not for profit social housing. The government has put a paltry few hundred million dollars into the so-called national housing strategy. There is always the suggestion that is all it can afford. When we stack up the housing need against the tax cut of \$1.2 billion just in this budget coupled with a \$100 million, we begin to see there is a very different priority emerging.

We also are not in support of the government's plans to increase the RRSP limit from \$13,500 to \$18,000 by 2005. This will clearly favour about 5% of Canadians who are wealthy. It will again be to the detriment of low and middle income Canadians, particularly seniors who, in receiving the GIS, if they earn anything over the GIS supplement are taxed at a rate of 75%. Again, we can compare that in terms of who this budget is helping and who it is not helping.

Mr. Speaker, how much time do I have left?

• (1225)

The Acting Speaker (Mr. Bélair): The clock shows that you are supposed to be finished, but I think there is a problem. The clock seems to be moving a lot faster than you are speaking. Let us agree to another five minutes.

Ms. Libby Davies: Mr. Speaker, I have to say I was speaking really fast. When I saw you give the one minute warning I felt as if I had only been speaking for about three minutes. Then I started to increase the speed, but I will now slow down a little to get in the rest of my comments.

I was addressing the increase in RRSP contributions the government will allow in Bill C-28 if it is approved. This will cost about \$295 million. As I said earlier, it will be used by people who earn more than \$75,000 a year, which is about 5% of Canadians. This has to concern us because if we looked at an overall assessment of taxation and income, we would see that there is a widening gap between people who are very wealthy and people who are very poor in Canadian society.

A study released by the Canadian Council on Social Development last November found that the wealth of the poorest 20% of couples with children under 18 went down by 51.4% between 1984 and 1999, whereas that of the wealthiest 20% of couples at the highest end increased by 42.7%. There are other studies by the Canadian Centre for Policy Alternatives that bear out those findings. They point out that between 1970 and 1999 the wealth of the richest 10% of family units in Canada rose by a whopping 122%.

I want to contrast that kind of statistic and the proposal in this budget to allow a fairly major increase in RRSP contributions to seniors who are locked into fixed income support programs after retirement. They are the people who feel the worst effect of rising costs in our society. Many of those retirees spent their whole lives in the workforce helping Canada to be a prosperous and productive nation. They are now being forced back to work after retirement just to survive from day to day.

This is unacceptable and is not something we should accept as the status quo. It is not something we should accept as inevitable because it brings us right back to the structures of the budget and our taxation system.

Government Orders

There is a very strong argument to be made that over the last few decades there has been a massive shift in taxation from corporations to individuals. There has been a massive shift in taxation to provide more and more breaks for people who are wealthy and placing a greater burden on people who are at the lower end of the economic scale. Again I would argue this is not something that is inevitable; it is a matter of public policy that is determined by the Liberal government.

In the case of the RRSPs and the increase that is being allowed, obviously a lot of lobbying was done by various organizations on that basis. Our feeling in the NDP is that the government should have resisted that kind of pressure and those kinds of rewards that will benefit people who are actually doing very well and are very well off.

About one-third of Canada's seniors have such low incomes that they actually receive the guaranteed income supplement. What is astounding about that fact which we raised in the House just the other day is that the seniors who get the GIS—and there are a few hundred thousand seniors who do not get the GIS because they do not even know about it even though they may qualify—but the astounding thing is if seniors on GIS receive a little extra income over and above that for whatever reason, they are taxed at a rate of 75%, which would be the highest tax bracket in this country.

● (1230)

When we contrast that with this issue of an increase in RRSP contributions and the cuts being made for businesses for the capital tax, we begin to see the very stark reality of a government that clearly is making decisions based upon rewards and favours for people who already have huge benefits, and that is to the detriment of and certainly will have an incredible impact on people who have disabilities, as my colleague from Dartmouth spoke about earlier. That is where the hurt will really be.

These amendments try to redress that problem by eliminating these clauses in Bill C-28. I hope that members will consider these amendments. If we believe in the principle of equity in our tax system, they should be approved.

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, it is with pleasure that I rise today to speak on Bill C-28, the budget implementation act. Mind you, it is not with pleasure that I review the substance of the bill, because the budget is a return to the 1970s Liberal free-spending habits that have imperilled Canada's economic prosperity.

Instead of having a vision for the future, the government is wandering aimlessly with no vision whatsoever. The last time Canada witnessed program spending growth like we have today in this budget, the current Prime Minister was the minister of finance. This budget, and by extension the budget implementation act, can be characterized by one phrase: an irresponsible increase and commensurate growth in program spending.

The fact is that since 1998 we have seen growth in program spending that did not always reflect the priorities of Canadians, but this is the first year in which we have seen such a dramatic increase in program spending.

That said, some increases are badly required and desperately needed. Nobody disagrees with the notion that we want to see a greater level of investment in health care and in the military. Nobody would disagree with that. Health care and the military clearly represent the priorities of Canadians, but if we look at the budget implementation act and take the health care reinvestment portion and the military reinvestment portion out of the increase in spending, the fact is that there is a 7.3% increase in government program spending in the budget net of health care and the military.

The Prime Minister should have warned the Minister of Finance not to make the same mistakes he made when he was finance minister back in the 1970s: to simply say no to this kind of Liberal waste. But then again, we have to ask why the Prime Minister would worry about leaving the cupboard bare, because he is leaving soon so he does not really care all that much about it.

Why would the Prime Minister worry about being fiscally responsible when his government has been party to so many financial mismanagement scandals and deliberate cover-ups in this country? Let us look at them for a moment: Shawinigate, the sponsorship boondoggle and the HRDC fiasco, and they go on and on.

An hon. member: The gun registry.

Mr. Norman Doyle: Yes, there was the firearms registry money pit, as well as the GST fraud. It does not stop there. How about the wasteful Sea King saga? As I said a moment ago, the list goes on and on. There is more. It is shameful and pitiful.

Mr. Loyola Hearn: Mismanagement.

Mr. Norman Doyle: My colleague from St. John's West says it is mismanagement and he is so correct. The Prime Minister's affinity for poor fiscal management is puzzling and astounding. There are so many worthwhile causes and people out there in need of legitimate funds who are suffering because there is so much money being sucked up in the voracious appetite of the Liberal vortex.

Here is the Webster's definition of budget 2003. A big, inanimate Liberal vortex known to have only one source of food: taxpayers' money. Also known to line pockets of supporters with astronomical kickbacks; incompetent, corrupt and arrogant.

This vortex sucks up every single last bit of taxpayers' money like a vacuum cleaner and then it spits it out on meaningless programs at the other end.

Mr. Loyola Hearn: Like a wood chipper.

Mr. Norman Doyle: Like a wood chipper, says the member for St. John's West.

● (1235)

Or it might give money out to Liberal friends for reports that were never produced. We all remember those infamous reports. Friends and associates of the Liberal Party were given huge sums of money for reports that were never produced, or if they were produced, 15 or 20 pages were produced at a cost of \$20,000 a page.

Mr. Loyola Hearn: Who was the Minister of Finance?

Government Orders

Mr. Norman Doyle: That is a good question, Mr. Speaker. Who was the Minister of Finance? It was the individual who aspires to be prime minister of the country, who is going around now telling people of his great fiscally responsible management program in which he will become involved once he becomes the Prime Minister of Canada. Here we have an individual who sat around the table as the then minister of finance, had it in his own hands for a 10 year period and never did what was fiscally responsible in this country.

As I have said, this vortex sucks up every single bit of taxpayers' money and then spits it out at the other end in meaningless programs. There was probably not one single Liberal backbencher who did not get something in the budget. There was probably not a Liberal caucus hand in the air that did not get something from the Minister of Finance in these days when the Liberals are a whole lot more concerned about the Liberal leadership race and who is going to be the next leader than they are about the future of the economy and the country.

Did the Minister of Finance, who is now aspiring to be the leader of the country, ever think for a moment of the poor in this country? Did he ever think for a moment about a promise that I believe was made back about 15 years ago here in the House, a promise that we would eliminate child poverty by the year 2000? The year 2000 is long gone and the government still fails to recognize that children in poverty come from families in poverty. Most of the programs that the government has implemented over the years have done very little to help people in poverty in this country or to eliminate child poverty. Another area is seniors. We have a government that is so arrogant that it actually does seniors out of their GST money. If they do not actually apply for it, the government will not make them aware that they are entitled to it. The government cares very little about seniors and it cares very little about the poor and child poverty in this country.

The government is proposing to help fund some of these new spending programs by reallocating a total of \$1 billion a year from departments' and agencies' budget. That represents an amount equal to the amount that has been wasted so far on the failed long gun registry, \$1 billion.

Mr. Loyola Hearn: It is cutting departments that need it.

Mr. Norman Doyle: It is cutting departments, as the member for St. John's West indicates, that need the money so very badly. And the long gun registry is one single government program. If only the government would learn how to cut out all this fat, it would be able to deliver more meat in the budget for real tax reform, for real tax relief for Canadians, and for real and significant reinvestment in the Canadian military, for instance.

What is really ironic about the budget is that only \$1.6 billion over the next two years will go toward the Canadian military, and \$200 million of the reallocated funds that the minister sought from departments actually came from the Canadian military.

● (1240)

Of all the departments to identify for waste, who would have thought that the Liberals would actually target the military? It is a department that is already on the ropes and already fighting to try to maintain a reasonable level of equipment and a reasonable quality of

life. The situation with our military would be absolutely hysterical if it were not so sad, pathetic and shameful. Canada, as a direct result of this Liberal government's lack of leadership, cannot even arm a Canadian reconnaissance platoon in Afghanistan. The Speaker is telling me my time is up, but we will get another shot at this later.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, I am pleased to take part in the debate today on the budget implementation act, Bill C-28. There are a lot of things we would like to see in the act but they are not in place. We would certainly like a vote of confidence from the Canadian public to give us the opportunity to see some meaningful tax relief in the country. Unfortunately we have to put up with what is in the act today. We see a lot of shortcomings in it, but I want to deal specifically with a few things covered by the motions introduced by the various members today, which have been grouped together.

● (1245)

I would like to start with the GST issue, specifically the GST on school buses which was brought to our attention by the Bloc through its amendment. We see a lot of things wrong with the GST, a GST that was going to be scrapped by the government when it came to power in 1993. At that time, it was generating about \$15 billion of revenue for the government. Ten years later it was generating \$25 billion. In this current year it looks like it is going to exceed \$30 billion. It has become quite a cash cow for government. Over \$4 billion dollars per percentage point is what it is generating for government.

The concern introduced in the amendment lies in the unfairness of the GST issue in terms of rebates for school boards. We are concerned that there is a problem. There is a problem in treating the private sector the same as municipalities or government; we think there should be a fairness there. The difficulty with this particular amendment, though, is that when this issue was taken over through the GST from the old manufacturers' sales tax, it meant that the school boards would have the equivalent effect of the manufacturers' sales tax when that was in effect for the purchase of school buses and all of the costs for having school bus service for schoolchildren. That equivalent at the time came to 68% of the GST.

Some school boards have found ways around this by contracting out their school bus service and therefore have asked for 100% of that contracted service to be rebated. The court found that this should be the case, but we believe that it is really up to Parliament to decide what the issue is here. Essentially what the court decision does is put the boards on a different footing depending on whether they contract out the service or provide it themselves. School boards tell me that if this court ruling were to stand they would have to move to a contracting system themselves because they would gain a considerable amount of money.

The government, through Bill C-28, has moved to close off this abrogation of what was happening to put it back to its original intent of essentially 68%. We support that, but we do see a lot of things wrong with the GST. We think it needs a general overhaul. In fact we would start by reducing the amount that the GST takes in per year for the government, partly because we think that the government does not need this extra income. As I said, it is raising \$15 billion more now than it raised in 1990 when it first came into effect.

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If it were just that the government needed the income, that might be a good argument for keeping it as such and not having to reduce the rate, but we see the government wasting a lot of taxpayers' money day in and day out in the House. My colleague from St. Albert had the waste report out the other day and gave a lot of examples of how that has happened. We think that giving business subsidies to huge corporations in Canada should not be what the Government of Canada is all about. In fact, if individual Canadians want to invest in Bombardier or Pratt & Whitney or General Electric, Canadians have the opportunity to buy stocks. They have that opportunity through their mutual funds. Why should the Government of Canada do it for them? The government is giving hundreds of millions and in fact billions of dollars to those corporations every year and mismanaging or wasting a tremendous amount of money.

Therefore, we think there does need to be an overhaul of the GST. We would start by reducing the amount that is brought into the government. One per cent equates to about \$4.5 billion.

•(1250)

A couple of other issues have been identified in the amendments. I notice that the NDP would like to delete any changes to the capital tax. We want to get rid of the capital tax altogether, but the NDP sees it as another source of revenue for government.

When we travelled across the country with the finance committee we were told repeatedly that the capital tax was one of the most damaging taxes in order to attract investment to Canada. The reason is that it is a tax on a business. I would compare it in some ways to a property tax. Essentially, that tax is there whether the business makes any profit or not.

That does not make any sense to me. Canada has lagged behind pretty badly in investment. We have fallen off as a source of direct foreign investment for others to invest in Canada as a percentage of world investment over 30 years. That is a discussion for another day. Suffice it to say that public policy, largely by this Liberal government, accomplished all that in about 30 years. However we think the capital tax should be reduced and we would like to reduce it over two years, not over five years, as the government has suggested.

There are couple of other things we are dealing with today in the amendments that are before us. There are a couple of amendments on the disability tax credit for those people who have disabilities. We certainly have received a lot of mail on this issue. The government seemed to be sort of the grinch who stole Christmas in the way it treated people with disabilities. I notice that the Liberals have responded to some of that pressure and will be changing the wording to try to deal with that issue.

We support easing the definition of disability from "feeding and dressing oneself" to "feeding or dressing oneself", which could make a considerable amount of difference for those who qualify. We would also support that the government stop harassing disabled people who have been receiving disability tax credits for a number of years only to find themselves reassessed and no longer receiving them.

I made the case in the House on previous occasions about a constituent who contacted me. He has lost a leg and has to wear a prosthesis to get around. He is a proud individual. He works in the

oil patch. It is a problem for him to have to use a prosthesis in a very tough environment. However he wants to work and does not want to be sitting there on welfare. The disability tax credit allows him a little measure of comfort in being able to claim some of the extra costs involved to rig his van so he can drive and so on. The government took that away from him, as it did from many other Canadians.

I hope the government has learned its lesson and that some of the changes made to the tax act today will address that.

The other area the amendments deal with is the RRSP. I see the NDP would also like to cancel changes to the RRSP limit. We believe it is important for Canadians to have the ability to save for themselves and raising the RRSP limit is a measure that we would support. We would support it because it looks like Canadians will have to rely more and more on themselves for their own retirement income. They will not be able to rely on government, especially the Canada pension plan which has seen some fairly substantial losses in the investment sector over the last year. Be that as it may, we think the plan continues to be in trouble, partly because the former finance minister, the member for LaSalle—Émard, would not listen to the chief actuary of the Canada pension plan when he said that rates would have to be even higher than the 9.9% that it has risen to in the last couple of years. He also said that it was not sustainable. As the Canadian birth rate continues to decline, unless something changes, there will be a small amount of people working to support the system down the road.

While we agree with a lot of the measures being implemented in the act, in most cases they are half measures, such as the capital tax only going part way. We see no personal tax relief. Canada is falling generally well behind the United States in corporate tax rates again as a \$600 billion tax package is working its way through congress at the moment.

Our productivity and our competitiveness will be affected once again and, with the rising dollar, I suggest that a lot of these chickens will be coming home to roost pretty quickly because the government has not made the changes on the side of reducing taxes in order to compensate for the rising dollar. This will continue to be a bigger issue well into the future.

•(1255)

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I would like to address the amendments that have been put forward to the House today.

First, dealing with Motion No. 13. This amendment is being made in response to a recent court decision affecting school boards that has a result contrary to the longstanding and well understood intention of the GST law. The result of the court decision is also contrary to the manner in which school boards themselves have been complying with the GST legislation since 1991.

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The government's decision to apply the amendment retroactively took into account the government's established criteria for making changes to the tax law on a retroactive basis. These criteria were enunciated in a 1995 report to the public accounts committee after the committee had declared, not only the appropriateness but indeed the imperative use of retroactivity in certain circumstances.

The government's announcement of December 2001 made it clear that the amendment would apply to all school authorities, with the exception that, in the case of the school boards which had received a court judgment prior to December 2001, those would not apply. This is in accordance with the federal government's practice of not reversing a court decision rendered in a particular case prior to the announcement in the change of tax law.

Those who pursued court cases after the announcement were clearly aware that retroactive legislation would be coming forth and proposed to Parliament. They chose to carry on in spite of that.

An amendment to substantially the same effect presented by the Bloc Quebecois was defeated at the standing committee.

Report stage Motions Nos. 14 and 15 propose to delete clauses 74 and 75.

I would point out that Motion No. 14 would delete clause 74 of the bill. Clause 74 provides that a medical doctor or an occupational therapist may certify an individual's impairment with respect to feeding or dressing oneself for the purpose of establishing entitlement to the disability tax credit.

In contrast, existing text of the law provides that a medical doctor or an occupational therapist may certify an individual's impairment with respect to feeding and dressing oneself.

In the absence of this bill, therefore, there is an ambiguity in the law to the potential detriment of Canadians with disabilities. Does one have to be impaired in both feeding and dressing oneself, or does either impairment establish an entitlement on its own?

The Standing Committee on Human Resources Development and the Status of Persons with Disabilities recommended this ambiguity be corrected.

Accordingly, clause 74 clarifies that an individual need not be impaired both in terms of feeding and dressing oneself to have access to the disability tax credit; one or the other will suffice.

Motion No. 14 would reinstate the ambiguity to the detriment of Canadians with disabilities and therefore cannot be supported.

Motion No. 15 would delete clause 75 of the bill. Clause 75 clarifies the eligibility criteria for the disability tax credit.

In March 2002 the Federal Court of Appeal rendered a decision that has been interpreted as expanding the eligibility for the disability tax credits to individuals who, because of food allergies or other similar conditions, must spend an inordinate amount of time to shop for and prepare suitable food.

Such expansion of eligibility goes far beyond the intent of the DTC and could increase the fiscal costs significantly, and certainly the New Democratic Party is well aware of that.

Following the consultations on draft amendments to clarify the DTC eligibility criteria that were released on August 30, 2002, the 2003 budget proposed to rework the language of the proposed amendments to clarify that the activity of "feeding oneself" does not include any of the activities of identifying, finding, shopping for or otherwise procuring food, or activities associated with preparing food that would not have been necessary in the absence of dietary restriction or regime.

This aspect of the legislation is important. It means that individuals who are markedly restricted in their ability to prepare a meal for reasons other than dietary restriction, such as severe arthritis, will continue to be eligible for the DTC.

Clause 75 also clarifies that the activity of dressing oneself does not include the activities of finding, shopping for and otherwise procuring clothes.

• (1300)

It should also be noted that the amendments were developed only after consultations with the affected groups. These amendments reflect those consultations.

Further, the 2003 budget proposed, and this bill includes, an extension of the medical expense tax credit for incremental costs of gluten free foods for persons who suffer from celiac disease and must follow a gluten free diet. In fact, we are expanding, not reducing, as some members might suggest, eligibility.

Motion No. 15 proposes amendments that would reverse the effect of the bill by explicitly extending eligibility for the disability tax credit to the activities sought to be excluded. As such, the motion goes far beyond the intended policy of the disability tax credit and does so in a manner that could significantly increase the fiscal cost of the credit. Therefore the government will not support Motion No. 15.

Motion No. 17 proposes to amend the provisions of Bill C-28 relating to retirement savings. Similarly, Bill C-28, in this case, includes clause 84 amendments to the definition "money purchase limit", to increase the limit of \$15,500 for 2003 to \$16,500 for 2004 and \$18,000 for 2005 and subsequent taxation years.

Setting appropriate limits on tax assisted retirement savings in RPPs, RRSPs and DPSPs is an important means of encouraging and assisting Canadians to save for retirement, reducing the tax burden on savings and allowing employers to attract and retain key personnel.

The proposed motions would not only eliminate these improvements to the system for tax assisted retirement savings, but would reverse the increases that were scheduled to take effect next year under the existing income tax law and on which Canadians depend. Clearly we cannot support that.

Motions Nos. 18 and 19 deal with the federal capital tax and are linked in substance. I will speak to both of them.

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Unlike income taxes, which are paid when a corporation has taxable income, capital taxes must be paid even where a corporation has not been profitable. Capital taxes have been identified as a significant impediment to investment in Canada.

The federal capital tax was introduced in 1989 as Part I.3 of the Income Tax Act. The tax is levied annually at a rate of 0.225% of a corporation's taxable capital employed in Canada in excess of \$10 million capital deduction. A corporation is taxable capital is generally described as the total of its shareholders' equity, surpluses and reserves, as well as loans and advances to the corporation, less certain types of investments in other corporations. A corporation's federal income surtax, which is 1.12% of taxable income, is deductible against the corporation's capital tax liability.

In order to promote investment, the 2003 budget proposed to eliminate this federal capital tax over the next few years starting on January 1, 2004.

Clauses 85 and 86 of the bill would implement this proposal by increasing the threshold for application of the federal capital tax from \$10 million to \$50 million of capital for taxation years ending after 2003, and by reducing the rate of tax over the period 2004 to 2010.

Under the bill, the federal capital tax liability will be eliminated for almost 5,000 medium size corporations in 2004. The federal capital tax will be completely eliminated in 2010, over the next seven years.

Motions Nos. 18 and 19, if adopted, would deny these benefits and clearly the government cannot support them.

I urge hon. members to defeat these amendments, which were defeated in committee, because they clearly do not reflect the fact of a very progressive budget moving on a number of areas including, as I say, capital taxes, as well as the disability tax credit to improve the lives of individual Canadians. I say, let us get on with it.

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, whenever we deal with taxes, exemptions or whatever it may be, which come from the pockets of individuals, one thing the government should be consistent in its fairness. Fairness must prevail within a country. If there is no fairness, then the government does not last very long.

I know as a former hockey referee that a person attempts to be fair. The person may not seem to be fair but he or she attempts to be fair. If the person is judged not to be fair, then that individual's career in that occupation does not last very long.

Whenever the government is dealing with taxes and exemptions it should be fair. If we look at some of the problems that exist in our taxation, we will see there have been huge changes in the way certain things operate in Canada. For instance, at one time most of the school buses were owned, operated, controlled, repaired and so on by the school board. That has changed dramatically. Most of the school buses and the services are contracted out to a company. Therefore, we need to look at that because it has taken place across Canada.

I am absolutely amazed with the change the government wants in the disability tax credit. I cannot believe for one moment that after

the tremendous problems which existed last year, when HRDC issued the forms to prove their disability, the government would come back and say that for an individual to qualify, he or she must be able to both feed and clothe themselves.

I have a sister-in-law who lives in a home for seniors and she would certainly qualify. However, there are many in that home who can get up and after many hours get themselves dressed but they cannot sit down and feed themselves or vice versa. Why should they not qualify? I think that is a terrible thing.

Let us look at fairness. The government recently gave the city of Toronto a few million dollars because of the loss which was brought about through the recent epidemic of SARS. If next month the same thing, and let us hope this never happens, another city experiences the same thing and the government chooses not to give money, that will not be viewed by the public as being fair.

I know when I sit down to pay my income tax and fill out the form, I have reason to believe that people with the same income, the same expenses and the same deductions will pay the same amount of tax.

However, in the case which I recently raised in the House about the auditing of a junior hockey league, it was obvious there was no fairness. It is so obvious that even the government is ashamed. When there are claims of unfairness in taxation what generally is done is we listen to what the complainant has to say. The government has done neither. I would beg the government in the interest of amateur sports across Canada to take another look at that action.

It might interest the House to know that an immigrant who has been here for some time now came to my office. What was the complaint of that individual? The person was complaining about the 36,000 illegal immigrants in Canada. After going through all the bookkeeping, the lawyers and all the necessary help to get into Canada, the individual was complaining about how the government sloughed off 36,000 illegal immigrants in Canada.

● (1305)

Indeed, this is all about fairness and I believe, with the number of older people coming into my office, that we should not limit the RRSP, not for one moment. Let them save because as costs and taxes keep going up more and more people cannot exist on their savings. Therefore when they are working, they should be allowed to have higher levels of RRSPs. That would also help the government. If they are allowed to save more now, they are least likely on their retirement to have to rely on the government for assistance with living and income. Let us look at fairness.

Two things really bother me. The first is the disability credit. It is just not good enough for those thousands of people who suffer disabilities. I would hope the government would change its mind as to who qualifies for the disability credits and disability amounts. Let us study that and listen to the people and associations for the disabled from across Canada. With an attitude of fairness, that would change overnight. I beg the government to look at that because it is now totally unfair.

If one automobile dealer could sell cars without collecting the GST, it would soon run everybody out of business. Let us be fair with those who are disabled, and with the amount of money, they have to spend so they can enjoy something in life. I believe what the government plans through this legislation is totally unfair to those with disabilities.

• (1310)

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I have been following this debate since it began around noon, and I listened to my hon. Liberal colleague's presentation. True to form, the Liberals have rejected out of hand all the provisions that might help out ordinary citizens.

For example, there is the whole story about taxes, the GST and school boards. My hon. colleague suggested an excellent amendment. Who will pay for this? So, there is a move to make it retroactive. Not only are the school boards in Quebec and Canada being told, "You have to pay GST now, but also for the years when you did not pay any". This kind of retroactive measure shows the Liberals' extreme arrogance too. This kind of retroactive measure means money will be taken from the taxpayers, who will be told, "You were allowed to do that for years, but now, not only is it no longer allowed, but you have to pay us back for the years when you did not pay any".

This is totally in keeping with the Liberal's budgetary philosophy since 1993. Someone is hiding; it is the member for LaSalle—Émard. Everyone says he is the Prime Minister. And the Prime Minister's philosophy since 1993 has been to forget about the ordinary citizens. The Prime Minister and the member for LaSalle—Émard are two of a kind. The member for LaSalle—Émard can also count on us when he becomes leader of the Liberal Party: he will be taken to task for this arrogance and the unfair treatment of ordinary citizens.

The school boards are one example. The disability tax credit is another. Disabled people have been around for ages. They learn they are entitled to a tax credit and then, suddenly, what does the Liberal Party do? It goes after the disabled, people living in poverty, people who need this credit and who are suddenly told, "You will not be getting this any more".

One of our colleagues from the NDP has proposed an amendment to help these people out. Once again it was shunted aside by the Liberals. What is keeping that party from going after the oil companies instead of rejecting such proposals? These companies are busy amassing billions of dollars in profits. There is no connivance, no collusion, between the companies. They all raise gas prices at the pump at all four corners of an intersection at the same time, but there is no collusion involved.

And the minister is taking refuge behind the fact that prices at the pump come under Quebec's jurisdiction. We say that he, being the one in charge of the competition bureau, needs to give the position of commissioner some teeth and that he is in a position to call a public inquiry to look into all aspects of the issue.

But no, the government prefers to go after the disabled rather than the oil companies. Why so? Probably for taxation reasons. The

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government keeps on piling up the surpluses. And what do I mean by that? That it takes too much money for the services it delivers and then, instead of telling people, "We are going to reduce the contribution rate", it tells them, "Keep on paying in, and we'll pay down our debt with it".

Perhaps it is important to reduce the debt, and I do not deny that. But when we are told that the surplus, the amount of which was underestimated at the beginning of the budget cycle, is going solely toward reducing the debt, there is a problem. People deserve value for money. What happens is that there is no change in services, but people pay more dearly for them, because of the surplus. Instead of helping ordinary people, the government keeps silent.

The gas companies pay excise tax; there is the GST; there are many taxes. So, the more gas prices go up, the more the government's revenues go up. What happens then? Additional revenues the next year, probably. And what will they go for? To pay off the debt.

Since the beginning, that is since 1993, the Liberal budget philosophy has remained unchanged. The member for LaSalle—Émard is the author of the whole federal Liberal budget philosophy. We can give a lot of examples. What are people getting out of the employment insurance fund? Before, seven out of ten people losing their job were entitled to benefits. Now the figure is barely four out of ten.

The surpluses in that fund continue to grow by \$4 billion or \$5 billion every year. They have reached a total of \$44 billion over nine or ten years. What is this money used for? Once again, the government is using it to pay off its debt. But there are no special programs for those in difficulty, like the fishers in the Gaspé or the softwood lumber workers. They are being told, "Sorry. Pay your contributions to EI and when you need it, we'll say no. The money we make out of this, we'll put toward the debt".

• (1315)

This is no longer an insurance; it has become a disguised tax. That is what EI is today. Many are challenging this in court and elsewhere.

The guaranteed income supplement is another example of the Liberal philosophy. There are 68,000 people across Quebec, and 1,000 in my riding of St-Jean who do not qualify. The latest statistics show that only 20% of these were found. They were eligible for the guaranteed income supplement, but no one in the federal government bothered telling them.

So, there are still 800 people in St-Jean who could use this \$2,000 or \$3,000 supplement every year. There were be economic spinoffs. These are not people who would take the money and put it in the bank. They will eat out, catch a movie, go out a little more than they can afford to right now.

Clearly the Liberal philosophy is not in favour of these people. There was talk of the disability tax credit and I spoke about it earlier. The same thing goes for transfers to the provinces. The provinces are dealing with enormous problems in health and education because this government has kept cutting back on its contribution. It is saying, "We will keep the taxes in Ottawa, but we will give you less and less".

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Health is a perfect example. The federal government used to pay 50 cents for every dollar spent in health care in Quebec. Today, it pays 14 cents. The federal government is not doing its share. On top of that, the 14 cents is tied to all sorts of Canada-wide standards. If the standards are not met, the government will reduce its contribution accordingly. Not only is the money conditional, but it decreases over time.

On the matter of fiscal imbalance, I hope that the new Liberal minister in Quebec City, Mr. Séguin, is going to address it. He headed a commission in Quebec that found that we were losing \$50 million a week. That works out to \$2.5 billion a year, hardly something to sneeze at. I hope that the Quebec minister will say to the federal government, which is also Liberal, "I was a part of a commission that calculated that Quebec lost \$50 million a week. Is there some way to rebalance this?"

We know there has also been mismanagement because even in areas that are under the government's own jurisdiction, there have still been problems.

Let me give an analogy. Someone might say to me, "I am going to manage your house. It will cost you \$2 a year". At the end of the year, this person who was looking after my house hands me a bill for \$1,000. That is what happened with the firearms program. A program that was supposed to cost \$2 million a year has now cost \$1 billion. That is using the same scale as my analogy. It was supposed to cost \$2, but it wound up costing \$1,000. Imagine the situation.

I understand that the government has trouble managing its own household. And moreover, it wants to run other people's households on the principle of giving as little as possible to taxpayers and the middle class. The middle class must pay. But when the time comes that they need a service, they do not get it.

I shall conclude by saying that, of course, the budget before us is not acceptable. Clearly, we are trying to reduce the negative impact on the middle class with amendments like the ones moved to help the school boards continue to provide services and to help handicapped people to retain their tax credit.

Once again, I have the impression that we are acting in accordance with a philosophy of compassion, where we understand people. We understand that they are overtaxed and need help. We understand that the government with the most money ought to do more to help these people, because it takes their income taxes and other taxes and does not give them back.

The sovereignist movement in Quebec has understood this for a long time. It is sad that this Liberal philosophy has continued, year after year, since 1993. From 1993 to 2002, the former Minister of Finance, currently the hon. member for LaSalle—Émard, was in charge. He was the one who put this slant on the government's outlook. We reserve the right to make him face up to his responsibilities when the election campaign begins.

• (1320)

I hope that Canadians and Quebecers will remember all the budgets they have paid for and how little they got back.

In the current context, with amendments that may be rejected one after another, it is obvious that the Bloc Québécois cannot support

the motion to adopt the budget, a budget which, in our opinion, is regressive and which shows no appreciation for the people who pay the taxes.

[English]

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, it is good to have the opportunity to speak to the budget implementation act.

Preparing a budget is a complex issue of course and we relate it to the way we prepare our own budgets, personal or family. In my case, when I was with the municipal government, there was a process that we used to establish which indicated what the budget would be and what would be needed from the taxpayer.

First of all we would start off with a long term plan of either five years or 10 years. In my case at that time, we knew what position we wanted the municipality to be in at the end of those years. We created budgets and priorities to take us down the path where we wanted to be. A long term plan would be put together by community members coming together as well as municipal councillors and mayors on what they wanted out of their communities in the years to come and what their priorities would be. It was essential for us to have that give and take in debate to know exactly what our priorities should be, what the taxpayer felt was reasonable as far as tax increases, and where they wanted their tax dollars to go.

I do not see that in the budget that was prepared. It seems to me that it was done with a broad brush, trying to appease a lot of people, but ending up appeasing no one, because no one got what they felt was necessary. Through this budget process there was no long term strategy, no long term plan, and no positioning of Canada in the world. To me, that is the kind of function that is necessary. It positions Canada and our citizens in the world and it moves along a path to where we want to be.

We go out across Canada with the finance committee. We hear input from many organizations, groups and individuals. A prebudget debate and contributions are needed to help establish what Canadians want out of the government and where they want the government to be or their country to be in a few years. However, I am afraid the budget completely missed the boat.

One of the things that we heard constantly when we were going across Canada dealt with the capital tax. If we look at this tax, it is one of the most regressive things. It is almost like a property tax on municipal government.

An old friend of mine from the town where I was mayor came to me and said that when he built his fence 20 years ago, it was considered an improvement and his taxes were increased. Twenty years later it was all dilapidated and needed to be torn down, but when he tore it down he was taxed again for improving his property. I am not sure if that was the case, but that was a scenario that was used. No matter what we do as individuals, we seem to be taxed for it.

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This relates to the capital tax. If we are successful in our business and able to make a dollar at the end of the year through our hard work and efforts, and the risks that we take, the government rewards us by taxing us. It takes money away from businesses and enterprises that could be used for reinvestment, expansion, and creating more activity that would require more staff. That is one of the most regressive taxes we have in this country and we need to eliminate it quickly. Money that is in Canada and earned by Canadians should be left in the pockets of Canadians and they will do what is right with it. It will create a whole new economic spin which in turn will create jobs and investment, and move us along the road to building a bigger and better country.

Another thing I would like to point out is the employment insurance overpayment. That is a real problem. The money taken from hardworking Canadians and their employers for the EI fund is far more than is needed. The little bit of cuts we see in this budget and past budgets does not relate to substantive tax cuts that would help the employer and the employee make ends meet. The billions of dollars that are being taken out of the economy through this EI overpayment is counterproductive and something that needed to be addressed in a major way in this budget, and it was not. A tax system is supposed to be put into place to help move a country along in accordance with what its citizens want and to a position where it should be down the road.

● (1325)

I remember the debate regarding the GST. Many members of Parliament across the country who supported the GST bill when it was brought forward lost their jobs. Canadians said they did not want it. It was hinted that it would be used to pay down the debt. It was not. Once it was in place the government at the time and governments after it became attached to it. Now each percentage point of the GST is producing roughly \$4.5 billion, far more now than it was when it was introduced.

The government's argument is that it is because the economy is doing so well, but it is a tax on legally everything we do. It is the most hated tax that was ever put forward in Canada. The reason it is hated is because Canadians feel somewhat betrayed that it was sold as a debt reduction tax. I have done some research because people have asked me to find out where it was mentioned in debate that it would be used to pay down the debt. The words were carefully chosen during the debate. No where did it ever say for sure that it would be used for debt reduction. It was indicated or intimated throughout the debate that debt reduction could be one area.

Over the last number of years, due to a lot of pressure from the opposition, the Canadian Alliance and the Reform Party before us, the government has its act together and is balancing the budget. There are no more moneys being accrued to the huge debt that we have. Debt repayment is not a priority of the government and it needs to be because it is still a huge debt around the necks of our children and grandchildren. About 20¢ to 25¢ of every tax dollar goes to service that debt, never mind paying the principal.

The GST is one area that we could really look hard at. If we were ever going to get rid of the most hated tax in this country, we would have to start somewhere. Reducing that tax or having a look at how it is applied is something that we need to do quickly.

The whole issue of using the tax system to share the wealth in Canada has its merits, but Canadians in different provinces and regions of the country need to be assured that the money they give through their tax system is being applied properly. If it is going somewhere where they feel it is a waste, then they have a real problem with providing those tax dollars. One area that is prominent is the gun registry system. It is at \$1 billion and climbing. There is no indication from the government how long it will take to finish the job and how much it will cost. We have asked those two questions many times in the House and we have not received any answers.

The budget and the amendments that we are speaking to today must shape the future in order to receive our support. The budget must position Canada on a road to arrive at a place where Canadians want us to be. I do not believe it does that. I do not believe enough time and effort was spent on the priorities. Right now the defence and security of Canada are huge issues and there are not enough resources spent applying moneys to improve that in this budget. That needs to be addressed. All programs must be looked at on a regular basis to see if they are still viable, to see if those tax dollars that are being poured in are being used in the proper manner. If we would continually review those programs to ensure they were doing that, we would come up with a far better system in the end.

In conclusion, we will not be supporting the amendments that are being put forward today.

● (1330)

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I rise with great pleasure to enter into the debate today. I congratulate my colleague from Dartmouth, an outstanding advocate for those people with disabilities and their families. We on this side of the House, especially the New Democratic Party, said many times that if the government listened to her, the groups she represents and the many others who are likeminded, we would go a long way to once and for all entering people with disabilities into a logical, understandable debate on their concerns and requirements. People with disabilities are not asking for the moon, they are asking to be treated as equals. What could be better than inviting them and their families, or even those who know someone with a disability, to be fully recognized citizens of the country, and not get a hand out but a hand up?

One of the most offensive things the government ever did was make changes to the disability tax credit. We will go to the polls with this and let every voter in Canada know what the government has done. For example, a person who is missing his leg has to prove that he is still disabled. These people have to manoeuvre themselves 50 metres on a level surface with a device in a certain period of time. If they do it within that time, they are no longer considered disabled. That even applies to the individual who is blind, 85 years old, and needs the assistance of a walker. That does not matter to the government.

Government Orders

The all party committee, which dealt with the issue of people with disabilities, made some recommendations. Every member on that committee, from all sides of the House, agreed that what the government was doing was wrong. The government did not care what its own backbenchers thought; it would proceed in its own way. People with disabilities and their families have a right to be upset with this Liberal government.

The Canadian Alliance gave the NDP members heck for some of our viewpoints. Steely Dan once made an album called *Pretzel Logic*, and the government is twisting itself into exactly that. The government has said that the GST has to be reduced, and that is absolutely right. We as a party have been saying that from the very get-go.

We agree with the Canadian Alliance that the way the GST was brought in was atrocious. That is one of the major hindrances of the Conservative Party and the Alliance Party as well for that matter. The Conservative government of the day brought in this hated tax, and the NDP was the first party calling for a reduction of that tax to make it fair for everybody across Canada.

What is amazing is the way the Canadian Alliance twists itself over the supply management system. The Reform Party was against supply management for our farmers. Our farmers came here and members of that party said that they no longer objected to supply management. It is absolutely incredible but good to hear that party on the right suddenly soften some of its positions.

I will give the Canadian Alliance credit in some areas. When Mr. Manning was here, he raised the issue of the debt. He should be given credit for doing that because it was getting out of control. There are two things that Nova Scotia and Air Canada have in common and that is, they both have a \$12 billion debt, and that needs to be addressed.

There are many problems with this budget. What the government has done to people with disabilities is simply unacceptable. That should not and cannot be tolerated by anyone in the House of Commons.

Many people in my riding have sent me letters, e-mails, faxes, and made personal presentations on this issue. My colleague from Halifax, my colleague from Dartmouth, my previous colleague from Halifax West and my other colleague, Peter Mancini, from Cape Breton, as well as Michelle Dockrill and Gordon Earle, made presentations on behalf of the people saying that what the government had done was simply wrong.

• (1335)

Where are we years later? The government, when two amendments were removed, threw them back in. We have to ask ourselves why, when the government's own people in its own party said not to do it. If the government will not listen to its own members of Parliament on its side of the fence, why should we be surprised that it will not listen to ordinary Canadians? That is the perplexing question in all this.

I am on the fisheries committee. We know that we produce unanimous reports. Nine members of the Liberal Party supported recommendations from the fisheries committee, and the government turned around and said that it would not listen to us.

I have another example. We have a really wonderful program called the sea lamprey program in St. Mary's River, in an area my colleague across the way represents, Sault Ste. Marie. It is a great program. We do not even fulfill our full mandate on it financially but we are participating in it. The government has turned around and is thinking of cancelling that program. For the sake of \$6 million to \$8 million a year, it would virtually save a \$4 billion industry in the Great Lakes in recreational and commercial fishing. The program is a great success, one on which the government should be congratulated, yet it is contemplating maybe cutting the program.

We have to ask ourselves why the government would do that. It is looking at program reviews, departmentalizing all its various departments and ensuring that all tax dollars are spent accordingly and wisely. We do not disagree with that. We think that reviewing programs from time to time is a very good thing to do because we have to ensure taxpayers get the best bang for their bucks. The program in Sault Ste. Marie however is an investment, not an expenditure. Representation has been made by Liberals and other people to the government asking that the program not be cut. They have said, if anything, the dollar amount to the program has to be increased. The government says that it cannot make the commitment yet, that it has to study it some more. It does not have to be studied anymore.

I remember the member of Parliament for Sault Ste. Marie brought a sea lamprey example to the House of Commons a few years ago. It was fabulous. It is not the most lovely creature in the world. It needs to be seriously controlled, otherwise it will destroy the Great Lakes fishery, recreationally and commercially. That cannot happen.

Getting back to the budget, it does nothing for people in the airline industry. It does nothing for the people in the shipbuilding industry. There is very little for our men and women in the military. Especially, it still puts behind the eight ball those people with disabilities. Our seniors and our children, some of the most vulnerable in our society, are still being ignored by the government. The day I find out why is the day I will become a much better MP, because I do not understand why the Liberal government would be so hard and so harsh toward people with disabilities, our children and our seniors.

The Liberals like to brag about the child tax credit, but what they do not tell us is that they allow the provinces to claw it back. The reality is that the people are not that much better off. The child tax benefit is a good program, but it should have come with very serious stipulations that the provinces were to keep their hands off that money. The federal government gives with one hand and the provinces take away with the other hand, and that is an issue which still needs to be resolved.

If the child tax benefit is to help Canadians, then that is what it should do. The federal government should tell the provinces that in no uncertain terms are they to touch or reduce in any way the benefit to those people. It helps the people with the lowest incomes, especially women with young children. That is a good idea, but if the provinces are allowed to claw it back, it simply will not do any good.

Government Orders

● (1340)

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, it gives me pleasure to rise for the first time to address the budget. I know some of the things presently being discussed, particularly the air tax, are being talked about quite a bit. The air tax is a \$2.2 billion grab. The government rammed the bill through even though I think the entire population of Canada was opposed to it as not being a good thing to do. I think there was universal opposition from every witness who appeared before the committee. However as usual the Liberals chose to go ahead and ram it through.

I would like to take a moment to ask the member from the NDP who just spoke to take the time to read the policies of the Alliance Party regarding supply management just so he can get it right. The next time he wants to speak about our policies he should know about what he talking. Apparently he does not.

When we talk about the budget today, one thing comes to mind. I remember being in charge of budgets when I was a principal of a school and in other positions. Certain amounts of money were given to us and we were accountable for it and were to spend it according to the priorities of the group. One thing we always had in place was that if it was not necessary to spend it, then it was necessary not to spend it. It is too bad the Liberal government could not adopt a policy like that because its spending spree is just phenomenal.

I do not object to some of the things the Liberals do when it comes to supporting health care by finally raising some funding for it and for education. After many years of absolutely depleting those sources to the provinces, they now are starting to put some back. That is all understandable. However they are carrying on with spending in some areas when it has been proven and well known that they are ineffective and not doing the job for which they were intended. Why do we want to continue down that path?

We know of a lot of other issues that are not even talked about in the budget that ought to be talked about seriously. For example, the largest industry in Canada is agriculture. It is not just the farms. I am talking about the spinoff businesses that benefit from agricultural work across the land. It is the major industry. Yet when we look through this thick budget, we can only find one or maybe two sentences in it that even address the issues regarding agriculture and what the government intends to do about it. It does not address what kind of policies it will implement to ensure the agriculture industry, which is our top industry across the land, irrespective of all the other great industries, will continue. It is the number one industry, the most important, and it is not even addressed.

There is nothing in the budget in regard to what we will do in the event of the disastrous situations across our land. For example, the drought in the prairie region was not addressed by the government at any stage. It did engage to some small degree to help other Canadians who were going ahead full bore ahead to try to alleviate the problems and to help some farmers in the west through the hay movement. That was the dedication of the Canadian people, not the Government of Canada. The assistance received was from a few of the members, but only working through the local people who wanted to help each other. Farmers know what it is about when it comes to helping one another and the things they need to do.

I stop to think about the constant statements from that side of the House where child protection is so important. It is the number one priority. We have to protect the children on our streets. What is the government's answer? It is an ineffective, year after year, gun registry that has had no results whatsoever in the protection of our children. However the Liberals are spending almost a billion dollars, at least they will be spending that much soon, for an ineffective measure that does nothing they claimed it would do: make our streets safer. That is just not the case.

Just as a bit of a reminder to the Liberals, criminals simply do not register their guns. I am afraid they will never talk the Hell's Angels or any other organization into registering their guns. They are not interested in those kinds of policies.

● (1345)

However one thing that keeps coming forward loud and clear from our police forces across the land, in terms of helping our children, is that they would like a national strategy put in place to fight child pornography. It would take some dollars to do that but it certainly would not take near the amount of money that we spent on the gun registry. If they had a portion of that money with which to build a national strategy to fight child pornography then we would see some positive effects to protect our children.

We now know for a fact, through all of the expertise of psychiatrists, psychologists and case workers in penitentiaries, that most of the people who are in the penitentiaries for sexually assaulting and abusing our children were influenced in the initial stages through child pornography, yet instead of the government proposing something in its budget specific to the purpose of protecting our children, such as a national strategy, it continually floats along the plans of the past that year after year have proven not to improve the situation.

In fact, child pornography now is a multimillion dollar industry. Is that not pathetic when one of the major industries in our country is child pornography with the funds raised through the suppliers, the producers and the dealers?

The government should put some money into the budget to help our police develop a national strategy to fight child pornography, which will contribute internationally because it is not just a Canada problem but an international problem as well. A wonderful thing would begin to happen if we all put our efforts into that basket. If we really made a concerted effort I know it would not take long before we would have some successes in protecting our children.

Our budget needs to start looking at things other than just having words. It needs to support our agricultural industry but it does not know how. It supports the safety of our children but it cannot come up with anything other than such things as a gun registry.

Government Orders

A very poor way of spending tax dollars is to throw money into all kinds of unnecessary programs when there are essential programs that are being totally ignored. I do not like to see my tax dollars going off into some direction that supports some idea in which I personally do not believe. We must get back to the day or to the intention of where a real democracy works, when the voice of the people of the land have an effect on what happens with the money they send in.

I do not think voices across the land are giving the government all their money so the government can have a good time spending it in any way it wishes. I also do not think Canadians are telling the government that it does not have to be accountable for the way it spends it. As the Prime Minister has said a hundred times, "just smile and be happy, everything is rosy". Well, that is not the case for a lot of families in my riding, young families trying to maintain a job and make ends meet. They are paying power and gas bills while trying to raise a couple of kids. It is getting tough out there. The taxes are terrible and completely out of reason.

There is another shocking thing. We bring in all this money and do certain things, such as tax the gas. If I am not mistaken, a little tax was put on gasoline. It was going to help us balance our budget. Hello, earth calling the Liberals. The budget has been balanced for quite awhile. When will they take the tax off? Are they going to leave the tax on forever? It was a specific tax to help balance the budget but it is still there.

Do the Liberals love money so much that they have to jab and take everything they can from everybody across the land? Can they not, for a moment at least, get rid of the taxes that were meant for a specific purpose? Do we still need to support all these social engineering programs and other programs that they want to put into place even though Canadians do not want their money spent on them? When will the Liberals on that side of the House wake up and start listening to what Canadians are saying?

Canadians want the debt reduced. Is it not a shame that it is now 10 years later and the national debt is bigger now than it was when the government came into power in 1993? Debt reduction is essential. Let us make it a priority.

I wish the Liberals would quit Mickey Mousing around with all the social engineering and other nonsense that goes on and get down to the business of being accountable and responsible for good spending of taxpayer dollars.

• (1350)

[*Translation*]

Mr. Odina Desrochers (Lotbinière—L'Érable, BQ): Mr. Speaker, it is a pleasure for me to rise to speak in this important debate on the budget implementation bill.

First, I want to say that all our hard work in the House seems in vain, because everything has come to a standstill since the Liberal leadership race began. No matter what decisions get made, no matter what amendments are moved, mad consultations are constantly underway on the opposite side to see which candidate so-and-so is backing and, as a result, nothing gets done.

I also want to say that it is getting harder and harder for the different committees of the House to have a quorum. Why? Because

of these consultations. Either the current member for LaSalle—Émard, the Prime Minister, the Minister of Finance or even the Minister of Canadian Heritage is being consulted. Members come and go; they leave, they come back, nothing is working, to the point that Parliament is now paralyzed, no matter what we do. The member for LaSalle—Émard, who is apparently making a beeline for the Prime Minister's seat, recently stated that no matter what decisions the House made, he would ignore them.

However, we must not forget one thing: the current member for LaSalle—Émard was the Minister of Finance from December 1993 to June 2002. This same member thinks that the public will not remember the numerous consequences of his decisions.

Employment insurance was reformed for only one reason: to deprive the unemployed of benefits, but mainly to get money into the consolidated fund in order to lower the deficit. That is one of the accomplishments of the member for LaSalle—Émard. The second fine accomplishment of the former finance minister is the cuts to the transfer payments to the provinces for education and health care. We know what chaos these decisions have caused for the various provinces, Quebec included.

The various foundations created, such as the Millennium Scholarship Foundation and the Foundation for Innovation with its infrastructure program, are all means chosen by the member for LaSalle—Émard to divert funds, deprive the provinces of power and create what the Liberals have been working on since the referendum: a centralizing government, what they call "a modern Canada" but one with its modernity created at the expense of the provinces or the taxpayers, on the backs of the population as a whole.

This is the reason I have been asked today to speak on budget implementation, and I would very much like to move some amendments, make some suggestions, but this would all be pointless, because there is nothing happening over there. There is no progress being made any more in committees. Once again, I repeat, the member for LaSalle—Émard has said that regardless of what decisions are reached, when he takes over, he will rethink it all.

We have not seen anything like this in this Parliament in decades. There have been leadership races in Quebec and here, in Canada, but we have never found ourselves in such a situation, such an ambiguous situation. Who is bearing the brunt of this situation? The taxpayers, the unemployed, and the sick lined up in hospital halls. We have here the decisions, and their consequences, of the current member for LaSalle—Émard.

This gentleman would want the people of Quebec to forget instantaneously all that he has done since 1993. Let us be serious. We in the Bloc Québécois will remind him that we cannot wait for him to take the Prime Minister's seat.

• (1355)

We will remind him of his shipping companies, and the of tax haven issue. We will also remind him that he was the only Minister of Finance to object when the G-7 wanted to set up an organization to eliminate tax havens. He lobbied to persuade nations not to sign this agreement. We will ask him about all that.

When the current member for LaSalle—Émard becomes the Prime Minister, his G-7 counterparts, such as the President of the United States, the President of France or the Prime Minister of Japan, will know about his past. Will he have any credibility to represent the Canadian government? He has been contemplating changes for several months without ever taking concrete action. I keep hearing him say that he will change the way things are done, that there will be more power for individual members of Parliament. I hope that he will at least tell the members to be more conscientious, to act more professionally and to take part in the business of the House.

In closing, I would like to tell everyone listening that regardless of what is done in this House, because of the leadership crisis and race in the Liberal Party of Canada, there is no longer anyone at the helm of this government. The big losers are the people, the taxpayers, the citizens of Canada.

STATEMENTS BY MEMBERS

[English]

NURSING

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, nursing is the heart of the health care system. For Canada to be a world leader in health sciences, every worker in this field must be supported in maintaining and upgrading their skills and knowledge.

Of 81,000 graduates of nursing schools in Canada from 1990 to 2000, only 79% were still registered in 2001. Large numbers showed an interest in moving to the U.S. and other countries.

Our nurses need support for continuing their education. New graduates consider the move to the U.S. for a number of reasons. One is that permanent nursing positions in American hospitals include access to continuing education.

On National Health Day during National Nursing Week and all year long, we must acknowledge the valuable contribution nurses make to our health system and support them in their desire for ongoing training in an evolving medical environment.

We should also this year thank them particularly for the care they are providing and the sacrifices they are making during the SARS outbreak.

* * *

JUNIOR A HOCKEY

Mr. Roy Bailey (Souris—Moose Mountain, Canadian Alliance): Mr. Speaker, hockey fans across Saskatchewan are beaming with pride today because the National Junior A Championship was captured yesterday by the Humboldt Broncos.

Despite the difficulties the team had with Saskatchewan only audit by the CCRA, the managers, the coaches and the players overcame the setback that community suffered from what they considered to be an unfair and unjust assessment by the Government of Canada.

In true western spirit, the Humboldt Broncos persevered and in doing so took home the coveted Royal Bank Cup which they will

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proudly display in their hometown to denote national supremacy in junior A hockey in Canada.

Way to go Broncos. Way to go Humboldt. Let us hope that the Saskatchewan Junior Hockey League continues to operate for years to come.

* * *

• (1400)

[Translation]

NATIONAL MINING WEEK

Mr. Gérard Binet (Frontenac—Mégantic, Lib.): Mr. Speaker, Canada is one of the top mineral exporters in the world. These exports make up almost 12% of Canada's total exports and the mining and metals industries employ close to 400,000 Canadians.

National Mining Week is from May 12 to 18, and this year's theme is "Mining—An Innovative Industry for Canadians". Innovation is the cornerstone of Canada's mining industry and the key to its current and future success.

The Government of Canada is committed to promoting a future marked by new technologies and practices, one that is mindful of environmental and social imperatives. Sustainable development is of the utmost importance, not only for the future of the mining industry, but also for the people and communities whose well-being depends on the mining industry, such as those in my beautiful area, Frontenac—Mégantic.

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[English]

CONESTOGA COLLEGE

Mr. Janko Peric (Cambridge, Lib.): Mr. Speaker, for the fifth year in a row Conestoga College has been rated the number one college in Ontario by the independent key performance indicator survey.

This annual survey ranked Conestoga College in my riding of Cambridge the best among Ontario's 24 colleges. Conestoga topped all colleges on the graduate employment survey with an employment rate close to 94% within six months after completion of studies.

This KPI result reveals Conestoga's continued dedication to excellence and vision for improving its quality of education.

I congratulate the faculty of Conestoga College for implementing successful programs that offer its graduates secure employment after graduation.

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JUNIOR A HOCKEY

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, I rise today to congratulate all those involved in organizing and participating in the Royal Bank Tier II Junior Hockey Tournament which was held in Charlottetown throughout the past week.

First of all, I want to sincerely congratulate and thank the hundreds of volunteers under the chairmanship of Wayne MacDougall, who put so much time, energy and enthusiasm into organizing this great event. The whole thing went off without a hitch.

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I want to congratulate the management, coaches and players from the five participating teams from Charlottetown, P.E.I.; Humboldt, Saskatchewan; Camrose, Alberta; Wellington, Ontario; and Lennoxville, Quebec. Each of these teams were champions in their own regions.

The hockey was terrific, the games were competitive and the fans enjoyed each and every game.

Finally, on behalf of everyone in the House I want to congratulate the Humboldt, Saskatchewan Broncos, the winners of the 2003 Royal Bank Cup.

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QUEEN'S JUBILEE MEDAL

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, I am pleased to rise to congratulate 20 recipients of the Queen's Golden Jubilee Medal from my riding of Okanagan—Shuswap. This medal recognizes the achievements of individuals who have made an outstanding contribution to the community and to society as a whole.

The recipients are Colonel Douglas Walton, Audrey Abramenko, Julia Taylor, Eric Hornby, Del Hornby, Tony Metz, Matt Hassen, Michael Bruce Blain, Dorothy Sawicki, Patrick Nicol, Verle Shockey, Valeria Ferguson, Keith Evans, Mary Woolam, John Topping, May McIntyre, Mike Vanderbeck, Melvin Briggeman, Gay Jewitt and Patrick Bonin.

On behalf of the people of Okanagan—Shuswap, I thank each one of them for their endless hours of service that help to make our communities a better place in which to live.

* * *

NORAD

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, on this day 45 years ago the governments of Canada and the United States first created Norad.

Norad has been one of the cornerstones of defence cooperation between Canada and the United States since 1958. Throughout the cold war Norad guarded the northern approaches to our shared continent providing security for Canadians and Americans alike. Norad has since evolved in response to changes in the international security environment.

It demonstrated its flexibility and reaffirmed its utility during that infamous day in September 2001 when it helped restore order to the skies over North America and demonstrated a reassuring presence in the weeks and months thereafter.

I am sure that all members of the House will join me today in congratulating past and present Canadian Forces members assigned to Norad for a job well done, and wish this critical and important organization continued success in the future.

● (1405)

[*Translation*]

LANDART FESTIVAL

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, for a second year in a row, two of my constituents will take part in the 5th Landart Festival in Grindewald, Switzerland, from June 5 to 12. Marc Bergeron and Daniel Levasseur, of Drummondville, are the only North American ambassadors at this international competition.

Landart is an artistic movement characterized by the artistic use of the landscape as raw material. As such, the works that are created may be ephemeral, or more durable. However, they must be harmoniously integrated into the location chosen for their creation. It is a contemporary art form that sets itself apart in that it is done in and with nature.

Buoyed by their experience last year, where Marc Bergeron and Daniel Levasseur won the first public prize and the second jury prize for their work, they will represent us again this year with strength and determination.

I invite members of the House and the public to join me in supporting them and wishing them the best of luck.

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[*English*]

HOCKEY

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, I would like to congratulate and salute Canada's gold medal winners at the World Hockey Championships in Finland.

This is what being Canadian is all about: determination, pride and love of country.

Sean Burke who, rather than waiting for a call to play, phoned the organizers and said "If a goalie is needed, I am available". He is always there for his country.

Ryan Smyth, who played 42 games for Canada and is a critical member of the team, stated "To wear that maple leaf on my chest and finally win, it is awesome. I have so much passion I could never say no to coming here."

Coach Andy Murray, his staff and all the players are true Canadians, unselfish and prepared to demonstrate to the world that this is Canada's game.

Anson Carter's grit and skill came together with that great wraparound goal. He is the toast of Canada.

Roberto Luongo stepped in at a critical time and demonstrated that he is a world champion.

Congratulations. This is my idea of real hockey.

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NATIONAL POLICE WEEK

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, I am pleased to join all my colleagues in saluting the men and women who protect our families and communities on a daily basis.

As part of the celebration of National Police Week from May 11 to 17, officers from across Canada will be participating in numerous activities promoting the concept of police and community working together to promote safety and security. They will showcase the latest in equipment and technology used on the front lines in the thankless job they do.

This is also National Road Safety Week. The RCMP and local police forces are joining together to target impaired driving, use of seat belts, intersection safety and unsafe driving.

I urge my fellow Canadians to support their police not only this week but every week. My congratulations to the Abbotsford police and the RCMP for a job well done in my area of Langley—Abbotsford.

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NURSING

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, nursing is the art of combining skills, education, science and nurturing. It is the art of balancing emotional care as well as physical care. Nurses are present in our hospitals and nursing homes seven days a week, 24 hours a day sharing critical moments in their patients' lives.

The professionalism and dedication of our nurses were never more evident than during the recent SARS epidemic. Their efforts on the front lines on our behalf deserve our recognition and thanks.

I invite my fellow members of Parliament to join me in recognizing the tremendous contributions made by our nurses by celebrating National Nursing Week the second week of May each year. Congratulations to all the nurses.

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INSURANCE

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, since September 11, 2001 the world has changed in many ways. It has affected our society, as individuals and as a collective. In the world of business many companies have had to cope with dramatic consequences which often affect their business plans and viability.

Overlooked at times is the issue of the cost of insurance for people and business. Recently the Bank of Canada singled out rising costs of auto and home insurance as a significant contributor to core inflation. Moreover, many independent business owners are coping with increased costs and reduction or elimination of carriers for their services. Indeed, some policyholders with impeccable records have witnessed significant hikes in premiums or loss of coverage altogether.

The time has come for the federal government to examine this issue as it currently wanders without leadership in a bureaucratic wasteland. Canadian consumers and business owners need it reviewed to ensure fairness and integrity in these rising costs.

[*Translation*]

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SOFTWOOD LUMBER

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, more than seven months have passed since the announcement of measures to help workers affected by the softwood lumber crisis, but we are still waiting for the second phase of the aid package.

In the meantime, sawmills are closing their doors; people are losing their jobs and are doubly penalized by the government's lack of empathy and the rigidity of the Employment Insurance Act, which does not recognize seasonal work at all.

The Minister of Human Resources Development should demonstrate some interest in these workers who are asking nothing less than for the seasonal nature of their employment to be recognized and the employment insurance rules to be relaxed during the softwood lumber crisis.

By refusing to recognize the very existence of seasonal work, and by dragging its feet on implementing the second phase of the aid package, the federal government is directly contributing to the impoverishment of the affected communities.

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● (1410)

[*English*]

CRIME PREVENTION

Ms. Judy Sgro (York West, Lib.): Mr. Speaker, I am pleased to rise today to announce funding for four important community based projects in my riding of York West.

Conflict Mediation Services of Downsview, the Elspeth Heyworth Centre for Women, Youth Clinical Services, as well as the La Marsh Centre for Research on Violence will all receive funds under the national crime prevention strategy to help prevent crime, reduce violence, build tolerance and make our communities safer.

These four programs are designed to reach out to children and youth, visible minority women and high school students, as well as to bring together those community members who are the best able to develop solutions that will work for each unique neighbourhood.

The Prime Minister's caucus task force on urban issues recognized that community safety is an issue that affects the quality of life in our urban regions. I am delighted that the government is supporting local initiatives in the fight against crime and is acknowledging the efforts of leaders in our communities.

* * *

HOCKEY

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, the Progressive Conservatives congratulate Canada's hockey team on winning the World Hockey Championships.

Oral Questions

From veterans like Ryan Smyth, who wears his country on his sleeve, Kris Draper and Cory Cross to youngsters like Jay Bouwmeester, Dany Heatley and Daniel Brière, they represented us well, as did the star, Anson Carter, holding the Canadian flag and singing O Canada from the heart. I mention in particular Sean Burke who asked to play so that he could wear the maple leaf one more time.

Why is it that 23 hockey players can do what 301 politicians cannot?

For six days last week we talked about Canada failing us as a country. Yesterday we stood together with pride.

Maybe it is not the country that is failing us; maybe it is the team leading the country. Maybe it is time to switch to a new team. Maybe it is time to switch to the team with the blue jersey.

* * *

[Translation]

POLITICAL FINANCING

Ms. Pierrette Venne (Saint-Bruno—Saint-Hubert, Ind. BQ): Mr. Speaker, on January 29, the government introduced a bill on political financing that provides for the payment of a quarterly allowance to registered political parties

This is really just a bonus given to the established parties, so that they can build their election war chests with public money. This measure will hinder the emergence of new parties which, like independent members, will not receive any public funding but will be subject to the constraints in the new law.

Instead of worrying about keeping the existing parties in good financial health, the government should have followed the lead of Quebec and made provisions such that the allowance given to the parties would be contingent on producing accounts, in order to reimburse the real expenses incurred.

The government seems very timid when it comes to integrity, because it could have gone a lot farther, making it more difficult to get around the spirit of the law by such subterfuges as the “in and out” method which was favoured by a certain political party in the last general election, and which will no doubt be used once again.

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[English]

HUNTINGTON DISEASE

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, I am pleased to inform the House and all Canadians that May has been designated Huntington Disease Awareness Month.

Huntington disease is a hereditary brain disorder with devastating effects on both mind and body. One in every 10,000 Canadians has Huntington disease. One in every 1,000 Canadians is touched by HD, as a sufferer, a person at risk, a friend, a family member, or a caregiver.

The Huntington Society of Canada is a national network of volunteers and professionals united in the fight against HD since 1973. Their goal is to find new treatments and ultimately a cure for

Huntington disease and to improve the quality of life for people with HD and their families.

Please join me in congratulating the many volunteers of the Huntington Society of Canada for providing Canadians with valuable programs and services. We wish them all the best for a prosperous campaign during Huntington Disease Awareness Month.

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• (1415)

INDUSTRY

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, last week the industry minister appeared before the standing committee to outline his plans and priorities.

What are they?

First, he is very focused on smart regulation, so focused that he has actually set up a committee. Second, the minister spoke about the importance of the auto sector to the livelihood of Canada's economy. This sector is so important that the minister has made the effort to set up a committee. Third, the minister spoke about Kyoto and climate change. Even though he completely failed to address any of the concerns of any industry during the debate over Kyoto, he informs us that he is now on top of the issue in cabinet because he is working on a committee.

I have a suggestion for the industry minister. Since he has such a love for committees, I would be willing to trade him positions. He can have my position on the industry committee and I will be the industry minister. I promise that as minister I would take some leadership on these issues and not set up any more committees.

ORAL QUESTION PERIOD

[English]

AUBERGE GRAND-MÈRE

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I want to ask questions about a new *National Post* story that gives new information on dealings between the Prime Minister, the Business Development Bank and the Grand-Mère hotel. The essence of this story is that the Prime Minister interfered to get a BDC loan to an insolvent company that owed him money.

Does the Prime Minister now admit that he received a direct financial benefit from the BDC loan to Grand-Mère, a loan that he engineered?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, this has been looked upon by everybody for years and I have never received a cent from this company at all in my life, not a cent. It was looked at by the ethics counsellor and by the police. There is some document that was falsified and some people do not want to give this document back to the police to complete their inquiries.

Oral Questions

I have been in public life for 40 years and I have never been accused of anything. I have a proud record. I have never received any money from anybody. It is my word after 40 years, so I am very surprised that the Leader of the Opposition would try to dig in dirt like that.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, if the Prime Minister is as honest as he claims, he will not mind answering these questions.

The facts are these. The Prime Minister admits that he phoned the president of the Business Development Bank to get the loan. Before the calls there were no loans. After the calls there were. Apparently the manager of the branch of the bank now says that it was because of and only because of the Prime Minister's intervention that those loans were granted to the Grand-Mère hotel.

Does the Prime Minister deny that he engineered this loan?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the facts of this case have been gone into again and again.

The hon. member has nothing new to add. He is raising questions that have been answered in the past. The ethics counsellor himself decided this very issue in November 2000 when he made it clear there was nothing improper done.

I urge the hon. member to pay attention to those facts and be very careful with what he does with a reputation of long standing.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, the Prime Minister can answer my question and this minister can answer about Joanne Meyer. That is what should be happening.

I want to ask about the other half, the direct benefit. Conveniently, the BDC documents indicating the Prime Minister's direct benefit are missing from the record. A page listing creditors beginning with the letter J has gone missing. BDC electronic records containing Grand-Mère financial records are also missing.

Does the government, does the Prime Minister expect anyone to believe that these records are missing for any reason other than that the name of the Prime Minister's personal company is on them?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, there he is, the Leader of the Opposition, hip deep in muck, hoping that broad, unsubstantiated allegations will get him through the day when he has nothing worthwhile to ask in the House of Commons.

To these questions we say, they have been answered, there is no substance, and he should get on with something of significance to Canadians.

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, the reality is that the circumstances surrounding this loan are appalling. Let me quote from financial analysts at BDC who first reviewed this loan, their statement, not ours: "...the financials clearly indicated inadequate cashflow to service the current obligations of the" Grand-Mère inn.

Could the Minister of Industry, the minister responsible for the BDC, explain why this company received this loan when it clearly did not qualify, in the words of the BDC analysts themselves?

• (1420)

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the member might well reread the questions from *Hansard* posed in the past, asked and answered time and again, the same old questions and the same responses.

The answers are on the record. These matters were inquired into over time. All the facts are known. There is nothing new here.

The hon. member is asking them because he cannot find an issue of relevance to the Canadian people on which he has a position of any value.

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, this is relevant because it talks about respect for an independent crown corporation and respect for taxpayers' dollars.

A critical page of the Grand-Mère loan file has vanished. An electronic document has been erased from BDC computers. The missing page is the one on which any reference to the Prime Minister's family company would have appeared.

As the minister responsible for BDC, has he or will he launch an investigation into this matter?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, there have been investigations into this matter. These matters have been looked into. They have been asked about time and again and responses have been given.

That is a party bankrupt of ideas, bankrupt of policy, with nothing to offer, which is revisiting matters that have been looked into in the past, and we say they should get on with something that is of relevance to the Canadian people.

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[*Translation*]

SOFTWOOD LUMBER

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, since the softwood lumber crisis began, the federal government could have helped this industry by providing loan guarantees, as allowed under the international agreements, but it did nothing of the sort. After letting the companies struggle along for two years, the Minister for International Trade is now prepared to sell them out by negotiating a unfavourable resolution to this conflict.

Since our softwood lumber is not subsidized and since the WTO will uphold our claims in less than a week, why has the Minister for International Trade decided to back down and further undermine these companies?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, we have no intention whatsoever of backing down. Since the start, this government has always said that forestry practices in all provinces had already passed the test and were legal. We are continuing before the WTO and NAFTA, and we have total confidence in the decisions these international tribunals will hand down.

However, to expedite matters, in partnership with the provinces, we sat down with the Americans to see if this situation could be clarified with regard to the future.

Oral Questions

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if it is true that the tribunals will rule in our favour and the government truly believes this, then why is it imposing an export tax? Why seek a resolution instead of continuing with its claims? If a resolution is reached, the claims will be dropped. The Americans will demand this. Why not continue since we are assured victory?

This means that, until then, loan guarantees should be granted to keep things running. The government is preparing to do what it did in the past. If we back down again, the same problems will occur in another four or five years. I call that backing down.

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, we have won many times with regard to softwood lumber, and we keep ending up back at square one. The government is trying to sit down with the United States and have a dialogue about forestry systems as a whole, precisely to avoid having to go through this again in three, four or five years.

The Bloc is telling us, “Continue before the tribunals, we are going to win”. Yes, we are going to win. But the next day, the Americans will start all over again with a new petition. We want to resolve this situation once and for all and ensure unrestricted free trade for softwood lumber.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the closer we get to the date of the WTO and NAFTA decisions on softwood lumber, the less definite the Canadian position toward the United States becomes, whereas it ought to be firming up instead.

Is the present strategy of the federal government not likely to weaken our position, and take us back to square one as far as the softwood lumber issue is concerned, since the minister is preparing to back down—as he stated this past week—mere weeks before decisions in favour of the Canadian softwood lumber industry are brought down? Will he stand firm?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, the objective of our government is precisely that: to obtain resolution, but a lasting resolution. We are very much aware that winning our case before the courts is extremely advantageous to us, which is why we are before the courts. This strengthens our negotiating position with the United States.

However, what we have obtained with the interpretation bulletins to be released shortly by the American Department of Commerce is precisely to have an advance indication of which forestry practices are problematic to them, so that we can see the problem coming and not suddenly meet it head on, as we do every time.

• (1425)

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, the fact is that the federal government has been very passive in the face of the problems being experienced by the softwood lumber workers and the industry itself.

What justification can there be for its neglecting to put in place a true support program for the softwood lumber program, which would have had the effect of making things easier as we await the WTO and NAFTA decisions, instead of having to live through the present disaster?

[English]

Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.): Mr. Speaker, the hon. member is wrong when he says we have been passive. In fact we have not been passive. The leader of the Bloc says we have not done anything. There is \$356 million, a comprehensive plan to deal with finding new markets, to doing research and development, to do community adjustment, to make sure we help in terms of employment training. That is what we have been doing, and we will continue to monitor the situation. The hon. member is wrong when he says we have been passive. We have been active. We have been out there supporting workers and supporting the industry.

* * *

THE ECONOMY

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, my question is for the Minister of Industry.

While the Liberals have no problem helping inns in Shawinigan, a truck plant in Chatham is set to close and move to Mexico. Thousands of jobs are at stake. The union and the company have reached an agreement to save these jobs, but they need the minister to wake up and take action.

What specifics can he offer to this community today to save these jobs, or should we just add Navistar to the long list of the minister's failures? What action will he take and will he make a commitment to those workers to save these jobs?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, we know about this situation, not by any efforts of the NDP, but because the member for Chatham—Kent Essex has been working on it for the last two years. It is because of his hard work that progress is being made.

As always, the Government of Canada stands by ready to make a constructive contribution. We are all making an effort to keep jobs in Canada, and more particularly in Chatham. I might add that this is a process to which the NDP has made no constructive contributions.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, bringing the member for Chatham—Kent Essex to the front row for one day is not good enough. What we need is action. There are two months to go to take action. Within the last year we have seen the company and the union come together after a traumatic strike.

What we want to know is whether the minister will get off his ass and do something this time?

Some hon. members: Oh, oh.

The Speaker: I could not hear. The hon. Minister of Industry.

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, apparently it is the policy of the NDP to use volume and rudeness to try to get somewhere with a complex situation. Neither of those tactics will help.

What will help is the kind of devotion and attention that the member for Chatham—Kent Essex has put into this issue over the last two years. We are working with him and the community as we always do. We will continue to work to produce positive results and not just noise and rudeness.

*Oral Questions***AUBERGE GRAND-MÈRE**

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, my question is for the Prime Minister.

In a letter dated March 26, 2001, the Prime Minister's trustee, Deborah Weinstein, said the Prime Minister's private company received \$40,000 in 1997 as partial payment for his golf club shares. An RCMP investigator examined the books and records of the Prime Minister's private company, J&AC Consultants. The investigator testified that he saw no record of that payment. He testified that "there was no outside revenue to the company".

Where did the \$40,000 go? If it was paid to the Prime Minister's private company, why is it not on its books?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, I would have thought for someone as close to retirement as this member is that he would have saved his fishing for some other day.

All the facts of this case have been talked about and have been exposed. These issues have been looked into time and again. There is nothing new raised here. I urge the member to look at the record. The record is clear. The Prime Minister's conduct has been cleared. Responses have been furnished every time questions have been asked.

•(1430)

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, the RCMP search warrant application for leaked documents included a sworn affidavit by Corporal Roland Gallant that BDC manager France Bergeron said the loan application went through normal stages. The RCMP affidavit did not add Ms. Bergeron's statement that without the Prime Minister's intervention, the loan would never have been approved.

Can the Solicitor General advise whether someone in the RCMP more senior to Corporal Gallant signed off on the search warrant application? How does he explain that highly relevant testimony was omitted from an official RCMP statement to the court?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the member continues to fish.

The member will recall that in a letter addressed to him in November 2000 the ethics counsellor dealt with the Prime Minister's intervention and made it clear that the Prime Minister's conduct did not violate any rule that pertained. The member is raising issues that have been looked into long since. Facts and questions have been examined in the past. I urge him to consult the record for the answers he seeks.

* * *

FISHERIES

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, the east coast fishery is only the latest example of how the government's arrogance and indifferent mismanagement has driven provincial governments to demand greater control over their resources. Last week the intergovernmental affairs minister flippantly dismissed Newfoundland and Labrador's concerns with a hurtful and sarcastic comment.

Will the Prime Minister agree to open negotiations with first ministers on joint management of programs that directly affect their resources?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is always difficult for the government to have to cut the quota of fishermen because we know they are making their living out of that industry. We have to do that to protect the future of the fisheries. Nobody likes to do that sort of thing, but I think that the federal jurisdiction is well established in the Constitution.

In the past there was some discussion about changing the Constitution on these matters. There was no agreement among the maritime provinces. Members will know that fish swim from one province to another and it would be very difficult to cut the fish in half.

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, this is not just about the fishery. This is about the government failing Canadians at every turn, on issues such as Kyoto, softwood, wheat duties, west coast and east coast offshore drilling, and now the coastal fishery.

In response to the concerns of Newfoundland and Labrador, the Prime Minister said it was not really an issue for him because he would be gone in a few months. Why is it that the government's shameful response to provincial concerns is to stall, dismiss or ignore them?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I said that I did not want to start a constitutional debate in Canada. I had my load of constitutional debate when I became Prime Minister and I decided that there were other things to debate other than constitutional changes. That is why we have not talked a lot about the Constitution for the past 10 years, but we have talked about the economy, balanced budgets, and job creation. And that is why Canada today is the leader of the western world in terms of economic performance.

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[*Translation*]

SOFTWOOD LUMBER

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the government has done nothing about the softwood lumber issue; it has yet to implement the second phase of its aid package for the industry, which it had promised.

Will the Minister for International Trade admit that one need not be an expert in strategy to understand that the American strategy is to wage a war of attrition on the Canadian industry and that, in that sense, the government's failure to introduce support measures is putting the industry in a precarious situation and making the last moments of the fight unbearably difficult?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, it is well known that we have worked closely with the associations to which we have provided financial assistance.

Oral Questions

We have been extremely vigilant, acting through the Department of Human Resources Development and the Department of Natural Resources. To say that we have done nothing is just plain wrong. And to suggest that we are weakening the industry when, for the first time in 25 years, a government stands up to the Americans, gets them to negotiate and hold real discussions on Canada's forestry plans and does not operate on preconceived ideas because we are working on crown land, where subsidies were—

The Speaker: The hon. member for Roberval.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, how can the federal government deny that by failing to implement the second phase of the aid package which it itself announced, it has put the industry at a disadvantage?

It has abandoned the industry in this fight against the Americans, and we will probably pay the price for that now. How can it play so poorly, with all the trumps in its hand?

•(1435)

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, since the beginning of this difficult situation with softwood lumber, I have had the support of the Quebec government, even at the time when it was run by the head office, the party that is now in opposition. Quebec has stood firmly behind the strategy we had discussed.

I realize that in the Bloc Québécois, members may be feeling freer now that they do not have to answer to their head office in Quebec City, but I can tell members this: in solidarity, we are sticking to the line adopted by the industry and the provinces two and a half years ago, because it works.

* * *

[English]

NATIONAL DEFENCE

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, we now know why Ambassador Raymond Chrétien sent his memo on the Sea King replacement project to the Prime Minister's Office and not to officials in charge of the program. The Prime Minister had a stranglehold on the process so he could dictate the choice of helicopter.

The Minister of National Defence claimed the statement of requirements had not changed since 1999. Was he saying this because he knew that the PMO wrote those requirements over the objections of the military, or has the Prime Minister simply used him as the front man?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, as I have said a number of times in the House, the statement of requirements had not changed one iota since 1999. I have said in the House before that the statement of requirements had the full approval of the military leadership. I have received assurances on both of these points in the past from the chief of defence staff.

In anticipating a question such as this, I reconfirmed that with him today. The chief of defence staff confirmed that the statement of requirements had the full support of the military leadership and that it had not changed one bit since that time.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, that is not what military officers are saying. They are saying that those who work for the maritime helicopter project are admitting that it is the PMO that asked them for a Sea King replacement. The PMO told them what to ask for in a Sea King replacement project. That is quite different from what the minister just told us.

Will the minister admit that the requirements for the maritime helicopter are not what the military asked for, will not lead to the best choice, and will he apologize for his misleading statements?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, absolutely not. I do not know what unnamed military official the hon. member is referring to. I am referring to the chief of defence staff who has total command over the Canadian Forces. He also mentioned to me a recent conversation he had with the chief of the air staff who is directly responsible for this. The chief of the air staff was quoted by the chief of defence staff as agreeing that the statement of requirements was "totally intact".

If the member does not have any named officials with contrary information, I suggest he defer to the two heads of our Canadian Forces.

* * *

[Translation]

FISHERIES

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, the federal government eliminated the two week waiting period for employment insurance during the SARS outbreak in Toronto, which was the right decision.

Is the fishery crisis in the Gaspé, the Magdalen Islands, along the North Shore and in the eastern provinces not as serious for the economy of these regions to warrant the government making a decision like the one made for Toronto, and modifying the employment insurance rules to help the fishery?

Hon. Claudette Bradshaw (Minister of Labour, Lib.): Mr. Speaker, I would like to assure the member of the Bloc Québécois that we are working very closely with the communities and the Minister of Fisheries and Oceans on the matter of unemployment insurance for fishers and plant workers.

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, Quebec's minister of employment has done his part to help fishery workers, but the federal government has refused to change the EI rules to do its share.

How can a government that is fully responsible for the current mess in the fisheries, following 30 years of bad decision-making, sit back and let Quebec take exceptional measures to solve the fisheries problem, and do nothing to help? It was the federal government that created the problem; they should fix it.

Oral Questions

Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the member must recognize that when we announced the closure of this fishery, we also announced funding to create short-term employment to help these communities. We also began discussions on long-term economic development objectives. Thanks to federal-provincial agreements with Human Resources Development Canada, we have the money available to do this, under part II of the Employment Insurance Act.

* * *

● (1440)

[English]

JUSTICE

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, a recent Ipsos-Reid poll stated that two out of three Canadians thought the Supreme Court of Canada was influenced by partisan politics. This conclusion is not surprising given the absolute right of the Prime Minister to appoint judges to the Supreme Court.

Why is the Prime Minister satisfied with seeing the court increasingly become an arm of the Prime Minister's Office because of this partisan appointment process?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am proud to report that we have a fantastic Supreme Court in Canada. I am proud to say that when talking to people all over the world and asking them what they think about the Canadian legal system, they believe that it is an outstanding legal system.

I am also proud that a lot of judges are going all over the world to tell people about the way we do things here, the way we are acting, and about the fantastic legal system we have in place. The member should be ashamed to start that discussion.

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, the minister is telling the Canadian people that they have no reason to be concerned and yet they have legitimate reason to be concerned. The public's growing dissatisfaction with the Supreme Court undermines its necessary role as an independent, non-partisan institution.

The Prime Minister has the power to reverse this disturbing trend. Will the Prime Minister leave as his legacy by acting quickly and implementing a non-partisan appointment process to restore confidence in the judiciary?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think that is a very unacceptable and disgraceful approach. For example, to talk about partisanship, the first woman chief justice in Canada was named to the Supreme Court by a Conservative government. When he talks about partisanship he has an example of how objective we can be. She is doing a great job and she was named to the Supreme Court by my predecessor.

We always go for the best and we do not want any political debate about it. We are judged on the quality of the appointments and when they are there they are secure until 75 years of age.

[Translation]

MONTFORT HOSPITAL

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, my question is for the Minister of National Defence.

This morning the minister announced a new partnership between his department and the Montfort Hospital, an important institution in the riding I represent.

Could the minister please describe the nature of that partnership to this House, our hon. colleagues and those listening?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, first, I want to thank the hon. member for his excellent work on this issue.

This is a superb agreement for both parties. For the members of the Canadian Forces, it will provide top-notch medical care in their preferred language. For the hospital, the agreement will ensure its long-term viability.

Thus, it is an excellent agreement for everyone.

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[English]

FOREIGN AFFAIRS

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Minister of Foreign Affairs, the Jekyll and Hyde of arms control treaties.

When he is Dr. Jekyll, he expresses concern over the possibility of Iran violating an arms control treaty, but as Mr. Hyde, he wants star wars, the weapons system that Bush tore up an arms control treaty to develop.

Before cabinet discusses star wars tomorrow, could the minister tell us when it is okay for a country to ignore arms control treaties and when it is not?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am not too sure about the Jekyll and Hyde accusation considering it comes from the party opposite that has managed to change its position on some of these matters in an extraordinary way.

I would say, however, that cabinet will be examining this. The Prime Minister has clearly indicated in the House what we will do in terms of this issue. Like all others, we will examine it in light of the best interests of Canada to ensure security for Canada and for Canadians, and to advance the interests of Canada in the international domain of which we are so proud.

* * *

● (1445)

[Translation]

FISHERIES

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the Minister of Human Resources Development has stated that New Brunswick got \$90 million and Quebec got \$600 million from the federal government for workers affected by crises such as that in the crab fishery.

Oral Questions

According to New Brunswick's Minister of Labour, under the federal department's regulations, the provinces cannot use these funds for emergencies but rather for training.

My question is for the Prime Minister. Since these funds are not available under federal regulations, will the Prime Minister provide new funding to help New Brunswick and Quebec with the crab fishery crisis?

Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I would like to tell the hon. member that I met with the crabbers' associations yesterday in Fredericton. I discussed when the fishery would resume. I heard that they held a press conference. The two crabbers' associations in New Brunswick said that they were going to resume fishing. So, the problem has been resolved.

* * *

[English]

NATIONAL DEFENCE

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, the Minister of Defence claimed last week that the helicopter requirements had not been reduced “one iota”, yet Colonel Akitt confirms that the procurement process has been an abject failure, riddled with political interference that has left Canada with watered down safety and operational requirements.

Why is the minister proceeding to acquire helicopters that will not even match the capabilities of our 40 year old Sea Kings? Will he commit to eliminating political interference rather than helicopter requirements so that Canada can receive the best possible helicopter?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, with regard to the colonel's academic paper, I am all in favour of academic freedom but I am also aware of the freedom of academics to make mistakes.

I have read every page of that paper and I can say, from having read every page—and I will willingly make copies available to the opposition and to the media—that he does not deny at all the truth of the matter which is that the statement of requirements was approved by the military leadership of the time, nor does he detract from the second truth, which is that this statement of requirements was not changed one iota for political reasons.

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, again last week the Minister of National Defence responded to allegations about political meddling on behalf of Eurocopter's helicopter bid as “largely untrue”, yet Canada's ambassador to France did write to the Prime Minister's Office, he did outline changes Eurocopter wanted and the process was changed.

Now senior defence officials, including Colonel Akitt, have emerged to support these types of allegations.

Will the minister confirm that the decision to rebundle the two contracts into one permitted Eurocopter to stay in the competition?

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, the decision to rebundle the contract, which was my decision, has been universally praised by the industry as the right way to go, partly because it makes the helicopter come faster and partly because it reduces risk.

I have absolutely nothing to apologize for on that. I have already quoted the chief of defence staff as saying that the statement of requirements, first, had the full blessing of the military leadership of the day, and second, has not been tinkered with one iota since that time for any political reason.

I have nothing to apologize to the member for.

* * *

YOUTH CRIMINAL JUSTICE ACT

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Mr. Speaker, Ontario says that Ottawa has ignored public safety by not appealing the striking down of parts of the Youth Criminal Justice Act. The attorney general wrote:

Your failure to take a stand continues this dismal legacy to youth justice in Canada, and will further weaken an already inadequate piece of legislation.

The provisions affected have been law since 1995 and this decision could result in new trials for cases involving murder, attempted murder, manslaughter or aggravated sexual assault. Why did the minister not appeal given these considerations?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we decided not to appeal. That decision, first, said that the Canadian government has indeed the jurisdiction with regard to youth criminal justice. Second, it struck down the section of the bill regarding the question of the presumption in place.

The fact that we decided not to appeal does not water down the bill at all. We will be able to meet the same objectives while respecting the Canadian Charter of Rights. This is important. As I said, we will go ahead this fall with something in order to clarify the legislation.

Mr. Chuck Cadman (Surrey North, Canadian Alliance): Mr. Speaker, perhaps the minister should be talking to victims or their families about the impact of new trials. Maybe he should go to Victoria and talk with Reena Virk's family.

The minister says that he intends to consult with the provinces in response to this recent court decision. Ontario's attorney general said that Ottawa has ignored provincial concerns over youth justice. Other provinces have said the same thing.

Ontario proposed more than 100 amendments before the new act was passed into law and not one was adopted. Why has the minister reneged on his political commitment to crack down on violent youth crime?

● (1450)

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I just do not know what he is talking about. When we look at the existing legislation, it is still possible for a youth to face an adult sentence under some circumstances.

Having said that, the court of appeal decided that the two presumptions were against the charter. We decided not to appeal because we believe there is a way to meet the objective of the legislation without appealing. As I have said, this fall we will proceed with amendments to the act in order to clarify the situation. In that way we will meet the objective while respecting the Canadian Charter of Rights because we believe in the Canadian Charter of Rights and—

* * *

[Translation]

EMPLOYMENT INSURANCE

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, there is a \$45 billion surplus in the employment insurance fund, to which everyone has contributed. Exceptional measures are required in both the softwood lumber and fisheries industries, yet all the minister can think to tell us is that there are regular programs and they are working very well.

Could the minister not change his tune, show some initiative and announce specific measures for the softwood lumber and fisheries workers?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, on the contrary. I would like to say to the hon. member that we are there and through the employment insurance system we are assisting workers who find themselves, through no fault of their own, without employment.

When it comes to the fisheries, as the hon. member knows, and my colleague made clear, we contribute to the provinces every year a significant amount of money for active measures. In the case of the Province of Quebec, the government receives well over half a billion dollars every year to deal with active measures in this regard.

[Translation]

Ms. Jocelyne Girard-Bujold (Jonquière, BQ): Mr. Speaker, this is pathetic. Even if the minister has run out of inspiration, there are workers in trouble in both the softwood lumber and the fisheries industries. Then there are the eastern plant workers.

How can the minister, with her \$45 billion surplus in the EI fund, refuse to put more money into helping them?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, we have added additional moneys. She made reference to softwood lumber. The hon. member knows that \$246 million were made available for those who were affected by that trade dispute.

When we are talking about providing assistance to workers, the employment insurance system is there. We have strong partnerships with the provinces and territories. We have additional money for older worker pilot projects, as well as specific moneys for youth. We are there and we are being responsive.

Oral Questions

FOREIGN AFFAIRS

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, the ground based, mid-course defence mission that is being proposed is not the so-called star wars plan. The system would allow Canada to pay its own way because it is designed to protect friends and allies of the U.S., in addition to Americans.

Why will the Prime Minister not commit to the ground based missile defence system now, to allow Canadian aerospace companies the opportunity to bid on a potential \$8 billion in contracts?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, as we have pointed out, this matter is being discussed by cabinet. It is being discussed at our caucus. It can be discussed in Parliament.

We will take measures that will ensure security for Canada and security for Canadians, and that the steps we take will be consistent with our foreign policy objectives around the world.

If, in arriving at that, we are unable to benefit Canadian companies by participating in advanced technology, of course that will be the case, but the most important thing is to ensure the safety of North America and Canadians in North America.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, participating in the anti-ballistic missile defence system would bring research and development to Canada. Our participation would also go a long way to repairing our fractured relationship with the United States.

Rather than continuing corporate welfare to companies like Bombardier, why does the government not take steps to develop a viable aerospace industry in Canada by signing on to the missile defence system now?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, I do not think the Canadian people wish us to sign on to something to do with the security of this country to develop an industry in the country. What we search is the best interests of Canada and of Canadians and of their security, and we put that ahead of all commercial gain.

If the members of the opposition really want to help here perhaps they should stop trying to stir up the suggestion that Canadians are anti-American, the way they usually do. That would be a heck of a lot more helpful than this type of question.

* * *

● (1455)

VETERANS AFFAIRS

Mr. Bob Wood (Nipissing, Lib.): Mr. Speaker, veterans, through their organizations, such as The Royal Canadian Legion, the Army, Navy and Air Force Veterans in Canada and the National Council of Veterans Associations, have raised several priority issues lately, such as the extension of VIP for widows for life, which they would like addressed by the government.

Could the Minister of Veterans Affairs let the House know what progress has been made on these files?

Oral Questions

Hon. Rey Pagtakhan (Minister of Veterans Affairs and Secretary of State (Science, Research and Development), Lib.):

Mr. Speaker, I am pleased to announce today my intention to address a number of Canada's veterans' urgent needs, including the extension of the veterans independence program for life for surviving spouses; greater health care benefits for veterans with severe disabilities; home care benefits for veterans on the waiting list; access to long term care benefits for allied veterans; enhanced compensation for former prisoners of war; and education assistance for children of members of the forces killed in the line of duty.

* * *

MARIJUANA

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, it does appear that we did manage to convince the government that decriminalization of marijuana should not be 30 grams but something less.

Decriminalization of marijuana is but a small part of a national drug strategy. The government has been without a coherent national drug strategy for 10 years.

Why has a national drug strategy not been put in place prior to the announcement of the decriminalization of marijuana?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, essentially last year the standing committee of the House of Commons tabled a report. As well, the Senate tabled a report. We have reviewed the recommendations. As we said, we are planning to proceed shortly with a national strategy with regard to the use of cannabis in the county.

When we are talking about proceeding with a strategy, we are talking about a reform of the cannabis law and, at the same time, the renewal of the national drug strategy as a package.

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, it is 2003, thousands have died from overdoses in the country and they are talking about a national drug strategy now.

Marijuana by itself or in a combination with alcohol can produce a deadly potion when driving a vehicle. A recent Ontario survey indicated that 20% of the students drove a vehicle within two hours of smoking pot.

Will the government table a roadside assessment process and regulations for marijuana at the same time as it brings in decriminalization of marijuana?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I just would like to mention that if we look at the report of the standing committee of the House, which was tabled last year, the party of the hon. member has supported the idea of proceeding with alternative measures and decriminalization.

Having said that, when we are talking about the national drug strategy, we are talking about investing in research. We are talking about better enforcement. The message that we want to send to all Canadians is that the use of drugs in Canada is illegal. We want to ensure that people understand it is harmful to their health. As well, we want to ensure that we proceed with much better enforcement.

[Translation]

EMPLOYMENT INSURANCE

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, on October 11, transitional measures for employment insurance in the Lower St. Lawrence, along the North Shore and in the Saguenay—Lac-Saint-Jean will come to an end.

Is the government aware that not only is it refusing to help softwood lumber and fisheries workers, but what is worse, with the end of the transitional measures, the program will be even harder on them?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member is correct that we have had transitional measures in place in three different areas across the country as we have been implementing new employment insurance boundaries.

I am happy to say that as a result of a good working relationship in the areas, we are finding new and diversified work opportunities for Canadians in these regions. We continue to look at the impact of these transitional measures and are happy to see that, as we work together at the community level, with my department and other regional departments, more work is being found and that the solutions which Canadians want, which is work as opposed to benefits, are becoming more—

• (1500)

The Speaker: The hon. member for Frontenac—Mégantic.

* * *

[Translation]

AGRICULTURE

Mr. Gérard Binet (Frontenac—Mégantic, Lib.): Mr. Speaker, certain provinces appear to be ready to sign implementation agreements for the agricultural policy framework.

Can the parliamentary secretary provide the House with the latest news regarding the implementation of the agricultural policy framework?

Mr. Claude Duplain (Parliamentary Secretary to the Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the member for Frontenac—Mégantic has raised a very relevant question, since Newfoundland and Labrador is the first province to sign an agreement with the Government of Canada to implement the agricultural policy framework.

The federal Minister of Agriculture and Agri-Food, the Minister for the Atlantic Canada Opportunities Agency and the Minister of Forest Resources and Agrifoods for Newfoundland and Labrador signed this agreement, and made the announcement this morning.

Congratulations to Newfoundland and Labrador. We are confident that we will be signing other agreements with other provinces in the very near future.

* * *

[English]

SOFTWOOD LUMBER

Mr. Gerald Keddy (South Shore, PC): Mr. Speaker, the Minister for International Trade is poised to accept a 15% export tax on Canadian softwood lumber. This would rise to 25% once our exports cause the Americans to lose market share.

It is obvious to all that the softwood lumber tariffs have never been about subsidies; tariffs have always been about market share. The minister's amateur handling of softwood lumber has cost Canadians thousands of jobs.

Is the minister now prepared to put his job on the line?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, for two and a half years we have worked as a united country, industry east and west, Quebec and British Columbia, the provinces as well, and I think that we are going places.

The member is raising a hypothesis of 15% or 25%. I do not know about what he is talking.

I will never stand for an export tax that would not be a ramp up toward total free trade in softwood lumber. We are talking sometimes about a transition and transitory measures but it would be something that would last for months, certainly not forever.

* * *

PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of His Excellency Dr. Antonio Martins da Cruz, Minister of Foreign Affairs and for the Portuguese Communities of the Portuguese Republic.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I wish to apologize and withdraw an unparliamentary word that I used in my question. The urgency of the matter and the minister's early response prompted such colourful language, but I apologize and take full responsibility.

The Speaker: The Chair has notice of a question of privilege from the hon. Minister of State and Leader of the Government in the House of Commons.

* * *

PRIVILEGE

PARLIAMENTARY PRIVILEGE

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise today on a question of privilege relating to the matter of

Privilege

parliamentary privilege exempting members from being called as witnesses in any court when the House is in session.

On April 23, the British Columbia Court of Appeal rendered its decision in what is known as the Ainsworth case. The issue in that case was whether the member for LaSalle—Émard could claim that parliamentary privilege provided him with a lawful reason for failing to attend an examination for discovery.

Before going further, I wish to outline that I am not raising this issue at the request of the hon. member for LaSalle—Émard, and I did only inform him on Friday that I was raising it in the House as a matter of courtesy. Rather I had discussions with a number of officials around this place and people elsewhere immensely concerned with the issue of privilege which I am about to raise.

In his text, *Parliamentary Privilege in Canada*, Joseph Maingot states at page 161:

A Member of the Senate or House of Commons is not required to answer a subpoena to attend as a witness before a court of law in either criminal or civil matter or before administrative or military court or tribunal. The immunity extends to the same period of time as exemption from civil arrest, i.e. 40 days before and after a session, and 40 days after a dissolution.

This privilege is based on the tradition in the United Kingdom long before Confederation and has been the practice of this House since 1867.

In the Ainsworth decision, the B.C. court confirmed the existence of parliamentary privilege of members against participating in legal proceedings when Parliament was in session. The court recognized that this applied throughout the parliamentary session, including adjournments and other periods when the Houses were not sitting.

However the court ruled that there was no legal support for extending this privilege for 40 days before or after a parliamentary session, and here is the problem.

There are therefore aspects of the court's ruling that are consistent with Canadian practice since 1867, but the court's interpretation of parliamentary privilege calls into question a privilege asserted by Parliament and members of this House and members of provincial legislatures with respect to the so-called 40 day rule.

The courts ruling raises an important issue for us. This is the question of whether it is the role of Parliament or the role of the courts to define what parliamentary privilege is.

It seems to me that the Constitution and the convention provide that it is for Parliament to state what its privileges are with respect to matters related to Parliament and its proceedings.

I would suggest that it is the tradition of Parliament that the 40 day rule is a privilege related to the functioning of Parliament. In such matters, it seems to me that it is for Parliament and not the courts to decide what is or not a matter of parliamentary privilege.

If Parliament decides that 40 days should be 35, 32, 6 or 50, that is within the jurisdiction of Parliament to make that decision.

In this context I want to quote what Madam Justice Beverley McLachlin, Her Ladyship, now Chief Justice of Canada, stated in the New Brunswick Broadcasting case. On behalf of the court, she said:

Privilege

It has long been accepted that in order to perform their functions, legislative bodies require certain privileges relating to the conduct of their business. It has also long been accepted that these privileges must be held absolutely and constitutionally if they are to be effective...

Not partially, not anything else, absolutely and constitutionally if they are to be effective, if I can put emphasis on that part of Her Ladyship's statement. She went on to say:

—the legislative branch of our government must enjoy a certain autonomy which even the Crown and the courts cannot touch.

● (1505)

[*Translation*]

This is very important to all parliamentarians. It has been historically understood that this privilege was extended for a period of 40 days before and after a parliamentary session.

More importantly, the House of Commons has the fundamental and prior right to the attendance and service of its members in the best interests of Canadians.

As indicated, the House and its members have historically enjoyed a number of rights and privileges allowing them to perform their essential functions. Recognition of these privileges is fundamental, to ensure the proper functioning of our democratic institutions.

It is the duty of this House and all its members, as well as yours, Mr. Speaker, to affirm and uphold these privileges without, of course, interfering with the ongoing judicial process.

For these reasons, I ask that you decide whether there is a *prima facie* question of privilege and, if so, refer this matter to the Standing Committee on Procedure and House Affairs. Naturally, in due course, I will gladly move the motion necessary to bring this bill to fruition.

[*English*]

In conclusion, it is important for all of us to be the guardians of our privileges. If we do not and if this decision is allowed to stand, who is to say that someone else in another court at another time could not produce an opinion that privilege does not exist in the morning, on the weekend, on a day off or at other times of the day when there are generally not votes around here. Then someone could take advantage of that, subpoena an MP so that he or she could not vote on an issue important to him or her or the constituents, thereby affecting the result of something we could decide upon in the House.

This is very important for all of us. It is at the root of our system of parliamentary democracy. This privilege has existed for hundreds of years. I believe it is our duty, all of us, to send the issue to a parliamentary committee. I hope you, Mr. Speaker, will determine that there is a *prima facie* case of privilege. I hope all colleagues will agree with me that there is so our privileges, as an institution, can be safeguarded, not only for ourselves but for those who will sit in this venerable chamber in the future to represent Canadians.

● (1510)

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, there are three privileges dealing with the attendance of members and the potentiality for a conflict between duty to Parliament and duty to obey a court order. These privileges are freedom from arrest, freedom from giving evidence, and freedom from serving on a jury. It should be noted that these

privileges do not involve cases of criminal matters or breaches of provincial statutes that involve the summary jurisdiction of the Criminal Code. They apply only to civil cases.

Historically, and according to Joseph Maingot's *Parliamentary Privilege in Canada*, "The first privilege accorded to parliamentarians in England was an assurance that the Barons and other Lords were not impeded on their way to the council with the monarch because of civil process".

We have run out of barons and lords in the House of Commons to a large extent, except for the odd few in the cabinet over there. Maingot continues:

The concern was to secure the attendance of Members, and it remains to this day the principal reason for the privilege of freedom from arrest, from attending as a witness in a court or elsewhere than Parliament, and from serving on a jury. This is because the most important body in the country, the Parliament of Canada, has the first call on the services of its Members and...Parliament will not tolerate impediments to Members who are on their way to attend the sittings.

It seems reasonable that a member could ignore an order to appear before court if called to attend a vote in the House if that vote was considered important. If a member were to be charged with contempt of court in such a case, it seems reasonable that the House should protect that member. In such a conflict, the duty to Parliament clearly outweighs the duty to the courts.

The potential for the abuse of these privileges seem to arise out of the automatic nature of the immunity and when a member uses the privilege for personal advantage.

On November 25, 1998, a private member's motion was debated in the House. It was worded as follows:

That, in the opinion of this House, members of the House of Commons and senators should be treated equally before the law and therefore the parliamentary privilege that allows members of the House of Commons and senators to refuse to give evidence in a Canadian court of law should be abolished.

Robert Fife wrote a column about the motion entitled "Lawmakers above the law". He cited the cases when in 1989 NDP MP Dave Barrett claimed parliamentary immunity to avoid a summons in a case involving non-payment of his leadership debts and when Conservative Senator Eric Berntson used the privilege to excuse himself from answering a subpoena in a trial involving a fraud ring that operated in the Tory caucus of former Saskatchewan premier Grant Devine.

Since the motion was not votable and the House did not take a decision on the issue, the privilege is in play and we should of course do what we need to do to defend it, keeping in mind the details and potential abuse.

The government House leader is raising a concern today about a B.C. Supreme Court ruling involving the member for LaSalle—Émard. He asserts that the Constitution and convention provide that it is for Parliament to state what its privileges are with respect to matters related to Parliament and its proceedings. He claims that it is for Parliament and not the courts to define what is or is not a matter of parliamentary privilege.

On Thursday, May 8, 2003, the Canadian Alliance proposed a motion, which read:

Privilege

That this House call upon the government to bring in measures to protect and reassert the will of Parliament against certain court decisions that: (a) threaten the traditional definition of marriage as decided by the House as, "the union of one man and one woman to the exclusion of all others"; (b) grant house arrest to child sexual predators and make it easier for child sexual predators to produce and possess child pornography; and (c) grant prisoners the right to vote.

The same minister who is defending his colleague, the member for LaSalle—Émard, and defending the rights of Parliament against a court ruling participated in the debate on Thursday. This is what he said last Thursday:

Some members of the House have suggested that the courts are assuming a role that is not contemplated in the Constitution. That is close to ridiculous. Such comments may cause people to question the legitimacy of the courts. In a society where we value the law, comments like this coming from parliamentarians run totally contrary to the principles we are called upon to defend in this Chamber, collectively and individually...The independence of the judiciary is fundamental. Judges' independence must be respected, both individually and collectively.

When it comes to protecting children from child sexual predators, preserving the traditional definition of marriage as established by the House and defending against court rulings that allow prisoners to vote against the will of Parliament, the minister ridicules any attempt to use the authority of Parliament. When it comes to defending the next prime minister, he is on his feet pleading that the House take action.

Joseph Maingot's *Parliamentary Privilege in Canada* sums up the privileges of freedom from arrest as a protection from arrest for any civil process, such as failing to obey any order or judgment of the court in a civil matter, including civil contempt. A member of Parliament does not have immunity from arrest in criminal matters and may be imprisoned for a criminal or quasi-criminal offence, including criminal contempt of court.

• (1515)

On the other hand, page 158 suggests that the House has the authority to intervene if it feels the circumstances are extraordinary:

While neither House of Parliament has waived or would likely waive its right to intervene if and when Members are convicted and committed for contempt [of court], and thus could in theory consider each case on its merits, it is unlikely that either House of Parliament would take any matter into consideration relating to the civil process unless the circumstances were extraordinary. It is also unlikely that Parliament would actually interfere in a criminal arrest of a Member, including criminal contempt of court. While cases may arise, the position of the House of Commons...suggests that...[the] House will at least investigate every such matter brought to its attention in order to be assured that the privileges of Parliament are not affected.

Therefore, if the House has the authority to intervene in extraordinary cases to protect its privileges, then members do not need an automatic privilege of freedom from arrest. This would be consistent with most other cases involving members' privileges. When members feel that their privileges have been breached, they first raise it with the Speaker, who determines whether or not there is a prima facie case of privilege. If the member's question of privilege is prima facie, then the House considers the case and makes a decision.

With respect to being required to attend as a witness, once again the problem is not with the idea that the House has first call on the service of its members but the automatic immunity granted to a member. As it stands now, the House would likely uphold a member's privilege of freedom from giving evidence without

question. The House should instead consider the circumstances and decide based on the merits of the case.

If the former minister of finance was formally charged with contempt of court, then the action should be taken seriously and the House should consider the matter. I point out again that the courts have made decisions with more serious consequences, yet the government has failed to act. Everything else seems to warrant the member for LaSalle—Émard absenting himself from the House, such as fundraisers and flipping hotdogs, but not a court subpoena. He has his priorities.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, with your permission, I should like to add a few brief remarks to what has already been said.

I would like to say that we support the question raised by the government House leader. In our opinion, there are two aspects to the current situation, the substance and the form.

First, there is the substantive issue: is the parliamentary privilege of members against participating in legal proceedings when Parliament is in session and for 40 days before and 40 days after the session still valid? That is a question that must be answered, but not, we think, in a court of law.

More importantly, there is a question of form. In my opinion, the authority of the House of Commons and its Speaker cannot be usurped by anyone else. The Speaker's first duty is to ensure that the rights and privileges of parliamentarians are respected. Any body that might wish, for the common good, to stand in the place of the Speaker of the House and the means that could be established for deciding such questions is, in my opinion, null and void.

As Speaker, it is your duty to safeguard our privileges. It is the duty of the House of Commons to define these privileges, enlarging or shrinking them according to circumstances and specific situations. But at no time should these recommendations come from any other place, not even a court of law.

Therefore, I support the government House leader. I believe that this is an extremely important opportunity for us to clarify the concept of parliamentary privilege, to explain it and help people understand it who might not have had the opportunity to study these issues sufficiently. I would like to tell you, Mr. Speaker, that you have our entire cooperation at every moment of this operation which, as far as we are concerned, is fundamental to protecting the parliamentary privileges of the elected members.

• (1520)

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, on the same point, first I would like to thank the government House leader for raising this question of privilege. We agree with the general principle and the comments that have been put forward.

Privilege

Clearly the court decision with which we are dealing has gone far beyond its jurisdiction in terms of now intruding into this arena and what has been a very long-standing tradition of parliamentary privilege, and in particular the issue where a member cannot be called as a witness for 40 days before or after a session and 40 days after dissolution.

However, I would note that this practice has been in effect, as the member noted, since 1867, so we are talking about something that happened more than 100 years ago. From the point of view of looking at the relevancy and the reality of what now is before us as members in terms of the business of the world and the courts and so on, it is something we should be looking at.

So while I agree with the principle and that a *prima facie* case exists for this to be sent to the procedure and House affairs committee, there is actually something worth examining here in terms of the 40 days and whether or not that is realistic. I think the minister is suggesting that if this were referred to the committee because you have decided that it is a *prima facie* case, Mr. Speaker, this is obviously something that could be examined.

In the NDP we have had other questions about parliamentary privilege. We have had instances of cases around the application of the Human Rights Act, for example, where we have had serious concerns about parliamentary privilege and the fact that the Human Rights Act does not apply to complaints.

There are some questions here, but on this specific issue of the ruling of the 40 days, we agree that it is important to allow this to go to committee to have some discussion and to consider what might follow as a result.

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, I want to thank the leader of the government for giving me notice of his intention to raise this matter. It is an important question and it deserves our attention. In fact, I would I suggest this is an extremely important issue.

The Court of Appeal of British Columbia has taken issue with the scope of parliamentary privilege as the leader of the government has stated. The issue is the immunity of members and senators from being called to give evidence in a civil court during the period of 40 days before the summoning of the new session of Parliament and for 40 days following prorogation of a session.

I have only had a brief opportunity to read the unanimous decision of the Court of Appeal but it does raise serious questions for Parliament, and it does raise some serious questions for the government and for the member for LaSalle—Émard.

As members of the House we must protect the undoubted rights, protections and immunities that constitutionally guarantee our ability to attend in this place to debate and vote freely on the business of the Crown or that the Crown places before Parliament and to which we have been elected to serve.

Her Excellency the Governor General at the commencement of this Parliament on January 30, 2001 reinforced these protections and immunities. I want to quote those words again. They are more than pageantry; they are the heart and core of our Parliamentary constitution. Mr. Speaker said:

May it please Your Excellency,

The House of Commons has elected me their Speaker, though I am but little able to fulfill the important duties thus assigned to me. If, in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and Country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to Your Excellency's person at all reasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

The hon. Speaker of the Senate answered as follows:

Mr. Speaker, I am commanded by Her Excellency the Governor General to declare to you that she freely confides in the duty and attachment of the House of Commons to Her Majesty's Person and Government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, she grants, and upon all occasions will recognize and allow, their constitutional privileges. I am commanded also to assure you that the Commons shall have ready access to Her Excellency upon all reasonable occasions and that their proceedings, as well as your words and actions, will constantly receive from her the most favourable construction.

There now appears to be a dispute within Her Majesty's courts as to the extent of our immunity from being called to give evidence in a civil case. Does it extend for 40 days before and after a session of Parliament? Clearly that is the question that should be resolved if it is in doubt. Three learned justices from the British Columbia Court of Appeal have cast doubt, so the issue should be resolved definitively.

There is another side to this matter. It is the issue of simple justice for those who seek redress from the courts. As the Court of Appeal states in paragraph 51, it is open to a member of the House to voluntarily appear and give evidence. The court is quoting from the 1983 edition of Maingot's *Parliamentary Privilege in Canada*.

On page 134 the author discusses the parliamentary privilege of not being required to attend as a witness. The following appears:

Since Parliament has the paramount right to the attendance and service of its members, any call for the member to attend elsewhere while the House is in session is not in law a call that need be answered. Thus the member is not compelled to attend as a witness before any court or tribunal in Canada while the House is in session, whether in a criminal, civil or military matter.

Further, on the same page it states:

In Canada, a member of the House of Commons who has received a subpoena to appear in civil or criminal court while the House is in session may wish to attend where he feels his absence might affect the course of justice, particularly after having been apprised in advance by the party in question. However, members have the legal right to claim this privilege and while the service of a subpoena would not normally be raised in the House, the counsel who authorized the service would probably be advised by the member or by the Law Clerk of the lawful claim to this privilege.

● (1525)

It is clear that if the member for LaSalle—Émard wants to appear, he is completely free to do so. He is not prevented by the House from appearing. In this case the member for LaSalle—Émard is involved because he was the minister of finance, and we understand that, and on behalf of himself or the people under him, he was asked to appear.

One of the issues that should be examined is the degree to which ministers of the crown use parliamentary immunity to avoid appearing in court to answer for their actions. Even though our rights and privileges have to be protected, we must also ensure that people have the right to bring others before the courts.

Let me summarize by saying that abuses took place in the 18th century. There are quotations that show us that people questioned the rights of parliamentarians. These abuses can just as easily occur in the 21st century if members of the House hide behind the claim of immunity when they could easily appear to give evidence in the interest of justice.

We have rights and privileges but we should not abuse them. Immunities exist to protect the ability of members to attend and speak freely in the House and we must make sure that these are clarified. They should not be used by ministers to frustrate those who seek justice in the courts. I cannot believe that the member for LaSalle—Émard is so busy that he cannot find time to give evidence.

• (1530)

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I find the position of the government House leader to be somewhat hypocritical, or at least contradictory.

When it comes to protecting the people against poor decisions of the court, the minister stands with the courts every time. When it comes to the courts threatening members' privileges, he stands on the side of members. I am somewhat surprised that he would take the narrow position of protecting members' interests but not the interests of the populace at large.

And I would like to ask, where is the member for LaSalle—Émard in respect to this issue?

The Speaker: I thought the hon. member was going to be helpful on the question of privilege, but I do not think we are discussing the question of privilege in the remarks that are being made. I had some concerns in earlier remarks too on this point.

I will take the matter under advisement and get back to the House in due course. I thank hon. members for having raised this very important matter.

* * *

POINTS OF ORDER

STANDING COMMITTEE ON OFFICIAL LANGUAGES REPORT

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I rise on a point of order regarding a motion on the Order Paper in the name of the member for Ottawa—Vanier seeking concurrence in the sixth report of the Standing Committee on Official Languages. I believe this is a clear conflict of interest and a violation of Standing Order 21.

As you are aware, I raised the issue of the signature of the member on the report and whether or not that violated Standing Order 21. I argued that the member had a pecuniary interest with the recommendation in the report and as a result, he ought not to have signed off on it.

Mr. Speaker, while you ruled that the member's signature did not violate Standing Order 21, you did make some statements that I believe make a case that the concurrence motion may violate our practices with respect to pecuniary interest. On May 8, 2003 you stated:

In the present case, I believe that it is important to note that the reimbursement is being recommended to the hon. member for Ottawa—Vanier as a reimbursement for legal costs he incurred as a third party intervener. The funds are not, strictly speaking,

Points of Order

a grant of money to the member personally, though it must be admitted that, if no reimbursement is made, the hon. member will have suffered a loss and so can be said to have a pecuniary interest in the matter.

The Speaker recognized that the member had a pecuniary interest but that his signature alone did not violate Standing Order 21. Mr. Speaker said:

There is not, as the hon. member for Ottawa—Vanier pointed out, any suggestion either in our written rules or our practice that, in signing a report, the chair takes a position for or against its contents. The signature merely attests that the contents of the report reflect the decisions of the committee.

I concede that in signing the report, the chair of a committee is not taking a position for or against. What I am talking about today is the concurrence motion in the name of the member for Ottawa—Vanier.

As you are aware, Mr. Speaker, concurrence motions are voluntary. As chairman of the official languages committee he may have been obliged to sign the report, but there is absolutely no obligation for him to table a concurrence motion. The motion seeks the House's concurrence in the report. That is taking a position. Therefore the act of giving notice of a motion concurring in a report in which the member has a pecuniary interest puts him in a conflict of interest.

I remind the House that the report names the member and it states that the House of Commons suggest to its Board of Internal Economy to make available a maximum budget of \$30,000 to cover a portion of the legal fees incurred by the member for Ottawa—Vanier.

As I stated in my first point of order on this matter, Marleau and Montpetit on page 189 is concerned with members being seen to be impartial and that they should not derive personal benefit or gain from their decisions.

The voluntary action of placing a concurrence motion on the Order Paper is a clear conflict of interest. The motion in the name of the member for Ottawa—Vanier should be removed from the Order Paper.

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this is a matter the essence of which has already been ruled on by Mr. Speaker. I am surprised that it is being raised again because we know this is not a case in which the chair of that committee, the hon. member for Ottawa—Vanier, had a personal pecuniary interest. He was acting on behalf of the committee. Obviously he is not a member of the bar. He could not have gone and argued the case himself, so he is not receiving money himself.

In fact when he rose in the House, that is the usual practice of chairs of committees; they stand and table the report and a few minutes later they ask for concurrence in the report. Those are the responsibilities of the chair of the committee. We see it here on a regular basis, as you know, Mr. Speaker.

This is not a case where he was acting on his own behalf, but purely on behalf of the committee and in his duties as chair of that committee. In my view the substance and pith of this has been ruled on already.

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● (1535)

[Translation]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am rising to share information with you and with members of the House. They will remember that the report was not tabled in the House of Commons by the member for Ottawa—Vanier, but rather by me, as first vice-chair of the Standing Committee on Official Languages. That is what I wanted to share with the House. It was not the member for Ottawa—Vanier.

[English]

He is not the person who tabled the report in the House of Commons. I personally, as a member of the committee and as first vice-chair of the committee on official languages, am the one who presented the report in the House of Commons on behalf of the official languages committee.

The Speaker: I think I can deal with this matter at once.

The notice of motion given by the hon. member for Ottawa—Vanier is merely a notice, it is not a motion moved in the House. Should the hon. member for Ottawa—Vanier choose to move this motion at some time, the Chair will rule on the point of order raised by the hon. member for West Vancouver—Sunshine Coast. But in my view it is premature in the sense that the notice that has been given is merely a notice and has no procedural value except to constitute a notice should it be subsequently moved.

The hon. member for West Vancouver—Sunshine Coast, of all people, is thoroughly familiar with the Order Paper. He knows there are hundreds of motions for concurrence in various committee reports on the Notice Paper at the moment. They have never been moved and I suspect a good number of them never will be. Sometimes there are 10 for one committee report and only one could be moved, yet the others all sit there and languish. This one will sit there and languish until it is moved and if it is moved, I will rule on the point of order raised by the hon. member for West Vancouver—Sunshine Coast and we will deal with the matter, but until that time we will treat it as an academic exercise.

ROUTINE PROCEEDINGS

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

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 16 petitions.

* * *

INTERPARLIAMENTARY DELEGATIONS

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am very pleased to present a report, in both official languages, of the Canada-Europe Parliamentary Association. It is a report of the delegation to the Fourth Annual Conference of the Parliamentary Network of the World Bank which was held in Athens, Greece on March 9 and 10, at which time we were participating in a dialogue with Mr. Wolfensohn of the World Bank and Mr. Horst Kohler of the IMF.

*[Translation]***COMMITTEES OF THE HOUSE**

NATIONAL DEFENCE AND VETERANS AFFAIRS

Mr. David Pratt (Nepean—Carleton, Lib.): Mr. Speaker, I have the honour to table, in both official languages, the first report of the Standing Committee on National Defence and Veterans Affairs.

[English]

In accordance with its order of reference of Monday, April 28, the committee has considered and held hearings on Bill C-31, an act to amend the Pension Act and the Royal Canadian Mounted Police Superannuation Act, and agreed on Thursday, May 8 to report it without amendment.

[Translation]

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Ms. Aileen Carroll (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, I have the honour to table, in both official languages, the sixth report of the Standing Committee on Foreign Affairs and International Trade entitled "A Contribution to the Foreign Policy Dialogue".

* * *

*[English]***PETITIONS**

CHILD PORNOGRAPHY

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, pursuant to Standing Order 36, I am pleased to table six petitions calling upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

The six petitions contain approximately 1,500 signatures from concerned citizens from all over Canada. I would like to note that these petitions were compiled by Focus on the Family Canada. I would like to congratulate it for its efforts on behalf of children in Canada.

● (1540)

JUSTICE

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, I have further petitions. I have over 12,000 petitions presented today on behalf of the Vancouver based group Canadian Alliance for Social Justice and Family Values: 6,346 express support of the traditional definition of marriage and 5,841 petitions express opposition to Bill C-250, a bill that proposes to criminalize statements critical of homosexuality.

The Canadian Alliance for Social Justice and Family Values is a non-denominational, non-partisan grassroots association. Its principal purposes are to redress social injustice to advocate and protect constitutional charter and social rights, traditional family values and parental rights. Based in Vancouver, this group is 90% Chinese Canadian.

Since these petitions do not strictly conform to the specifications of the House of Commons, I would like to request unanimous consent to table those today as well.

The Deputy Speaker: Does the hon. member for Provencher have the unanimous consent to proceed with the tabling of those petitions?

Some hon. members: Agreed.

STEM CELL RESEARCH

Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance): Mr. Speaker, I have petitions signed by hundreds of people in the Powell River region of my riding. The petitioners call upon Parliament to focus its legislative support on adult stem cell research to find the cures and therapies necessary to treat the illnesses and diseases of suffering Canadians.

FIREARMS REGISTRY

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, I have petitions signed by people throughout Ontario. The petitioners point out that as of January 1, thousands of Canadians, through no fault of their own, possess unregistered firearms. Any individual now who tries to register a firearm is exposed to federal prosecution.

There have been conflicting statements from the Minister of Justice and the Canadians Firearms Agency regarding the threat of prosecution, which is only adding to the confusion. It is recognized that 9 out of 10 provinces as well as the MPs, Senators and the Auditor General all agree that the firearms registry is out of control.

Therefore, the petitioners call upon Parliament, the Department of Justice and the Government of Canada to call an immediate amnesty for all unregistered firearms or, in the absence of an amnesty, scrap the firearms registry completely.

JUBILEE DAY

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to present a petition signed by many individuals in the Toronto area. The petitioners ask Parliament to declare February 25 a public holiday to be called "Jubilee Day" in honour of the Queen of Canada's golden jubilee.

MARRIAGE

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I have two petitions to table. The first comes from residents of Unionville, Ontario who petition the House to pass legislation to recognize the institution of marriage in federal law as being a lifelong union of one man and one woman to the exclusion of all others.

CHILD PORNOGRAPHY

Mr. Jason Kenney (Calgary Southeast, Canadian Alliance): Mr. Speaker, I seek to table a petition bearing the signatures of some

Routine Proceedings

150 Calgarians calling upon Parliament to protect children by taking all necessary steps to ensure that materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

STEM CELL RESEARCH

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have two petitions today. The first is with regard to the funding of the Canadian Institutes of Health Research and is signed by a number of Canadians, including from my own riding of Mississauga South.

The petitioners would like to draw to the attention of the House that it is unethical to harm or destroy some human beings in order to benefit others. They also want to point out that adult stem cell research holds enormous potential and does not pose the serious threat that embryonic stem cells do with regard to the ethical or immune problems.

They also point out that CIHR, Canadian Institutes of Health Research, had recommended guidelines on stem cell research that include the use of human embryos.

The petitioners therefore call upon Parliament to ban embryonic stem cell research and direct the Canadian Institutes of Health Research to support and fund only promising ethical research that does not involve the destruction of human life.

● (1545)

CHILD PORNOGRAPHY

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition is with regard to child pornography. The petitioners want to draw to the attention of the House that the creation and use of child pornography is condemned by a clear majority of Canadians and that the existence of child pornography in itself means that a child must have been abused.

The also want to point out that they do not believe that the courts have applied the current child pornography rules in a clear way, which has not always been met with punishment.

The petitioners therefore call upon Parliament to protect our children by taking all necessary steps to ensure that all materials which promote pornographic activities involving children are outlawed.

FREEDOM OF RELIGION

Ms. Wendy Lill (Dartmouth, NDP): Mr. Speaker, I would like to present a petition from a number of residents from Dartmouth. It is a petition concerning religious freedom and the addition of sexual orientation to the Criminal Code, sections 318 and 319.

These petitioners are concerned about the importance of protecting the rights of Canadians to be free to share their religious beliefs without fear of persecution.

Routine Proceedings

EMPLOYMENT INSURANCE ACT

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, continuing on with thousands of other petitions that we introduced in the House earlier, from Leroy, Saskatchewan, from Port Dover, Ontario and the Magdalen Islands, the petitioners pray upon Parliament to support Bill C-206, an act to amend the Employment Insurance Act, allowing for security of employment status and career opportunities for people who take employment insurance while they care for their loved ones under palliative care or under severe rehabilitation.

It is a great honour for me to present this petition on their behalf.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 181 will be answered today.

[Text]

Question No. 181— **Mr. John Duncan:**

In the last five years, what lobbyists have approached the government in connection with the removing trade sanctions with Iraq?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): The Office of the Ethics Counsellor maintains an electronic lobbyist registration service for lobbyists in Canada. Lobbyists are individuals paid to communicate with federal public office holders in an attempt to influence government decisions. They are required under the Lobbyists Registration Act and regulations to register their activities, which are displayed in the public registry. Currently, the following list of organizations and individuals have been registered during the past five years to lobby the government regarding the removal of trade sanctions with Iraq:

Licences, Legislation and Regulations Lobbyists Registration

Lobbyist's Name	Employer	Firm	Effective Date	Termination Date
Dyck, Dave	Mennonite Central Committee Canada	N/A	2000/07/25	2001/02/25
Dyck, Dave	Mennonite Central Committee Canada	N/A	2001/03/21	2001/10/16
Dyck, Dave	Mennonite Central Committee Canada	N/A	2001/10/17	2002/05/17
Frey, Marvin	Mennonite Central Committee Canada	N/A	1997/03/25	1997/10/17
Frey, Marvin	Mennonite Central Committee Canada	N/A	1997/11/24	1998/06/08
Frey, Marvin	Mennonite Central Committee Canada	N/A	1998/06/08	1999/01/04

Lobbyist's Name	Employer	Firm	Effective Date	Termination Date
Dyck, Dave	Mennonite Central Committee Canada	N/A	2000/07/25	2001/02/25
Dyck, Dave	Mennonite Central Committee Canada	N/A	2001/03/21	2001/10/16
Dyck, Dave	Mennonite Central Committee Canada	N/A	2001/10/17	2002/05/17
Frey, Marvin	Mennonite Central Committee Canada	N/A	1997/03/25	1997/10/17
Frey, Marvin	Mennonite Central Committee Canada	N/A	1997/11/24	1998/06/08
Frey, Marvin	Mennonite Central Committee Canada	N/A	1998/06/08	1999/01/04
Frey, Marvin	Mennonite Central Committee Canada	N/A	1999/01/04	1999/07/08
Frey, Marvin	Mennonite Central Committee Canada	N/A	1999/07/12	2000/01/13
Frey, Marvin	Mennonite Central Committee Canada	N/A	2000/01/13	2000/07/25
Peters, Donald	Mennonite Central Committee Canada	N/A	2002/07/30	2003/02/07
Peters, Donald	Mennonite Central Committee Canada	N/A	2003/02/17	N/A

<http://Strategis.gc.ca>

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No. 176 could be made an order for return, the return would be tabled immediately.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

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[Text]

Question No. 176—**Mr. James Moore:**

For the past 10 years, can the government provide an annual breakdown of pilotage fees and any related fees on shipping companies in the St. Lawrence Seaway, and of new spending by the federal government on the Canadian marine system versus the amount of funds collected from users of the system?

(Return table).

[English]

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

The Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

* * *

[Translation]

The Deputy Speaker: Pursuant to Standing Order 39, it is my duty to inform the House that the failure of the government to respond to the following questions on the Order Paper is deemed referred to the various standing committees of the House as follows:

Question No. 177, standing in the name of the hon. member for Vancouver—Sunshine Coast, is referred to the Standing Committee on Government Operations and Estimates.

[English]

Question No. 179, standing in the name of the hon. member for Battlefords—Lloydminster, to the Standing Committee on Industry, Science and Technology.

GOVERNMENT ORDERS

[English]

BUDGET IMPLEMENTATION ACT, 2003

The House resumed consideration of Bill C-28, an act to implement certain provisions of the budget tabled in Parliament on February 18, 2003, as reported (with amendment) from the committee, and of Motions Nos. 13 to 15 and 17 to 19.

Mr. Gurmant Grewal (Surrey Central, Canadian Alliance): Mr. Speaker, I am pleased to rise on behalf of the constituents of Surrey Central to participate in the report stage debate on Bill C-28, an act to implement certain provisions of the budget tabled in Parliament on February 18, 2003.

The theme of this year's budget is "money for everyone". In fact it gives every appearance of being an election budget, with its focus on spending and its attempt to please every possible constituency. I call it an "ice cream budget". There is something for everyone but by the time they taste it, it melts away before their eyes.

The budget announced \$14 billion in new spending and a \$25 billion increase in program spending by the year 2005. This year's budget increases federal spending by 11.5%, coming on the heels of 7% and 18% increases in the previous two budgets. By the year 2005-06, spending will have increased 46% from 1996-97 levels.

Government spending is growing three times faster than the economy. It can be said that for this government, the days of fiscal prudence are a distant memory.

Adjusting for inflation and population growth, this is the largest single year spending increase since the 1970s. The spending cuts introduced in the 1995 budget have now been entirely reversed.

While visiting Calgary during his prebudget consultations/leadership tour, the finance minister told his audience that Canadians did not want a laundry list of new spending. Canadians certainly did not want a grocery list either.

After all, these are Liberals. How can they ignore the urge to spend? The result is the worst of both worlds, spending too much, while at the same time spreading their money so thin, over so many areas, that it will have little positive impact.

We are now considering Motions Nos. 13 through 19, except Motion No. 16. Motion No. 13 was put forward by the member for Drummond. It seeks to amend Bill C-28 by deleting clause 64. The motion deals with the issue of GST on school buses.

While the Canadian Alliance opposes this bias against contracting out and privatization of services inherent in the GST rebate system for public service bodies such as school boards, the courts should not and cannot decide Canadian tax policy. That is the prerogative of the government and the House of Commons. Therefore I cannot support the motion.

Motions Nos. 14 and 15 are proposed by the member for Dartmouth. Motion No. 14 seeks to amend Bill C-28 by deleting clause 74, while Motion No. 15 seeks to delete clause 75. When speaking of the disabled, we are talking about the most vulnerable people in Canadian society.

It was an embarrassment last year when the government attempted to reduce its spending by removing resources from those most in need. This was yet another example of the misplaced priorities of the Liberals. We believe that 40% of Canadians with disabilities live in poverty and one-third of them are unemployed.

● (1550)

The Department of Finance announced amendments to the Income Tax Act that would make 30,000 Canadians ineligible for the disability tax credit. The Minister of Finance proposed limiting the tax credit to only those who cannot feed themselves. I strongly opposed these changes when I spoke in this place last November. The Canadian Alliance supports easing the definition of disability from feeding and dressing to feeding or dressing.

Motion No. 17 has been put forward by the member for Vancouver East. It proposes the deletion of clause 84. I am opposed to this proposed amendment.

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The Canadian Alliance supports increasing the RRSP dollar limit more than the baby steps taken by the weak Liberal government. Increasing the allowable limit for RRSP contributions from \$13,500 to \$18,000 by 2006 would go a long way to securing the future of countless Canadians.

More and more Canadians are self-employed and do not have a company pension plan. Since they do not have pension plans, it is necessary for them to save for their own retirement. Needless to say, it would be foolish of them to rely on the Canadian pension plan for their retirement.

To understand the need for increasing the RRSP contribution limit, we should think of the situation facing realtors. Realtors are one professional group who rely mainly on RRSPs for their retirement incomes. Realtor incomes typically fluctuate from year to year. RRSP contribution levels are tied to income. If their income is low one year, their contribution level will be geared to that low level the following year. If their income rises substantially, their contribution is capped at \$13,500 under the current system. This simply is not fair. I have spoken to many realtors and they tell me it is not fair to them.

The final two motions under consideration, Motions Nos. 18 and 19, are also proposed by the member for Vancouver East. Motion No. 18 seeks to amend Bill C-28 by deleting clause 85, while Motion No. 19 would delete clause 86. I support neither of these proposed changes. The Canadian Alliance wants to eliminate the capital tax. Reducing it does not go far enough, but it is a first step. The Canadian Alliance will oppose these amendments because they will do more harm than good to the bill.

The finance minister claims Canadians do not want lower taxes, so it should come as no surprise that his budget contains little in the way of tax cuts. There is no significant tax relief in the 2003 budget. The costs of the budget's tax cuts represent 12% of the total budget.

A Canadian Alliance government would create an economic climate in which businesses could thrive and grow, and with their success create quality job opportunities for Canadians. The Canadian Alliance would do so by providing deep, broad-based tax relief, ensuring a stable monetary policy, supporting essential national infrastructure in a non-partisan manner, and encouraging medical and scientific research.

The Canadian Alliance would create greater tax fairness for families by eliminating inequities between single and dual income families. The Canadian Alliance would move to more equitable treatment of choices in child care arrangements, including child care at home. We would integrate the tax system and social programs to better meet the needs of low income individuals and families.

• (1555)

We would ensure that taxes which are imposed for a specific purpose would be used for that specific purpose alone and would be removed once no longer required and not be allowed to be put toward general revenue, as in the case of the deficit financing tax of \$1.50 per litre on gasoline. Once the deficit is eliminated, that tax should also be gone.

The government laid out its vision in the throne speech and then implemented that vision in the budget. The throne speech suffered

from an old, tired vision. The budget suffered from that same flaw. If the vision is not right, naturally the implementation of the budget cannot be fair. The budget is yet further evidence that the government lacks vision and foresight.

The former finance minister, the member for LaSalle—Émard and heir apparent to the Prime Minister, made it clear last week that, as head of the government, he would not implement any bills that he did not like. With that knowledge, it is legitimate to ask whether or not the budget implementation act that we are debating today has the approval of the former finance minister? If it does not, then the government may simply be wasting our time.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to participate in the report stage debate on Bill C-28, the budget implementation act.

When I was elected in 1993, Canadians were faced with a fiscal house that was not in order. Canadians will remember that there was a \$42 billion deficit for that fiscal year during which the government took office. One can imagine how difficult it was for the government to implement new programs and provide for the needs of Canadians at a time when it was dealing with such a large deficit. The thing that makes me most proud as a member of Parliament and a member of the government is that we were able to get our fiscal house in order and work toward bringing forward a budget, as was the case just recently.

The government presented a balanced budget for this year, the sixth consecutive balanced budget, and for the next two fiscal years as well. Canadians will be very comforted by that fact. The budget would restore the full annual contingency reserve and economic prudence factors which have been part of our budgeting process since the government took office.

The government recognizes the critical link between social and economic policy. I remember the finance minister of the day appearing before the finance committee in which he made a statement which stuck with me for some time. He said that good fiscal policy makes good social policy, and good social policy makes good fiscal policy. There is an important relationship there which we must continue to strive for.

However, governments must also understand that they cannot be all things to all people at all times. Governing is about making choices. It is about making sure that the significant priorities of the day are addressed first. I have often wondered whether governments could ever be totally popular throughout the country if they simply dealt with the significant priorities to the exclusion of others which might be important. For example, for years I have advocated an additional investment in public education regarding health matters such as fetal alcohol syndrome. We have done some work there. I wish we could do more, but I understand that when there are limited resources and the priorities of Canadians have been made known, it is important that we proceed with those because it is in the best interests of all Canadians.

This budget plays a critical role in building a Canada that Canadians want. It does so according to three themes. The government recognizes the critical link between social and economic policy and continues its balanced approach to managing our finances.

This approach plays a critical role in building the Canada that we all want. First, by building a society Canadians value through investments in individual Canadians, their families and communities. Second, by building an economy that Canadians need by promoting productivity and innovation while staying fiscally prudent, which Canadians have also asked for. Finally, achieving the objectives of the budget by building the accountability that Canadians deserve by making government spending a more transparent and accountable process.

There are many provisions in the budget that I would like to comment on. The government recognizes that skills development and lifelong learning are critical to the country's economic prosperity. Between 1993 and 2001 the Canada student loans program assisted more than one and a half million full and part time students, an investment of approximately \$11.4 billion. In the 2000-2001 fiscal year the Canada student loans program provided \$1.57 billion in full and part time student loans at an average of \$4,554 per full time student.

The \$60 million measures in the 2003 budget are expected to be implemented by August of this year. They include, first, putting more money in the hands of students by allowing them to keep a greater share of their income earned during their studies. The exemptions for income earned while in school would be increased to \$1,700 annually, being a maximum of \$50 a week, from the previous level of only \$600 annually.

• (1600)

Second, extending access to interest relief, debt reduction and repayment measures would help student borrowers experiencing hardship in their repayments. As a result of these measures, borrowers in difficult financial circumstances could have their student loan debt reduced by up to \$20,000 over three years.

I know how expensive it is for post-secondary education. I have three children. One has completed university, one is just finishing a master's program and the other one is in the middle of university studies. It is very important to understand that these programs do not necessarily give assistance to those whose family income is above certain levels. Those students will not qualify for student loans. However it is important that every person who wants to go to post-secondary and who has the ability to go to post-secondary should be there. The proof is clear: post-secondary education is an imperative, not an option for all those who have the ability.

I will complete my time by making a couple of comments with regard to health. Health and the well-being of Canadians has been the number one priority of Canadians. They have made that very clear. I think it is important for us to recollect that budget 2003 confirms \$34.8 billion in increased funding over five years to meet the goals outlined in the health accord. Bill C-28 would implement these measures.

First, in terms of increased support through transfers, the budget builds on the significant federal support for health care already provided to the provinces and territories through the Canada health and social transfer.

Following the September 2000 agreements on health and early childhood development, the federal government provided provinces

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and territories with a predictable and growing five year funding framework to 2005-06 through the CHST. This established funding will be further increased by \$1.8 billion and extended for an additional two years. As a result, the total yearly cash transfers to the provinces will rise to \$21.6 billion in 2006-07 and \$22.2 billion in 2007-08. Let me again emphasize that this is over \$22 billion for that one year.

An immediate \$2.5 billion supplement to the CHST will help relieve existing pressures on our health care system. This funding will be on a per capita basis to the provinces and territories to give them the flexibility that they require.

However the sustained renewal of Canada's health care system needs positive structural change as well as further financing. I think that goes for many government programs for which we constantly have to look at the accountability and sustainability of what we are doing.

When I first became a member of Parliament and a member of the health committee, I remember Health Canada officials coming before us to tell us what was happening within our health system. I will never forget that their suggestion at the time was that 75% of the spending on health care in Canada was for fixing problems after the fact and that only 25% was spent on the preventative side. They told us quite frankly back in 1993 that this was not sustainable. We know that is the case and, through actions such as those in the budget, we are making sure that we are continuing to invest in health care for all Canadians.

After listening to some of the debate by all hon. members, there is no question that Canada is on the right track. The fiscal strategy that we have exercised since 1993 has given us an opportunity to invest in the priorities that Canadians see are there, but we have also been able to deliver a program of \$100 billion of tax reductions. We have reduced our debt to GDP ratio from over 50% to below 30%.

We have made very significant improvements, in addition to creating hundreds of thousands of jobs for Canadians because we have an economy that still has not reached its potential. I am sure members and Canadians will agree that this is yet another step toward moving us forward. It is built on those tough decisions we made back in 1993. I believe the government should be congratulated for yet again another responsible budget.

• (1605)

Mr. Loyola Hearn (St. John's West, PC): Mr. Speaker, it is with mixed emotions that we listen to the Liberals praising the budget. I say mixed emotions because they seem to be heaping praise upon their government and the Minister of Finance when we know that deep down they are just as concerned about what is happening in the country as the rest of us.

The member who just spoke talked about the terrible position the Liberals were in when they took power in 1993 with the huge deficit. What he failed to say was that when the Conservatives took power 10 years earlier from the Trudeau era, they were also saddled with a huge deficit. In fact, if we factored in inflation, almost the total amount was inherited from the Trudeau era. The interesting thing is that the minister of finance in the latter years of the Trudeau government was none other than the now Prime Minister.

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The Mulroney government increased the deficit, which everybody will admit, but perhaps we might ask why. During those years they had a choice. Interest rates, as hon. members know, went to 23% or 24%. We can just imagine the amount of money that went to service the debt.

The government at the time was faced with two different options, perhaps the same options that always face government when it has to address the debt. There were two ways of doing it, and I will talk about what the present government is doing shortly.

The government at the time had the choice of cutting social programs, which is usually what governments do. However the Conservative government did not cut the social programs despite the fact that during those years times were extremely tough financially. It did not even attempt to balance its budget on the backs of the needy in the country. It used the other option, which was to put a plan in place to address the deficit. It came up with two major measures that increased the finances to a government and eventually balanced the budget.

One of measures that the Conservative government came up with was free trade, something which practically every party in the House, especially the governing party, but with the exception maybe of the NDP, lauds today.

The other measure it came up, which nobody was happy with then or now, was a tax called the GST. However desperate times called for desperate measures and that was exactly what the government did. It came up with a financing mechanism to address the funding needs it had during those extremely tough financial times.

However election time was coming near. What did the Liberals do? They campaigned against free trade and the GST. It was basically on the GST that the Mulroney government was defeated. What did the Liberals do then? First, they said that maybe the free trade agreement was not all that bad, and of course history will dictate the rest. Not only did we go with the free trade agreement with the United States, but we have increased it ever since, as we should. It has certainly boosted the economy of this country. We praise government for doing that. However we say shame on the Liberals for pretending to the electorate that they would not do it and then, once they were elected, they brought in free trade.

What happened to the GST, which was the real issue during the Liberal campaign? Did they get rid of it as the interim prime minister said? No, they did not. They inherited the GST. They have used it to collect all kinds of money over the years to help balance their budget.

• (1610)

The Liberals themselves were not without a program. They could not allow people to say that the budget was balanced thanks to two great Tory policies. The Tories set in place a plan to address the deficit without hurting the social fabric of the country.

What was the third plan that was involved? We had free trade and the GST, but the Liberals came in and said that they could speed up the balancing of the budget by cutting social programs. Even though times were getting better, the economy was improving because of free trade and the finances of the government were increasing

because of the GST, they figured they needed to speed things up a little bit so they cut social programs.

The provinces, which were receiving 50% of the health and social transfer costs paid by the government, now the input into many of the provinces is around 14%. This is a complete and utter disaster.

The government did not stop there. Not only did it cut funding to the provinces in relation to the Canada health and social transfer payments but it started downloading. It downloaded on the provinces other costs, infrastructure costs and education costs. It also started privatizing or turning over to the provinces other assets, such as our airports.

When we talk about infrastructure, we are talking about the feds downloading on the provinces and the provinces then downloading on the municipalities. The municipalities are faced with the horrendous debt of trying to improve infrastructure, whereas they cannot take in enough taxes because the feds did not say they would give them a share of the taxes. The government gave them a share of the problems and a share of the costs but did not give them a share of the money.

I see my colleagues here from Quebec. I do not see the Prime Minister telling them that the government has downloaded 30% of its responsibilities to their province, so here is 30% more money. No, it has not been done. It has downloaded but it has not matched the burden to the provinces with similar funding.

In relation to our airports, we see that many of our airports have been taken over by the private sector or by boards operating at arm's length. There are different scenarios. Many of them are in trouble because our transportation system is in trouble for a number of reasons: lack of control by government, lack of putting proper infrastructure in place and lack of originality or vision by the government. It is always a reactionary government.

As the industry itself is in trouble, the airports, which are not taking in the same amount of money as they thought they would, find themselves in real trouble. Who pays the price? We have had several strikes across the country, including a couple in Newfoundland, because local budgets are being balanced on the backs of the workers, and that is unfortunate.

We can go on to the billion dollars that the government has asked departments to find. The government is passing out money on one hand and going back with the other and saying that it needs a billion dollars back. The government is taking money from departments that cannot afford to give it, including the Department of Fisheries and Oceans. We could go on for hours and hours about the cuts there and the lack of investment.

It is great to be able to talk about how well we are doing. Maybe we should analyze why we are doing as well as we are and who is paying the price so that the government can crow about the fiscal position it is in right now.

Government Orders

•(1615)

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, it is a pleasure to rise and speak to the report stage of Bill C-28, the budget implementation act. I have had the opportunity to speak to this budget bill over the last few stages as it has been going through the House. Today we are dealing with a few motions, Motions Nos. 13, 14, 15, 17, 18 and 19, and I will try to do my best to address them as I continue with my speech, but I want to try to address a few of the things I talked about just quickly in the previous stages and how this particular budget has failed Canadians.

We hear over and over again from the government that it has reduced taxes. In some areas I will have to admit it has, but overall personal taxes for Canadians are still far too high and they leave us out of the loop when it comes to being able to compete effectively, let alone leaving more money in the hands of Canadians at the end of the day. That is something more and more Canadians are getting frustrated about, especially when they see the amount of personal taxes they pay on their paycheques. It is still something that they really would like to see the government move on.

Because personal taxes are too high, let us look at certain areas where the government could have done more to help Canadians directly. The government could have looked, as we proposed, at reducing the GST. It is a tax that the government actually said it would kill, abolish and scrap before it came to power. Now it seems that the Liberals have not met a tax they do not like, because they surely have not done that. Reducing it would have been great. It would have helped Canadians, even in light of the fact that we have had rampant problems with GST fraud. We have dealt with that in the House and talked about it. We know that Canadians would like to see some of that money left in their own pockets, not the government's.

In the area of payroll taxes, the government has said that it has reduced its overall payroll taxes. Even though we have seen some reductions in EI, unfortunately those reductions have been completely offset by the increases in CPP. At the end of the day Canadians are finding that payroll taxes tend to kill jobs. At a time when we need to support the economy and do more to stimulate growth, clearly payroll taxes would be an area in which we could reduce the overall cost to businesses and employers.

We know that at the end of the day there is a huge surplus in the EI fund. It would have been great to have been able to leave some of that money in the hands of the workers who deserve to keep that money, and not, unfortunately, spend it on programs where the government has thrown it away, like the gun registry, sponsorship, and a number of other things where there has just been a complete management bungling on the other side of the House.

Also we have heard it proposed that RRSP limits be increased, although not as high as we would have liked. In the finance committee the suggestion was to raise it to \$19,000 but in fact the government over the course of the next four or five years is slowly going to be raising it to \$18,000. Clearly that is something we need to address in the future. It is unfortunate that the government has not done more for Canadians to be able to address that.

The last time I addressed the budget, I talked a little about the customs agents, about the problems that have affected some of our

customs agents and officers and the challenges they are facing on a daily basis. I know that the minister disagrees with me and we often get into heated debate, but she has not treated customs agents the way that they deserve to be treated. It is almost shameful. We have had comments in this place where the minister actually has referred to them, and I know she denies this, as bank tellers; she has done that in the past. She has even said that if they were armed there would be 3,000 accidents waiting to happen. She has used that here in this place and she has even gone so far as to refer to me as Charlton Heston.

I do not mind being compared to Moses, and quite frankly, sometimes when I look across the aisle I do think we live in the world of *Planet of the Apes*, but her slurs continue. It is unfortunate that she does not step up to the plate, try to take care of the problems at customs and resource those customs agents the way they deserve to be resourced given the fantastic job they are going and being stretched to the limit.

I talked about that in great detail the last time so I will not go back down that road right now, but we still have problems at customs. We have not dealt with the 40% of border crossings that still do not have the proper resources for computers and that are unable to stop and detain people entering Canada who may be dangerous, and obviously there is the issue of firearms, with which we know the minister does not agree at all.

•(1620)

Today we are dealing with Motion No. 13, the issue of GST on school buses, Motions Nos. 14 and 15 that deal with the disability tax credit issue and Motions Nos. 17 and 19 that deal with some overall tax changes. I wanted to talk a little about the GST on school buses issue, especially seeing that Motion No. 13 calls for Bill C-28 to be amended by deleting clause 64. We are going to be taking a position against the motion, but I wanted to talk about this particular issue seeing that we had to deal with it most recently in committee. Some of my colleagues in the House today will remember that.

We on this side of the House are concerned about this. Obviously we do not want to have a bias against contracting out to private services, especially if it means more efficiency, especially if it helps school boards to transport and do a better job for the students using the services, but obviously we need a system that works when it comes to the GST rebate system for public service bodies such as school boards.

The courts cannot decide Canadian tax policy. We should get that straight. That is the prerogative of the government and the House of Commons. Unfortunately we are seeing more and more that the government defers to the courts when it should actually be dealing with the issues right here and we should be making changing to the tax codes in the House rather than tying up the courts in determining what in fact should be fair and what should not be.

Government Orders

As I said, the issue came up in committee. The amendment to the Excise Tax Act is basically an amendment that would clarify the amount of GST input rebate that school boards would be entitled to with respect to school transportation. The amendment was made in response to a 2001 Federal Court of Appeal decision that school boards or provincial governments that contracted out school bus services to private companies were entitled to a 100% rebate of their GST costs rather than the 68% they are entitled to under the legislation.

The purpose of the 68% GST rebate is to match the tax rate under the old manufacturers' sales tax. The federal amendment in Bill C-28 would ensure that a school authority's supply of transport to and from school for students is exempt regardless of how the supply may be funded or provided. This is a prudent move. If we had left the court decision to stand, it unfortunately would have discriminated against school boards that supply their own student transportation rather than contracting out and would have opened the floodgates for other public service bodies to claim 100% rebate on the GST they spend. There could be an unfortunate snowballing effect and that was raised at the committee.

Exempt supplies are supplies on which there is no liability for the GST and therefore the tax is not charged to the end user or collected from the supplier. However, the tax on the portion of a public service body's total expenses used in exempt activities would qualify for a partial GST rebate. There are different percentages that vary depending on the services that are being provided. I know that for hospitals it is 83%, for schools, as was mentioned, it is 68%, municipalities 57%, and the list goes on. There are different levels. We know that municipalities are currently trying to win in getting that 100% rebate on their GST as well. We know that there have been huge costs associated with municipalities even when it comes to their transportation systems. I know that in the end the Toronto Transit Commission pays, even after the rebate, close to \$50 million in GST, I think, since the amalgamation in 1998.

These are the kinds of things the government could do more in trying to help, especially for the challenges the municipalities are facing when it comes to infrastructure. We have seen such a drop in investment on that side of things. If they can actually claim back these rebates and reuse them, then I think there is no doubt it would help deal with some of the challenges municipalities have.

On the other amendments, I will say quickly that I believe we will be opposing almost all of them that we are debating even though there are positive merits in some of them, such as specifically the motion trying to ease the definition of the disability tax credit from feeding and dressing to feeding or dressing. We do support a portion of that, but ultimately there still are concerns about how much that would open up and what sort of negative effect it could have.

• (1625)

To wind up, I want to mention the issue of capital tax. The government has moved on this particular issue and will be reducing capital tax. We on this side of the House have always believed that if more money is left in the hands of the economy it will do more good. We would like to be able to eliminate the capital tax completely. That would give support to a lot of businesses and people who invest and get the economy going. I think it has been proven that in the long run

governments actually benefit from that because more economic activity results in more government revenue. That is something we wish the government would have moved on also; we know that it is reducing this over a five year period, but it would have been great to see that reduction right now, helping businesses, individuals and society to be more productive.

• (1630)

Mr. John Bryden (Ancaster—Dundas—Flamborough—Aldershot, Lib.): Mr. Speaker, I certainly did not want to jump ahead of one of my colleagues from the opposite side who I know have been following this legislation very closely and who I think have been contributing mightily to this debate.

I did want to involve myself on two points, Mr. Speaker, first and foremost, Motions Nos. 14 and 15 that deal with the disability tax credit. What the government was trying to do by sections 74 and 75 of the act was to clarify the eligibility for the disability tax credit in the context of individuals being able to feed and clothe themselves.

One of the things that was very noticeable when the government moved on restricting access to the disability tax credit was that quite a few people came into my constituency office and reacted negatively to it. There are two categories of these individuals. The first is that category of individuals who I could see really were unfairly affected by the tightening down of the definition of what constitutes eligibility for the disability tax credit.

For example, I remember vividly one lady who came into my office. She was arthritic and quite crippled. Her hands were completely twisted around. She had a lot of difficulty just moving, but this was an individual who had tremendous joie de vivre. She did not let this crippling illness prevent her from doing as much as she possibly could, but because she was perceived by the bureaucracy as being mobile and able to move around, she was declared ineligible for the disability tax credit. The reality was that because of the very twisted condition of her hands in particular, she genuinely had a real difficulty in feeding herself and she had to have assistance. So it was very important for her to be brought under the disability tax credit even though in every other sense she was mobile in society, or as mobile as she could be.

On the other hand, there were people who came in and complained that they were eliminated from the disability tax credit because they had a food allergy. This food allergy caused them to spend all kinds of time searching for the right foods, as a matter of fact, so much time that they could not effectively work or hold down a job and this kind of thing. Not wanting to categorize all of those people, there was a reality. One gets this sense when one is a member of Parliament in one's constituency office and deals with a lot of people. There was a sense that this category of individual was willing to surrender to their disability rather than fight it.

In comparison to the lady with the severe arthritis, these people seemed to be, to all appearances, very capable of moving about and contributing to society and contributing to their own care and looking after themselves. But there was a Federal Court ruling pertaining to the disability tax credit which basically suggested that people who spend an inordinate amount of time trying to look for the foods that they need in order to satisfy their allergies should be brought under the disability tax credit.

Government Orders

The government, in amending the legislation we see before us now in clauses 74 and 75, attempts to distinguish between these two realities, one a disability that genuinely does make it impossible to feed and dress oneself. I can assure members that it is very difficult, and I know this from experience, to do the most elementary things when one's hands are crippled.

Just briefly as an aside, I should say that I have some passing knowledge of this because on my 21st birthday my friend and I jumped the neighbour's hedge and I came down on my hands on a concrete sidewalk. While neither of my hands were fractured, all the ligaments on either side were strained. For about six weeks I could not use either hand, so I can sympathize with people who might have severe arthritis about how this makes it very difficult to do simplest things like feeding and dressing oneself.

•(1635)

While the original amendments in this section make this distinction, and they are good amendments, unfortunately the motions that are proposed would scrap both clauses 74 and 75 eliminating, in my view, this very necessary distinction between being physically crippled to do something that is essential and being what I suppose one could call emotionally disadvantaged or even emotionally crippled. Sometimes it is not wise to use the government's ability to assist people financially to address issues that are basically emotional. Sometimes it is better if these people delve into their own resources to find their own ways of dealing with these emotional disabilities.

I will leave that for a moment and take advantage of the few minutes that I have to comment on something else in the bill which I have not had an opportunity to comment on before. That is the introduction in this legislation of a first nations goods and services tax.

It is ironic because of course the goods and services tax is one of the most hated taxes in Canada. Although it is not being debated very much these days, I guess after almost 12 years in which it has been in place, people have given up on it and it is no longer the source of negative comment that it once was. However it is a very important method of raising revenue for the federal government.

Bill C-28 brings the goods and services tax into native self-government. It is a very positive step in that the government has been attempting, as a matter of policy, over the past five or six years, to bring in aboriginal self-government and make aboriginal communities as independent as possible. One of the ways to do that is rather than aboriginal governments, Indian governments and band councils being totally reliant on money coming from the federal government, they should be able to raise money by themselves within their own communities. This legislation introduces the ability among first nations to raise money through a goods and services tax within their own communities.

What is so relevant and so timely about that is the government has before Parliament, as we speak, a complementary bill called Bill C-7, which brings in self-government, provisions of transparency, accountability and standards of governance to some 600 Indian bands and communities across the nation. This legislation has been somewhat controversial because I realize some of the opposition parties are opposed to it. However most of the country, most

aboriginals and anyone who has any familiarity with the problems that exist on our Indian reserves will appreciate this is extremely important legislation.

I point out that if one is to enable Indian bands and communities to raise money on their own, one has to have a coherent scheme of transparency, accountability and standards of governance in those band councils. It is all part of a package, Bill C-28 and Bill C-7. These are two very positive things on the part of this government.

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Manicouagan, Fisheries; the hon. member for Acadie—Bathurst, Fisheries.

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, as you see, all things come to those who wait. I am pleased to speak today, albeit a little later than I expected, to share my opinion on Bill C-28, on implementation of certain provisions in the budget.

I could summarize my speech by saying that the federal government has a lot of money at its disposal, compared to what it needs. That is shocking, but also and particularly, unacceptable. Financially, the federal government has a lot of room to maneuver; \$18.2 billion over two years, according to the present Minister of Finance, and \$25.8 billion over two years, according to our calculations.

What is more, despite the fact that there is an 11% rise in expenditures, which is enormous, the Bloc Québécois is of the opinion that the federal Liberal government is going to have a surplus of \$14.7 over the next two years. This clearly illustrates the extent of the fiscal imbalance and clearly points to what I have already said in my summary.

I could also summarize what I have to say as this: the federal government is responding more to the needs of a Prime Minister in waiting than to the true needs of the public. It is doing nothing to correct fiscal imbalance, nothing to help the victims of the softwood lumber crisis, nothing to put an end to the pillaging of the EI fund.

The regions, which are dependent on the softwood lumber industry, the self-employed workers, whose existence is not recognized by the federal government, the aboriginal people, the unemployed, the workers paying EI premiums, are all part of the great forgotten as far as this budget is concerned. Middle-income taxpayers are totally forgotten as well.

Unions and employers are frustrated by the diversion of the EI fund, and are demanding an independent fund to stop the federal government from pillaging it, as well as for the contribution rate to be set by the contributors. This, of course, is what the Bloc Québécois has been demanding for years now. We had even hoped that the federal government would create a stand-alone fund before the former finance minister becomes the future Prime Minister.

Government Orders

In addition to failing to create a stand-alone employment insurance fund, the budget announced a delay of nearly two years in the implementation of a new mechanism for calculating premium rates. However, employment insurance could generate a \$3 billion surplus over the next fiscal year, according to our estimates, while the current Minister of Finance is promising, in the future, to strike a balance between employment insurance premiums and program expenditures. What a balance: \$3 billion.

With regard to infrastructure projects, we had asked that the appropriate funds be released so essential projects could get underway in Quebec. We had asked for substantial long-term commitments. However the increase in infrastructure expenditures is insufficient, and the government is delaying in allocating the needed funds. I will repeat here that the federal budget meets the needs of an outgoing Prime Minister and a future Prime Minister better than the real needs of the people.

The budget provides for additional investments of \$3 billion over 10 years. These investments have resulted in an additional \$2 billion for the strategic infrastructure fund. This fund is increasing from \$2 billion to \$4 billion. Although we demanded massive investments in infrastructure, only \$100 million, of the additional \$3 billion announced in this budget, has been allocated in fiscal 2003-04. This nowhere near meets the needs.

This amount is clearly inadequate, given all the needs. We might have expected, at the very least, that a fair part of this investment, or \$300 million, would be allocated in fiscal 2004-05. However, after the next two fiscal years, only \$250 million of the \$3 billion will be provided. This is disappointing, but I said this at the beginning of my speech: the federal government has a lot of money at its disposal, compared to what it needs. The simple conclusion is, therefore, that the federal Liberal government is not taking infrastructure needs seriously.

• (1640)

We have indicated that the Government of Quebec must remain in charge of the projects and allocating funds. However, the budget indicates the projects related to climate change will be eligible for funding through these infrastructure initiatives. Yet, it is very clear from the funding criteria for the Canadian strategic infrastructure fund that it is the Government of Quebec or the provincial and territorial governments that are responsible. Let us hope that the fund, bolstered by an additional \$2 billion, will continue to operate in this way.

Another disturbing fact is that the budget mentions that \$1 billion will go to municipal infrastructure. It is important to note that the federal government cannot provide money directly to municipalities. The Government of Canada must keep in mind that it must deal with the Government of Quebec, and not municipalities. Obviously, in counting on this \$1 billion, Quebec will be able to better plan and coordinate spending on its own.

Even the Coalition pour le renouvellement des infrastructures du Québec was disappointed by this budget. According to the coalition:

It is unfortunate to note that, despite the intentions laid out in the Speech from the Throne, the priority given to repairing our infrastructure for roads, sewers and water is dangerously low. What is the point of investing in health if we are going to have less and less confidence in the drinking water infrastructure and roads? We are

putting off repairs to basic infrastructure and what is worse, we are compromising quality of life for citizens and competitiveness for business.

It is also important to mention the reaction from the office of the mayor of Montreal and the executive committee of the City of Montreal, which feel that the 2003 budget brought down by the government is disappointing. The chair of the executive committee said that the Liberal federal government's proposal was clearly insufficient, considering the needs of the City of Montreal to renew its infrastructure. The same is true for all municipalities in Quebec.

Once again, I submit that the federal government has a lot of money at its disposal, compared to its needs. The Bloc Québécois is not the only one to say so, it is being said by many stakeholders every day.

Another cause for concern is that there is no mention in the budget of any form of assistance for self-employed workers. From day one, they have been the forgotten ones in connection with the EI fund, since they are uninsurable under the act. Yet self-employed workers account for 16% of the active labour force. The Liberal federal government should have taken advantage of this budget to establish a framework to extend the application of the EI system, with respect to both regular and special benefits, to self-employed workers. Once again, this clearly shows that the objectives of this budget do not reflect the needs of the people of Quebec and Canada.

We must not forget the latest health negotiations. An agreement was reached whereby \$800 million was transferred to Quebec. After this amount was reinvested by the previous PQ government, the media, hospitals, and the health care community in general, are already reporting noticeable improvement with this \$800 million received. This amount is only about half the \$2 billion originally requested. Now imagine what could have been done with \$2 billion, as confirmed by the report on health care; it would not be so difficult to make ends meet and Quebecers and Canadians would have the kind of health care system they need.

It is wrong to blame the problem on a government, be it in Quebec or elsewhere.

• (1645)

There are huge surpluses which contribute to the fiscal imbalance. All the provinces in Canada agree on this, starting with Quebec, which is spearheading the demonstration that a fiscal imbalance exists, and all the provinces agree with the Séguin report. Moreover, every opposition party in this House also agrees.

In addition, I am convinced that many on the government side are aware of the existence of a fiscal imbalance. But we know how it is: the executive claims that there is no such thing, and everyone remains silent. These were my comments.

Government Orders

•(1650)

[English]

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to rise in debate on Bill C-28, the budget implementation act, and to have the opportunity to speak about some elements of the budget that I was unable to discuss in my first opportunity to talk about the budget after it was tabled.

One area of this budget which is very important for the country is the increase to the national child benefit supplement of the Canada child tax credit of \$965, an increase of nearly \$1 billion. This will be in place by 2007 and will bring the maximum annual benefit for a first child, through the Canada child tax benefit, to \$3,243. This is a very important measure. We have come a long way to get to this point.

I recall back in the years between 1993 and 1995, leading up to the 1995 budget, when I was part of a working group in our caucus on child poverty that advanced the issue of finding new measures to combat child poverty. It was led by the member who is now the Secretary of State for Central and Eastern Europe and Middle East. He did an outstanding job of chairing that committee and leading our work toward a measure in the 1995 budget.

Of course we remember that the 1994 budget was a difficult budget. Cuts had to be made to get the accounts of the country in balance. We knew the next budget would also be difficult because more measures were needed. However we felt it was very important that the government take action to try to combat child poverty. Because it was a matter of federal jurisdiction, we focused on the working income supplement that went to low income working families. As I said, because the federal government had jurisdiction in the area of work, it meant the federal government could make an impact particularly with modest and low income families with children. To see that then change and become the national child benefit as part of the Canada child tax credit was gratifying.

We have seen that development over the past number of years. We saw it come into effect in the 1995 budget, and there have been changes since then. We have seen the increases year after year to that. As I said a moment ago, for a first child in a low income family, the parents now receive over \$3,000 and lesser amounts for each child after that. Those are absolutely vital measures to help people get out of poverty, to help low income families and poor children in Canada face the difficulties we see today.

I know members on all sides are concerned about this issue and are concerned that we continue to work on the issue of child poverty across Canada. They would also want to recognize the good work that has been done in creating the national child benefit and increasing it year after year. No doubt that is important.

I am glad my hon. colleague across the way is talking about the clawback because I think it is unfortunate that the provinces have decided to do that in some cases. I am glad we have now reached a point where, with the latest increases, we will see an amount that they will be unable to claw back.

I have always been disappointed that the provinces would want to take the money we have given low income families and poor

children, claw it back and use it in other areas. To me that is the wrong way to go. We need to see them move more in the way of allowing these families to access the money and keep it to put bread on the table, to clothe their kids properly and to provide what they need to succeed in our society.

Another measure that I thought was important in the budget was the \$935 million over five years to help provinces, territories and first nations provide greater access to quality child care and early learning opportunities. We have heard a lot about the importance of getting kids off to a good head start in those early years, between birth and five years of age.

As I look at my NDP colleagues across the way, it reminds me of the fact that I was defeated in 1997. The funny thing is there was a silver lining to that for me. At the time I did not see it. I had a son who was born in 1996. When I was defeated, he was about eight months old. It meant that in the ensuing number of formative years, between one and five, I could be there much more because I was not in the House.

•(1655)

I am not looking forward to any more of those silver linings for a while. I am not anxious to look for those kind of clouds of silver lining, and neither is my son I am sure. However the point is we all recognize the importance to young children of getting a good start in life, of getting a chance to have an early education and a boost in education. That is why it is so important that this money go to where it is needed and for that purpose, and included of course in this is money for first nations.

We know the grave challenges in many first nations communities. I think particularly of the issues in Manitoba where the first nations population is growing dramatically and is becoming a much greater percentage of the population of Manitoba. They are facing grave challenges as young people are looking for opportunities and often not finding them. Funding education for those young people to help them have a good chance and a good start in life is absolutely vital and could not be better placed.

The budget also contains a new child disability benefit, with funding of \$50 million per year. This is a brand new initiative and one I think that was applauded by members from all sides of the House. As I recall, it was recognized as a very important measure and one of great value for children with disabilities who really needed assistance. This will provide up to \$1,600 per year to low and modest income families with a disabled child.

We can all imagine what it is like for a family who is trying to help a disabled child get ready for life, to help that child grow and to nurture that child. Families are faced with economic costs such as having to pay for maybe a lift in their house, or a wheelchair or many of the other costs. It makes good sense, as we try to ensure our society includes all these people, to have this tax credit for those children with disabilities, to help them take part in our society in a very full way, which is so important I think to all of us.

Government Orders

Another important area is homelessness. It is a concern across the country. I know it is a concern in my city of Halifax. It is a concern certainly in Toronto and in many other places. As members know, the government is working to combat homelessness in Canada's cities with an investment of \$135 million each year, for three years. That is not peanuts. This important money will do important work.

As well, the government will address the housing issue, with \$320 million over five years to enhance existing affordable housing agreements with the provinces and territories. This is not just to provide new funding, it is additional funding.

It is important to enhance those agreements. We will recall that the responsibility for housing was transferred to the provinces a few years ago. This is an important addition to help the provinces carry that load. I know it is important for my province, with its enormous debt. Unfortunately, the debt is growing still because the provincial government of Nova Scotia has not stopped the growth of it. It talks about having a balanced budget. Unfortunately I cannot see how it can call it balanced if it adds to the debt every year, as it has for the past four years, and I do not see when that will stop.

An area for me which has been important is cities and urban infrastructure. I was pleased the budget included an announcement of \$3 billion more for urban infrastructure over the next 10 years. I hope we will see in future budgets significant additional dollars going to that cause.

My riding is probably the fastest growing area east of Ottawa and east of Montreal, although until recently Montreal has not grown that fast. However Halifax West has tremendous growth and we are facing lots of challenges because of that. I am pleased to see money going into that, into environmental matters and into other important measures.

I see my time has come to an end, and I appreciate the opportunity to rise in this debate.

● (1700)

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, it gives me great pleasure to rise and speak to Bill C-28, the budget implementation act. This debate allows for the official opposition to voice its concerns in our critical roles as protectors of the public interest.

As the member of Parliament for the great riding of Renfrew—Nipissing—Pembroke in the province of Ontario, my voice and that of the member for Lanark—Carleton adds legitimacy to this debate. Too often the Liberal backbench MPs are expected to be cheerleaders for government legislation when the need for sober second thought is required before legislation reaches the other place.

I was shocked by the comments from the Solicitor General, the member for Malpeque, when responding to a question from the member for Yorkton—Melville over his enthusiastic support for the gun registry, from when he was a backbench MP and condemned Bill C-68. This is a clear example of the muzzling of government MPs and how the members of the official opposition are able to truly represent constituents in debate.

It is my intention to focus my comments on part 8 of the legislation where changes are planned for the GST. It is ironic that

here we have a government that campaigned, and there are some who believe was elected, on the promise to eliminate the GST. The Prime Minister and his party were very clear in that election. "Just elect us and we will eliminate the GST", the Liberals promised. Once elected, just like so many other election promises, like the one where there would be an independent ethics commissioner, it was quickly discarded.

In the case of the former finance minister, the GST became his tax and he greedily sought out ways to increase the take. I am surprised the heritage minister has not reminded the former finance minister that she resigned over the issue. At least the heritage minister understood the promise, which is more than anyone can say about her colleagues in the party.

Canadians, therefore, are not surprised that the federal government is back at the trough looking for new ways to increase the take from the GST. The decision to grant only a partial GST exemption of 68% to school boards for the supply of transportation services has meant that school boards have had to pay millions of dollars in GST payments to the federal government instead of applying the funds to important educational requirements.

In the case of the Renfrew County District School Board it has meant a loss of over \$700,000 from the school transportation budget. As a consequence, the school board has been placed in the unfortunate situation of having to run a deficit in the amount allowed for safe transport of its students to school. This has meant the school board has had to look at making cuts to that budget to pay for the GST.

As there is a legal requirement to get children to school safely, the Renfrew County District School Board made the difficult decision to eliminate crossing guards to overcome the deficit in the school transportation budget. The amount of the GST claimed, which is not returned to the school board, is slightly more than the cost to provide crossing guards at dangerous intersections.

The following letter was sent to me from a concerned parent in Renfrew, though I can assure the House the concerns expressed in this letter have been repeated to me from across the county. It states:

● (1705)

I write to you for help.

I am a parent of three little guys that walk to school. I push them out the door to head to school so I can get to my job on time.

I do this because I know they have only one street to cross and most importantly there is an adult waiting to make sure they make it across unharmed.

I attended a school council meeting at my children's school this week and was appalled to learn that the treasurer of the school board could sit there and tell the roomful of parents that they are running such a deficit with the high cost of busing children all over this large county, ...and have decided to stop funding adult crossing guards.

So you can imagine how vulnerable we feel as parents of small children with the board saying anything we do will fall on deaf ears.

As our member of Parliament, I beseech you to help us—we need a voice to be heard...soon it will seem education is a privilege and not a right...surely the safety of our children should be first.

I wonder what the legal ramifications would be if a child dies.

Please be our voice.

Government Orders

That letter was from Sherry in Renfrew.

It is not only the Renfrew county district school board that is being penalized by the GST. The Renfrew county Catholic district school board is out almost \$450,000 in GST to the federal government.

When the federal government started to collect the GST for school transportation costs it was taken to court and it lost. Now in order to get around the rulings of the court, this budget legislation is introducing retroactive law to overturn a decision of the courts that ruled in favour of the school boards. It is bad enough that the government has become such a strong supporter of the GST, a tax it said it would eliminate, and now it is resorting to retroactive tax legislation to make sure it squeezes as much GST from taxpayers as possible.

As a result of the original 29 school boards from the province of Quebec that made the initial decision to challenge the federal government over its decision to collect GST on school transportation, many more school boards have received favourable judgments. Bill C-28 will overturn these decisions by bringing in a retroactive amendment to tax legislation.

We cannot plan for the past. In addition to the Renfrew county public and separate school boards, Avon Maitland school board, Hamilton—Wentworth school board, Timmins district public and separate school boards, now the district school board of Ontario North-East and the Conseil scolaire de district catholique Grandes-Rivières, Haliburton county and Muskoka district school boards, the now Trillium Lakelands district school board, Simcoe—Muskoka Catholic district school board, Superior—Greenstone district school board, Limestone district school board, Upper Canada district school board, Upper Grand district school board, Kawartha Pine Ridge district school board, Grand Erie district school board and the Thunder Bay Catholic district school board have all had judgments rendered in their favour.

The following boards are waiting for consents to judgments on recovering the GST: Bluewater, Grand Erie, Greater Essex, Kawartha Pine Ridge, Near North, Niagara, Rainbow, Thames Valley, Trillium Lakelands and Toronto district school boards.

The total amount represents \$11.675 million for school boards in the province of Ontario alone. School boards in the province of Quebec are owed \$8.032 million.

By identifying the school boards from across the province of Ontario that are opposed to this measure in the federal budget, I hope the Liberal Party will understand just how unfair and unpopular this decision is.

• (1710)

In closing, I acknowledge the contribution of my colleagues in the official opposition and thank the House for this opportunity to speak on behalf of the people of Ontario.

Ms. Judy Sgro (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am very pleased to have a few minutes to speak to the budget debate and say that I think it was an excellent budget. There are a lot of important things in the budget that will help us continue to build this

country of ours. I chaired the Prime Minister's task force on urban issues and there were a variety of things, I think 28 different points in the budget that came out of the recommendations from our task force of 11 MPs and two senators.

One of the issues that came out of it we are speaking to today which is to amend the RRSP dollar limit and the RPP money purchase limit. People are trying to save for their future and to put more money aside for retirement and in case they fall ill later on in life, and increasing the RRSP limits allows that to happen. Aside from allowing that to happen it encourages people to save. The RRSP limits have long been at \$13,500 and gradually they are going to be increased to \$18,000 by 2005.

If we look at other countries which have this kind of program, they often have much higher increases than that and they are very good at encouraging people to save money. Setting appropriate limits on tax assisted retirement savings in RPPs, RRSPs and DPSPs is an important means of encouraging and assisting Canadians to save for retirement, reducing their tax burden on savings and in allowing employers to attract and retain key personnel.

The motions that we are discussing today would eliminate those improvements to the system that we are trying to promote as a government but would also reverse the increases that were scheduled to take effect next year under the existing income tax law and on which Canadians depend. As the task force did its round tables throughout the country over the 18 month period, we heard a lot from different people about the things that are needed to have a successful country. A variety of tax changes were promoted at that time. Some of them are in this budget which I am very pleased to comment on.

One of the other issues that was raised was the federal capital tax and how that was very much an impediment to investment in Canada. When it was compared to the U.S. and to other countries that encourage investment at a capital level, there were some significant problems with the fact that we did not encourage it in Canada and it was thought that we should. In order to promote investment, the 2003 budget proposed to eliminate the federal capital tax over seven years starting in January 2004. Clauses 85 and 86 of Bill C-28 would implement this proposal by increasing the threshold for application of the federal capital tax from \$10 million to \$50 million of capital for taxation years ending after 2003.

Under the bill the federal capital tax liability would be eliminated for almost 5,000 medium size corporations in 2004. The federal capital tax would be fully eliminated by 2010. With this and with the \$100 million in tax cuts that is being promoted over this five year period, the government will seriously assist Canadian businesses and help to continue to move us forward with the very strong and effective economy that we currently have.

Government Orders

Another issue we are talking about with the amendments today is the disability tax credit. It has been mentioned by several people and is something that is really important. One of the members from Toronto who heads up the disability subcommittee has done an enormous amount of work with other members in the House trying to review the CPP legislation and how it affects people with disabilities and what we can do as parliamentarians to improve that whole program. As we are an aging population, more and more people are having to rely on CPP disability for assistance for themselves and their families and they are finding it very difficult.

Motion No. 14, which we will be voting on, would delete clause 74 from the bill. This clause provides that a medical doctor or an occupational therapist may certify an individual's impairment with respect to feeding or dressing themselves for the purposes of establishing entitlement to the disability tax credit.

•(1715)

The Standing Committee on Human Resources Development and the Status of Persons with Disabilities recommended that the ambiguity about “and” or “or” be corrected. Accordingly clause 74 clarifies that an individual need not be impaired in both feeding and dressing but feeding or dressing would suffice. Many people have a problem with a disability of one or the other and not both.

Motion No. 15 would also delete clause 75 of the bill, another area that we needed to look at to see how we could assist people. Following consultations on draft amendments the 2003 budget proposed to rework the language of the proposed amendments to clarify again that feeding oneself does not include any of the activities of identifying, finding, shopping for, or other activities associated with preparing food. This aspect of the legislation is extremely important. It means that individuals who are markedly restricted in their ability to prepare a meal for reasons other than a dietary restriction will continue to be eligible for that disability tax credit.

It is also noted that these amendments were developed only after consultations with many of the affected groups. Many of these groups have ongoing discussions with the disability subcommittee.

In addition to Motion No. 13 and clause 64 affecting school boards, this is as a result of a recent court decision. It is not because we want to be difficult. It is simply because of a court decision affecting school boards that as a result is contrary to the longstanding well understood policy intention of the GST law. It is not that our finance minister woke up and decided that he was going to be mean and difficult to school boards.

Building this country is extremely difficult. It requires a lot of investment. I am proud to say that of the \$3 billion that was put into the strategic investment fund in this budget we are speaking to, \$2 billion of that is going to be there clearly to build the infrastructure of the country. There is an enormous void in having enough dollars to build water and sewer systems, bridges and so on in the country. This brings it to a total of \$8.25 billion that has been put aside since the year 2000 strictly for infrastructure in Canada.

When that levers money from the province and the cities in matching funds, it brings it to \$24 billion since 2000 that has been put on the table throughout the country, through all levels of

government to ensure that the infrastructure of Canada is clearly there to help us move forward. One billion dollars of that has been put aside for the smaller municipalities so that they can access that for many of the areas in their communities where they have difficulty relying on a tax base. It is investments in our large urban centres, but it is also investments in the smaller communities.

Some \$2 billion over five years has gone into advancing sustainable development. This will help us look at new technology, at a variety of things such as alternative fuels, things that tie in to the Kyoto protocol. It will help us focus on those investments to improve air quality, better assess and manage toxic substances, and further protect our species at risk and support implementation of Canada's commitment at the world summit on sustainable development.

There is \$600 million over five years to upgrade, manage and monitor water and waste water systems on reserves.

I would hope that some of the lessons we learned from Walkerton will clearly show that we have to ensure that our municipalities have the dollars needed to invest in the infrastructure that helps us to move forward. On investments in supporting our skills and learning programs, there is \$100 million for the creation of the proposed Canadian learning institute.

It is a good budget. There is a lot of money going into programs. We are continuing with our five year tax reduction plan. We are continuing to support families and our national child benefit program. We are encouraging savings and moving forward in a variety of ways. The strengthening of Canada's military again is important for all of us, as is enhancing Canada-U.S. trade.

This is a good budget. There are a lot of areas that we want to continue to build on. I am glad I had a chance to speak to it.

•(1720)

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I want to say first that I am very pleased to speak on Bill C-28. However, I am not pleased to speak on the government's decision to implement a number of provisions that really go against Parliament's position. I will get to this later.

I want to talk specifically about the way the disability tax credit is now working. To be eligible for this tax credit, the applicant must have a severe and prolonged mental or physical impairment the effects of which are such that the individual's ability to perform one or more basic activities of daily living is markedly restricted, and this must be certified by a qualified medical doctor. Since this is a non-refundable credit, those who receive it must have sufficient income to pay federal tax. The maximum value of the current credit is just over \$1,000.

The definition of “impairment” that the Department of Finance uses for disability tax credit purposes is the most restrictive in all the federal government. It is based on the individual's ability to perform basic activities of daily living, in accordance with the definition found in section 118 of the Income Tax Act.

Government Orders

If a medical doctor certifies that the claimant has a severe and prolonged mental or physical impairment the effects of which are such that the individual's ability to perform one of the activities mentioned is markedly restricted, he might be eligible. If he is able to perform these activities—even with medication or with a device—he is not considered as having an impairment for tax purposes.

CCRA officials have recognized before the committee that Terry Fox would have been considered as having an impairment according to the criteria of the disability tax credit.

The act now says:

- (a) an impairment is prolonged where it has lasted, or can reasonably be expected to last, for a continuous period of at least 12 months;
- (b) an individual's ability to perform a basic activity of daily living is markedly restricted only where all or substantially all of the time, even with therapy and the use of appropriate devices and medication, the individual is blind or is unable (or requires an inordinate amount of time) to perform a basic activity of daily living;
- (c) a basic activity of daily living in relation to an individual means
 - (i) perceiving, thinking and remembering,
 - (ii) feeding and dressing oneself,
 - (iii) speaking so as to be understood, in a quiet setting, by another person familiar with the individual,
 - (iv) hearing so as to understand, in a quiet setting, another person familiar with the individual,
- (v) eliminating (bowel or bladder functions), or
- (vi) walking; and
- (d) for greater certainty, no other activity, including working, housekeeping or a social or recreational activity, shall be considered as a basic activity of daily living.

Canadians consider that CCRA is unfair in its administration of this credit. CCRA is notoriously harsh when it comes to rejecting applications on technicalities. For example, because the word “breathe” is not included in the legislation as an activity of daily living, the agency has refused the disability tax credit to Canadians who have breathing problems, who have cystic fibrosis for instance, because their condition does not come under the precise definition of “disability”.

Some very determined citizens sued CCRA over these restrictions, and they won. A recent victory worth mentioning is the decision made in *Hamilton v. Canada*, where the Federal Court of Appeal established that the legal standard, for the purposes of the disability tax credit, was the fact that the activity of feeding oneself is not just the act of putting food in one's mouth. Mr. Hamilton had celiac disease, a particularly severe form of allergy to gluten. He won on appeal the right to the tax credit because he has to spend most of his time, every day, to find and prepare in a special way the food for a medically prescribed diet.

Thinking this case could lead to heavy financial costs, the finance department brought in a bill amending section 118 of the Income Tax Act on a Friday afternoon, just before Labour Day, on August 30, 2002.

● (1725)

That amendment was to add the following to section 118.4:

- (e) feeding oneself means the physical act of putting food in one's mouth or swallowing that food;
- (f) dressing oneself means the physical act of putting and removing one's clothes.

Those new restrictions to the eligibility status meant that those claiming the DTC because they were unable to feed themselves could be refused if they could swallow or if they were able to put an artificial arm through a sleeve.

Members from all sides of the House were opposed to this amendment. The Bloc Québécois collected 6,000 signatures on a petition opposing the new restrictions. The NDP collected over a 1,000 letters opposed to this measure, and moved an opposition day motion that was votable. It condemned the restriction and asked for the implementation of a unanimous committee report on the disability tax credit. The motion was adopted unanimously on November 2002. The Finance Minister was in attendance, but he abstained.

After dragging his feet in the House for one week, the Minister of Finance officially withdrew the planned amendments.

Let us see what is in the recent budget. On budget day, on February 18, 2003, nothing was said in the budget speech regarding disability tax credit eligibility. There was nothing either in the main budget documents. However, in the ways and means motion to be found in schedule 9 of the budget plan, there is a series of new planned changes to the definitions of “feeding oneself” and “dressing oneself” under section 118 of the Income Tax Act.

This is really slipping through the back door things the Parliament already voted on. When I say that Parliament voted on those things, I mean that on Tuesday, November 19, 2002, an NDP motion asking to turn down those proposals was adopted unanimously. What did the Minister of Finance do about this motion? If Liberal members vote against the budget bill, the government will fall. So he literally put the knife to the throat of the Liberal members if they did not support the bill. He had not voted on the motion. The only one who did not vote on the motion on the disability tax credit on November 19, 2002, was the Minister of Finance.

Now he has introduced a bill and hijacked the government and the Liberals by telling them, “You will vote my way or we will close down Parliament and call an election”. I cannot even use the words that come to my mind because I would be called to order. It is unacceptable for the Minister of Finance to go after the poorest people in our society, the disabled.

A women came to my office. She had only one leg and had to wear a prosthesis. She had been eligible for the tax credit for 10 years. Now the government is taking that credit away from her with a bill like the one the Minister of Finance is asking us to pass.

It is totally unacceptable when we see the Liberal government going after the disabled. Before that, it went after workers who have lost their jobs when it took in excess of \$45 billion from the EI fund. Last week, I think it was the member for Beauce who was saying that there was no money left in the fund. As if it was not enough to have taken all the money from workers who have lost their jobs, the Liberal government is now going after the disabled. It is unacceptable.

Under this bill that they want to pass, a man like Terry Fox, a hero in this country, would not be recognized as disabled, as he would have been under the previous legislation.

Government Orders

• (1730)

How can the Liberals say that this is the right thing to do? How can they ask us to trust them when, financially, they are going after the poorest?

Let us take RRSPs for example. Rich people will benefit from large tax reductions, but there is nothing for the poor. And things are getting even worse: now it is the disabled who are the target. It is sad to see the direction that the Liberals are taking.

[English]

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to enter the debate on the report stage amendments to Bill C-28, the budget implementation act, 2003. Budget 2003 was an important budget and another budget which continued the tradition of the government of dealing with deficits, creating more budgetary surpluses, reducing taxes, paying down the debt, and investing in priorities that are important to Canadians.

Budget 2003 was the fifth budgetary surplus that the government has experienced in the last few years. We have paid down the debt by \$47.6 billion and reduced the federal debt to GDP ratio to 46.5%, which will diminish to just under 40% in the next few years. At the same time, unlike what the member opposite said, the government made some enormous investments in families through the Canada child tax benefit which it introduced. In fact, it will cumulatively reach just over \$14 billion over the next five or six years, a huge investment which did not exist before.

Every single year we have introduced more measures to help those with disabilities and this budget was no exception. In addition to that, there were huge investments of approximately \$3 billion in Canada's physical infrastructure which will invest in sewers, highways and public transit, and renew Canada's physical infrastructure.

The budget invested \$35 billion in the health care system and called for greater accountability by the provinces so that Canadians from coast to coast to coast will have a better understanding of what their health dollars are purchasing, what outcomes are being obtained by the health care system, and how the health care outcomes in Yukon compare to those in New Brunswick. This will allow us to measure what health dollars are buying with the money, tax dollars which are very important to all Canadians.

In addition, the budget built on the measures of the past by protecting the \$100 billion tax cut, the largest tax cut in Canadian history, and included other tax measures. It helped small businesses by eliminating or phasing out the capital tax, a tax which had no policy rationale and was basically a penalty on investment. It will be phased out and that is a very positive thing.

The small business tax rate limit was increased from \$200,000 to \$300,000 which will help small businesses grow and prosper in Canada. They are one of the largest engines of job creation in our economy. Again we will add to the favourable tax rates as they relate to small business in Canada.

I could go on and on about the attributes of this budget. That has been lacking in the debate heretofore apart from my colleagues who have studied the budget on this side of the House in more detail and

are aware of the many attributes and positive things that this budget will bring to Canadians.

There were investments in affordable housing. In my riding of Etobicoke North we have an affordable housing crunch. I was pleased to see that the federal government and Ontario recently concluded an affordable housing agreement. We are working in Etobicoke North to capture some of the benefits of that by getting some initiatives moving. Too many people are paying too much in relation to their income on rents and too many people on fixed incomes are being forced out of their homes because of property tax increases. I was happy to see investments in affordable housing.

The budget covered a whole myriad of other things, but I would like to turn to debate the report stage amendments. These are amendments that came through the House of Commons Standing Committee on Finance. I believe there was a whole raft of amendments. I cannot remember the exact number, but these amendments were passed in committee and are now on the floor of the chamber.

• (1735)

I should say too that there has been some cynicism about whether the Minister of Finance and the government actually listen to Canadians. I am on the House of Commons finance committee and we do a prebudget consultation every year. We travel from coast to coast to coast, submit a report to the House and to the Minister of Finance.

Just out of curiosity, I wondered how many of the recommendations that were in our report made it into the budget. We went out and asked Canadians what priorities they felt should be reflected in the upcoming budget and they told us. We put those recommendations into a report, took it to the Minister of Finance and we tabled that report here in the House. Two-thirds, or thereabouts, of the recommendations of the House of Commons finance committee found their way into budget 2003.

I would like to congratulate the Minister of Finance and previous ministers of finance for listening to Canadians, for starting the process of prebudget consultations, for not staying in Ottawa to listen to the same old voices, but to actually go out and listen to Canadians across this great land, to find out their priorities, their needs and to listen to what they thought we should do in the next budget.

As I said, two-thirds of the recommendations that were in the finance committee report made it into the federal budget. My colleague, the member for York West, who chaired the urban task force of our caucus, also cited many of the recommendations that were in their task force report that made it into the federal budget.

Government Orders

Let me move on to Motion No. 13 which would affect school boards. It is a very important matter and it has to do with the GST and the application of the GST. Many school boards contracted out their school bus operations which created a GST issue. By doing that, it was argued, they should have a larger rebate than would otherwise normally be available to this type of institution. There were court cases on this particular point and the federal court ruled in favour of some of the appellants. However, at the same time, the government looked at this particular tax policy and said that it really was not its intent, that this was a misuse of that provision.

The government indicated through policy that it would react to that and change the policy, and change it retroactively. Some people might find that somewhat abhorrent. Frankly, the government uses that only in very rare circumstances, but there have been times when the tax policy has been interpreted in a way that clearly was not the intent, and any reasonable person would say that was not the intent or the spirit of the measure. The government did say that of the court cases that had been decided, those school boards would get the benefit of the higher GST rebate, but it signaled that that would be the end of it.

Notwithstanding that, some of the school boards continued through the court system, and therefore the act was changed to reflect the government's stated intention. This motion would undo some of that and it is for that reason that the government is not supporting it. Frankly I see the wisdom behind that particular stance.

We have had discussions here about the motions as they relate to the disability tax credit. By defeating these amendments, we would allow people who have a disability with respect to feeding themselves or dressing themselves, and it does not have to be in combination, the tax credit. It seems to me that is a very reasonable stance to take and I will be supporting that. I will be voting against that particular amendment, which for some reason would take that away from people with disabilities.

However, by the same token, the government is saying that it will not go so far as to say that people will be entitled to the benefit if they have certain allergies to certain types of food which increases their time for shopping, et cetera. I have some friends who have this type of challenge and, while we all empathize with it, the tax system is not really designed to deal with things like that.

I will end things there and say that I will be voting against those amendments and I encourage other members in the House to do the same. I would like to encourage members to support this budget, which is a very fine budget.

• (1740)

Mr. Randy White (Langley—Abbotsford, Canadian Alliance): Mr. Speaker, I want to speak to the issue of the budget implementation but I want to take a different approach to the issue. I want to talk about some of the things that were missing out of the budget. One of them in particular is some money to revise the whole justice system, the court system.

I want to speak to a particular issue that needed to be addressed across this land and I guess by giving one specific example it would help a great deal.

I want to tell members about a young girl by the name of Carley Regan. She was 13 years old when she was killed on January 6. She was run down by a driver who was actually under suspended licence. He should not even have been on the road.

Carley's parents, Barry and Lori, have gone through a living hell on this issue, in and out of courts. I can recall when we first went into court and met the crown counsel I specifically asked if, down the road, he would be plea bargaining anything without the family knowing about it. He specifically said there would be no plea bargaining in the case, that it was clearcut and so on. That kind of went by the way and then the court case started.

The individual who was driving while suspended was jailed for 14 months and had his licence suspended for 10 years.

Lo and behold, now the crown counsel has said that the big charge of dangerous driving has been dropped. This was the charge for which this fellow could have done some serious time. I am certain that plea bargaining took place because the crown had actually said that there was not have enough evidence.

This was a guy who admitted in the courtroom that he was at the scene. He admitted to driving while suspended. More important, the witnesses talked about the individual being at the scene of the crime and so on .

Once again we find in this system where justice is no justice at all. We see a fellow who has killed a 13 year old child and he receives a 14 month maximum sentence. That is basically one month for every year of Carley's young life. I find that not only disturbing but such an injustice. I know Barry, Lori and the rest of the family feel the same way. This is what happens time after time in this country.

I just do not know where this will all end but it is up to the government and to all politicians to come up with legislation to stop this carnage on the roads. We need to make sure there are mandatory sentences. We need to make sure people do not just walk into a court after killing somebody and then walk out with their driver's licence suspended and a very minor time in jail.

This whole issue of plea bargaining has to be revamped. More often than not victims are never told, as they were not in this case. They were just told the day before it was all announced. They were never told about the process that was going on behind closed doors. They were never told that their child's life was basically handled in the courtroom of injustice by a mere 14 months in jail for somebody who should never have been on the road in the first place.

I want to emphasize once again the seriousness of this situation which should have been addressed in the budget implementation by way of at least studying this whole issue.

I want to talk about Christopher Tubbs for just a minute. On October 11, 1999, my constituent, Christopher Tubbs, and his mother, Maureen, were hit by a driver who was speeding and ran a red light in one of the busiest intersections in Vancouver. Chris' mom was killed and he was seriously injured. The offender ran from the scene and was caught two months later speeding in yet another stolen vehicle. He had several prior criminal convictions. The carnage goes on and on without stopping.

Government Orders

• (1745)

Chris's comments are long and I will only repeat a couple of them. He said:

How can anyone call a crime of this nature criminal negligence? That sounds like a teenager out at night pulling a prank that went wrong and someone died. What happened to my mom and me was just plain having no regard for human life. With the speeds involved, running red lights, he was out to hurt someone.

I do not know what it is going to take to get the government to take a real indepth look at the problems involved on our roads and to get the judges and lawyers in our courtrooms to understand that what victims want is a modicum of justice. They do not want deals to be made. They do not want plea bargains to be made behind closed doors where the victims and their families do not know what is going on. They want to be involved. That is why I wrote the national victims bill of rights in the first place back in 1994. We received a little attention from the government, but the real problems are still going on.

The way to do this is to get it out of the government's hands because it just does not have the propensity to enact minimum sentences. It does not have the philosophical bent to charge and convict people who run down children when they should not be on the road in the first place. It is murder. It cannot be called an accident. People who drive on the road when they do not have a driver's licence or people who drive on the road under the influence of drugs or alcohol are individuals who are deliberately taking lives. That is murder and it has to be treated as such. We cannot continue in this country just to listen to the rhetoric in the courtrooms from lawyers who time and time again think more of the criminal than they do of the victim.

My sympathies go out to the family. It does not mean much from one politician or even the whole House of Commons when one loses their daughter. It is sad that we in the House of Commons have to watch time and time again young people losing their lives and families losing their loved ones, when all we in the opposition can do with a majority government is beg it to re-look at the laws of this nation and give victims their just due in the courtrooms of the country, and try to make our roads safer.

The idea that some lawyer or some judge said that the charge of dangerous driving was being dropped because there was not enough evidence when in fact that very person had been charged and had lost his licence for 10 years and had been jailed for 14 months for the same accident that occurred, yet crown counsel had the unmitigated gall to convince the rest of us out here that there was not enough evidence, I am ashamed of the system that we call a justice system. I have always thought that people deserved better than that.

More important, we have to remember this and try to do our best. I sincerely hope that Barry and Lori and the rest of the family go on, but I also hope that they will understand that things will change eventually when we move that government out.

• (1750)

[*Translation*]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, the first time I spoke in this budget debate, in February, I noted two facts about the budget before us.

The first was the impressive number of measures that stretched out over long periods of time; there was even one that lasted 10 years. We might mention the child tax benefit. A significant increase in the child tax benefit was announced, but this significant increase will not actually be complete until the end of 2007.

An impressive number of measures have been stretched out, so many that we could say it is a budget of illusions. In fact, any new Minister of Finance, any new Prime Minister, could come in tomorrow morning and modify the budget, change it, erase everything that was proposed, and start over again. In fact, the budget before us appears totally impossible to implement, given the circumstances, knowing there is a leadership race, knowing there will be a new Prime Minister, and also knowing that the budget will not match the orientation of the new Prime Minister. We can forget the budget as it stands.

An hon. member: That is nonsense.

Mr. Jean-Yves Roy: Someone says it is nonsense.

The second element I want to emphasize—and after this, I will analyze the budget—is that there is absolutely nothing in it for regional development. Since 1993, this government has made huge cuts to services to regions, in all sectors.

We must also remember that the cuts announced in successive budgets over the years are still in effect. What is more, the current Minister of Finance announced new measures and asked for an additional effort by the departments, asking them to continue making cuts in their budgets.

I have a very good example. This very day, a television production company in my riding of Matapédia—Matane, Les Productions Vic Pelletier, risks watching a large part of its production disappear in the next year, because of the \$25 million cut in the Canadian television fund, announced by the Minister of Finance.

To quote just one of the actors, Robert Tremblay—whose work is well known in Quebec and whose shows are very interesting—said simply the following, “All the work done in the regions in a highly competitive field is being threatened”. He is referring to the fact that a television production company in Matane is fighting for its life, due to the funding cuts announced in this budget.

In general, this budget was seen as one that threw money all over the place but that, for regions such as ours, lacked heart.

In the past few days and in the past two weeks, there have been two serious and successive crises in regions such as the Gaspé, the riding of Matapédia—Matane, or Haute-Gaspésie, and the south, in the Avignon region, the riding of Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, as well as in all the provinces in eastern Canada.

There have been two serious crises. The first is the moratorium on cod. This moratorium speaks to the federal government's management of this resource over the past 30 or 40 years. This, because we stopped investing. We did not invest enough in research, especially to better understand the resource.

Last week, during our tour of the Maritimes, I met a researcher for Fisheries and Oceans who came to talk to us about budget cuts at Fisheries and Oceans Canada.

• (1755)

Today I would like to share with the House the image he gave me. He told me, "Today, when I think of what we know about the resource, I feel like a blind person driving a car in a white-out on a night that is pitch black". He added: "The investments that have been taken away from us, the cuts for research at Fisheries and Oceans, have left us with insufficient knowledge of what is going on in the fisheries".

The subject we were discussing at that time was crab, because that is what he specializes in. Imagine, then, what it is like in the groundfish or cod sector, or in the sectors where fisheries are affected. Since 1993 there have been drastic budget cuts at Fisheries and Oceans, and in particular at the Bedford Institute of Oceanography or the Maurice Lamontagne Institute, both of which are very important to us. Budgets have been frozen. Taking just the increase in the cost of living into consideration, this means a significant loss in terms of budget.

We have seen the problem of the crabbers. But who is paying for crab research? The crab fishers themselves, because Fisheries and Oceans has quit investing. The minister says, "Send me a cheque and then we'll investigate. If the crabbers do not send in money, there will be no research. That is more or less what the problem is. There will be so little funding that researchers will not succeed in learning enough about the resource.

There is one other element missing from the budget. Of course, it did reduce part of the airport security tax. But when there is no air service left in a region, this means nothing to us any more. Where investment should have gone was into air transportation, so that a proper system could be developed in our regions. Then there is the matter of the railways as well as the whole issue of employment insurance.

As for EI, I would like to touch on it again, because we are talking about the budget and we have also been talking about the \$45 billion that have been pilfered from the EI fund. What is the government doing now for people who are having trouble making ends meet, workers and plant workers—most of them are women—who are affected by the moratorium on the Lower North Shore and the fishers throughout the Gaspé, the Magdalen Islands and across the maritime provinces? What is the government telling them? "We do not have the money needed to help you. We have already spent all the money we took from the EI fund. It either went to paying down the debt or we created new programs with it that interfere in the provinces' jurisdictions". The government is telling these people that it cannot help them. It is telling the provinces that it is up to them to help these people.

Government Orders

Following a statement by the federal government saying, "We have invested; we sent \$600 million to Quebec for manpower training", Quebec's new minister responsible for the Lower Saint Lawrence and the North Shore, Mr. Béchard, answered back, "Yes, but we are short \$200 million".

Where is the \$200 million which the federal government was supposed to transfer to Quebec for manpower training and other things? We could ask the same question New Brunswick did last week. Both the Government of New Brunswick and the Government of Newfoundland are demanding the same thing.

As to the programs that have been announced, especially in manpower training, we know very well that the provincial governments have their hands tied. They can spend that money on training only. How could we train the fish plant workers in two, three or four weeks, when they do not need training at this time, actually? What they need is a real form of assistance, a real assistance plan. What this government is providing now is not an assistance plan.

To conclude, this whole budget is a complete intrusion into provincial jurisdictions, and it misses its target in many ways. On top of that, its measures are spread out over a long period of time. Should we get a new Minister of Finance and a new Prime Minister, this budget would disappear completely.

Thank you, Mr. Speaker. It was a pleasure to speak about this.

• (1800)

[*English*]

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to join the budget implementation debate. I will do something that is unusual in two ways. First, I will talk about budget implementation, and second, I will talk about a tax measure which is unusual for me. It is something that I should do more often.

I understand that our taxation system is critical to productivity and creativity in the country. I tend to talk about other things. I would like to talk about report stage Motions Nos. 18 and 19 that deal with the federal capital tax. It is not the sort of thing that I would normally deal with, but these report stage motions propose to delete clauses 85 and 86 of Bill C-28. The two motions deal with the federal capital tax in different ways, but they are both in fact linked so I will talk about the two of them together.

Unlike income taxes which are paid when a corporation has taxable income, capital taxes must be paid even where a corporation has not been profitable. This is important because even people who are anti-business recognize that small and medium sized businesses are basic to our society, and in reasonable periods of time these businesses must be profitable.

Capital taxes, which are paid even when the business is not profitable, have been identified as a significant impediment to investment in Canada. That is a significant thing because we do need to attract business. A country of our size, although we are prosperous and wealthy, needs investment from outside the country.

Government Orders

The federal capital tax was introduced in 1989 as part I.3 of the Income Tax Act. The tax has been levied annually at a rate of .225% of a corporation's taxable capital employed in Canada in excess of a \$10 million capital deduction. A corporation's taxable capital is generally described as the total of its shareholders' equity, surpluses and reserves, as well as loans and advances to the corporation, less certain types of investments in other corporations.

A corporation's federal income tax surtax, 1.12% of taxable income, is deductible against the corporation's capital tax liability. That is very clear and my colleague from Quebec understands that much better than I do.

In order to promote investment, the 2003 budget proposed to eliminate the federal capital tax over a period of seven years but beginning January 1, 2004. Clauses 85 and 86 of Bill C-28 would implement this proposal by increasing the threshold for application of the federal capital tax from \$10 million to \$50 million of capital for taxation years ending after 2003 and by reducing the rate of tax over the period 2004 to 2010.

Under the bill the federal capital tax liability would be eliminated for almost 5,000 medium-sized corporations in 2004. The federal capital tax would be fully eliminated by 2010. Report stage Motions Nos. 18 and 19, if adopted, would deny the benefits of these changes to Canadian businesses and would harm Canada's economy. Therefore, I will not be supporting report stage Motions Nos. 18 and 19.

•(1805)

There is an aspect of the budget I would also like to mention that is tiny in one sense and has not received a great deal of play. In the whole order of things, the billions of dollars we deal with and so on, it does not seem to be that much, and it is the palliative tax credit. This is the fact that at last, and I regret it is only in a very small way, people who give up work to look after a close relative who is dying will in fact get EI support, will get benefits from the system.

As a beginning, and I hope that it is just a beginning for this palliative care program, it is for four weeks. It may not sound like much, but people could take it and look after the person who is needing palliative care for four straight weeks. Or on the other hand, as I understand it, they could take a week at a certain point in the illness of the person and then go back to work and the person could be looked after by another relative and then they could take another week and a break and then another week and so on. In total, any way that they do it, I think it has to be a minimum of a week. It cannot be done a day at a time and I can understand that even though there might be some benefits from that particular approach.

I have to say that after many years of lobbying by some members, and by the way, members on both sides of the House, this is now in. Palliative care is a term which only a few years ago people watching this would not have recognized, but now in all of our communities there are groups and institutions devoted to the proper and appropriate care of people who are dying. Sometimes it is literally a bricks and mortar institution, a hospice, into which the sick person can move. Other times, as in the case of Hospice Peterborough in my riding, it is teams of people who work with the family and the dying person in their own homes. They will work around the clock if necessary, providing whatever care is necessary, ranging from

counselling to the family to simply sitting with the family or with the sick person.

It is not a coincidence that this type of wonderful activity in our communities has arisen at the present time, because as we know our population is aging. There are great benefits to that. Years ago people used to die when they were 30 and 40. They were cut off in their prime from illnesses or overwork and their children would be deprived of them early in life.

Now people live to a much greater age, an extraordinarily greater age. This winter I have been to five birthday parties for people who were a hundred years old, in each case a woman. At these parties, the 100 year old person was not only present but was actively involved in the organization and what went on at those birthday parties. If I, as one MP, have been able to go to five in my riding, we can imagine how many more 100th birthdays there have been in my riding. Since I was elected nine and half years ago, I have sent greetings to over 200 people who were 100 or more. And you and I should know, Mr. Speaker, that all but one were female. Mine is but one riding of 301 ridings in the country, so that gives us an idea of how aging is affecting the pyramid. At the top of our age pyramid there are more and more people who, with their families, may not always but are most likely to need palliative care.

That is why I was particularly pleased that this time we started with this four weeks of palliative leave. I hope that future budgets and future people debating budget implementation will see a strengthening of that type of support for people looking after those who are dying and their families in this period in our history when our population is aging.

•(1810)

[*Translation*]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, this is the second time you give me the opportunity to speak to the budget. You will remember that the first time I spoke, I kept to my own subject area, the budget provisions pertaining to better living conditions for women. At that time, I had said that this federal budget did not meet the needs or ease the concerns of women, and that, contrary to what the minister claimed, it did not recognize the fundamental link between social policy and economic policy.

For that first speech, I had to make a choice because I thought, probably in a naive way, that this budget would be reworked and amended until it really did meet people's needs. However, we must now admit that there are 19 amendments standing on the Order Paper and that the issue is still not settled.

Several of those amendments affect me and my constituents, particularly the school boards. For example, the Mille-Îles school board is now doing all it can in order to have a certain right recognized. I will come back to that later on. Besides that, the microbreweries also have to struggle very hard to keep afloat. There are many other amendments, and they relate to the whole budget.

Government Orders

I have to say that this budget is disappointing, I will, however, try to express some of the ideas brought forward by my colleagues from all parties. The budget really illustrates the size of the fiscal imbalance. If we had to remember one thing about the 2003 budget, it would be the fact that the federal government has a lot of money but that it is not giving much to the provinces, while we all know that most of the needs are in the provinces.

The money is often dedicated to the wrong priorities. The money in the surplus is being spent in a number of areas of jurisdiction belonging to Quebec and the provinces. We all know that the federal government does not hesitate to create new agencies duplicating what is being done in the provinces. Education, health and childhood are good examples of that.

I am coming back to the forgotten ones. There are of course the women and the elderly, but there are also the self-employed workers, the unemployed and all those workers paying employment insurance premiums. It is well known that the people of Quebec and in the regions are seriously affected by the difficulty in getting access to EI benefits.

Since most part-time workers are women and these other people, that their status is often uncertain, that they are often self-employed and that these jobs do not allow them to accumulate the 600 hours of work required to be eligible for maternity benefits, parental benefits or sickness benefits, women, amongst others, often have to rely on social assistance to meet their needs.

Relaxing the eligibility criteria of the employment insurance program would have demonstrated that the government recognizes the fundamental link between social and economic policies. Besides, women have asked their MPs, their representatives, that the EI fund surpluses be used to increase benefits, to extend the benefit period, to make the system more accessible and to improve maternity and parental leave. Unfortunately, there are no such measures in the budget. None of those changes have been made.

• (1815)

I could also talk about the ceiling on RRSP contributions. The government announced an increase on the limit for RRSPs, and even at the current \$13,500, it is not something women can take advantage of. So, this change was discussed but not accepted.

I mentioned school boards earlier. In clause 64, the members of the Bloc Québécois would like any reference to retroactivity removed. In his budget, the Minister of Finance announced his intention to amend retroactively those provisions of the Excise Tax Act dealing with school bus transportation. Through this retroactive measure, the minister will be able to set a new contribution for school boards, in spite of all the decisions handed down by the courts after December 21, 2001.

The purpose of this measure is clearly to strike down decisions in favour of the school boards with regard to a refund of the GST paid on school bus transportation. This retroactive measure is a very serious affront to the rule of law and the authority of a final judgment, which is probably unprecedented in the Canadian parliamentary system.

Let me remind hon. members that, in October 2001, 29 school boards in Quebec won their case before the Federal Court of Canada,

which recognized school bus transportation as a commercial activity entitling them to a full refund of the GST. The Commission scolaire des Mille-Îles was one of these school boards. Under the court decision, Ottawa was to refund the overpayment on the GST, which amounts to approximately \$8 million.

After many developments of a technical nature, last January, the matter ended up before the Tax Court of Canada, where the federal government did accept, in a settlement, to comply with the trial judgment, provided that the school boards withdrew their appeals to the Federal Court of Appeal. The federal government agreed to apply the judgment to Ontario school boards, whose case was pending. So, there was a settlement.

The budget brought down a few weeks later completely reversed this commitment by the federal government.

This is why the Commission scolaire des Mille-Îles and the other school boards are asking that the rights they had before December 21, 2001, which they protected by filing their claims with the Tax Court of Canada before that date and for which they received a successful final decision before the February 2003 budget, be restored and respected.

There are other elements that I want to talk about. They are the measures that were announced to respond to provincial health needs, and they are inadequate. When we debated the motion this morning to recriminalize abortion or to ask the Standing Committee on Health to study the issue of abortion once again, the women who sit in the House tried to drive the point home to our colleagues who introduced the motion that, if there were more funds for health care and if there were more funds to help mothers, children and families, we might not have had to discuss this motion on abortion.

I think that this budget is also disappointing with regard to housing. It was not taken into consideration in the 19 recommendations. Nor were the six weeks of compassionate leave. What are we going to do with these six weeks of employment insurance when a person has terminal cancer? We must provide more, sometimes three or six months, or even a year.

I will conclude by saying that this budget is disappointing. We did not win. We are not being heard at the Standing Committee on Finance. This is why the Bloc Québécois will vote against this bill.

• (1820)

The Acting Speaker (Mr. Bélair): The hon. member for Manicouagan has seven minutes left before the end of government orders for today.

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, will I have the other three minutes tomorrow?

The Acting Speaker (Mr. Bélair): Of course you will.

Mr. Ghislain Fournier: Thank you, Mr. Speaker.

The amendment moved by my colleague reads as follows:

That Bill C-28 be amended by deleting Clause 64.

Adjournment

With this amendment, we want to eliminate the retroactive aspect of this provision, which deals with the GST rebate for transportation services provided by Quebec and Ontario school boards and which would have the effect of retroactively striking down decisions handed down by the courts in favour of the school boards, not to mention that the federal government is also renegeing on commitments made previously.

With this kind of attitude, the federal government is not complying with these decisions and not honouring its commitments. It is going way too far in acting this way, and it is not the only time it has done so. What about the historic surplus in the employment insurance fund, and the fiscal imbalance, where Quebec and the provinces are feeling the consequences of questionable management decisions. The House must show transparency.

For the 2003-04 fiscal year alone, the budget announces a record increase of 11.5% in spending, which will go up by \$25.3 billion in 2002-03 and 2004-05. If there is one thing that stands out in the 2003 budget, it is the fact that the federal government has a lot of money at its disposal, compared to it needs. It is raking in the money, and piling up surpluses. It is collecting way too much tax.

Despite an 11% increase in spending—which is enormous—the Bloc Québécois estimates that Ottawa will have a massive surplus of \$14.7 billion over the next two years. This illustrates the size of the fiscal imbalance. Most of the provinces, on the other hand, will have deficits.

Is there anyone who still believes that the federal debt is higher than that of the provinces? From the way the Minister of Finance has decided to loosen the purse strings, he is sending a clear message: there is money; there will be more.

But how can anyone dare to spend public money this way? How can the fiscal imbalance still be denied? We asked the federal government to transfer additional fiscal capacity to the Government of Quebec and the provincial governments, so that they could intervene where needs are greatest. We asked for a tax point transfer, or additional fiscal capacity, of \$4.5 billion in 2002-03 and \$5 billion in 2003-04. The various measures in the 2003 budget will have no effect on reducing the financial pressure that is smothering the provinces. On the contrary, in the health sector, expenses are increasing faster than provincial sources of revenue, and part of that revenue comes in the form of transfer payments from the federal government to the provinces.

Quebec would have to have a surplus of \$1.6 billion in order to provide services. Now, after the argument has been repeatedly made, despite the huge accumulated surplus, Ottawa gives Quebec a meagre \$800 million. This proves that health is not a priority of the federal government. The figures speak for themselves. The federal government has announced an investment of \$6 billion over three years, while it is hoarding a \$30 billion surplus.

The first ministers asked that federal transfer payments for health be increased by 1% per year, until a 25% partnership level was attained, by the end of this decade. So, what happened to this realistic suggestion? Health is in the provincial jurisdiction. One day, the Liberals must understand and transfer the necessary funds the provinces are demanding.

● (1825)

The employment insurance situation is the best example of frustration one can find. Unions and employers are utterly frustrated with this diversion of the money in the EI fund. They support the Bloc Québécois demand that this fund become a separate fund, so that the federal government will stop raiding it and contributors will set the contribution rates themselves.

The Bloc Québécois was hoping the Government of Canada would create a separate fund before a new Prime Minister took up office. But, lo and behold, there will be a new round of consultations while billions continue to accumulate in the fund. Back in 1989, 93% of workers were entitled to EI benefits. We are down to 40%. It is unbelievable. Instead of lowering the premiums, the government should improve the plan so that 90% of workers qualify for benefits.

The unions and citizens' groups are in as good a position as you are to assess the needs. Why not listen to them? Your tendency to control everything is shocking.

What about the infrastructure program? The Bloc Québécois has asked for the release of the money needed for the infrastructures that are necessary in Quebec. We asked for a substantial and long-term commitment. The increase in infrastructure spending is inadequate. On top of that, the government is in no hurry to transfer the money.

The Bloc Québécois is asking for a massive reinvestment. There are still some communities in this country without roads and some of them are in my riding. In the easternmost region of my riding, from Kegaska to Blanc-Sablon, there is a 400-km stretch without roads. We know that region because it was hard hit by the fishery crisis. Of the additional three billion dollars announced in this budget, only 100 million dollars were allocated for the 2003-04 financial year.

That amount is totally inadequate given the huge needs; the health sector in Quebec should receive at least a fair share of the investment for 2003-04, and that means at least 300 million dollars more. After the next two financial years, of the three billion dollar total, only 250 million dollars will have been invested. Does the government not agree with Quebec and the other provinces that those infrastructures are badly needed?

We also ask that Quebec be in charge of all projects and resource allocation.

Since the period set aside for Government Orders is over, I will finish my speech tomorrow.

ADJOURNMENT PROCEEDINGS

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

Adjournment

• (1830)

[*Translation*]

FISHERIES

Mr. Ghislain Fournier (Manicouagan, BQ): Mr. Speaker, I regret to announce that I am very unsatisfied with the answers that were given to me by the fisheries and oceans minister. I have been told the same thing over and over since April 8, and the answer never applies to my riding. In other words, there is never a solution for my riding.

As a member of Parliament, I have the right to get clear and precise answers from the government. On April 8, not only did the fisheries and oceans minister not answer my question, but he questioned the needs of the people of my riding, particularly the people of the Lower North Shore, for whom I have been requesting assistance since December 11, 2002.

We burned nothing down. The citizens of my riding tried, by civilized means, to get their point across. To no avail. Today, 75 fishers are occupying the offices of MAPAQ and of Canada Economic Development. Must we destroy something to get the government's attention? I think it is time for the government to wake up.

I have been saying this for weeks. I am asking for an exclusive quota of seals for the fishers because they have no other expected source of revenue.

The moratorium on crab and on cod penalizes them twice over. Since the last fishery crisis, they have been encouraged to convert their fleet to snow crab fishing. This was only two years ago. And now, after we have pushed them to convert their boats into a crab fishing fleet, the government completely bans crab fishing. This is complete nonsense.

They keep talking about the \$14 million for Quebec. However, it does not apply to the Lower North Shore. This area has been completely ignored.

To receive EI benefits, fishermen have to prove cod catches of at least 25%. They do not catch any cod. We are told that there is no more. They do not catch cod anymore. There is a full moratorium on cod and a full moratorium on crab. There are no measures for the zone allocated to them. It is very clear. None whatsoever.

Does the Secretary of State responsible for the Economic Development Agency of Canada for the Regions of Quebec realize this? I ask that the quotas formerly granted to the crab fishers in zone 16A be extended for one year until the studies separating zones 16A and 16B are completed.

If access to zone 16A, one of the best zones for snow crab fishing, were allowed this year, this would save the 43 businesses on Quebec's Lower North Shore. If an exclusive and specific regional quota for seals were set over several years, this would enable the stakeholders interested in the economic development of the region to work on a recovery project based on the plan submitted on April 1. The developers could work on the implementation of a first, second and third processing plant. Clearly, a guaranteed supply is needed.

The proposals are realistic, objective and fair. Is this approach not better than inadequate employment insurance benefits? Is it not better than going through the same thing all over next year?

The Minister of Fisheries and Oceans and his department are acting in bad faith on this issue. The seal skin processing project was brought to his attention in an e-mail dated February 14. Yet, in his answer in the House, on May 1, and I conclude by quoting his own words, the minister said:

These quotas are being apportioned within the various regions through regional discussions.

Then, on May 8, at a meeting, the minister assured me that there was a quota and that he was keen in seeing this business plan succeed. However, it will not work with half-measures.

• (1835)

Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I want to thank the hon. member for raising this question today. This is, in fact, a question of the utmost importance and great urgency; obviously, I am well aware of the current situation affecting the Lower North Shore.

Along the Lower North Shore, communities are small and isolated, which increases the economic difficulties they are experiencing. These people depend on fishing for everything and, consequently, with everything that is happening with the fisheries, their suffering is understandable. So it is very appropriate that the hon. member raise this question in the House.

Unfortunately, we have the situation along the Lower North Shore, particularly in zone 13 with regard to crab, as well as cod. The minister decided a few weeks ago to impose a moratorium on cod, although, if I am not mistaken, most fishers in this region are after crab and not cod, although a few are. So, this region is in zone 13 and there is no crab fishing this year, since the biomass did not allow the department to develop a fishing plan; this would have endangered the resource.

There is also another factor, related to cod fishing. The moratorium has effectively prevented cod fishing and groundfishing.

So, obviously these decisions were not made lightly. The hon. member will doubtless agree. This is an unusual situation and that is why we are working to develop a plan to help the Lower North Shore.

The member has just referred to Economic Development Canada, and the fact that the \$14 million project might not necessarily apply, since there are not many cod fishers left. So the fishers that are the victims of the zone 13 closure for crab will not benefit, because this only applied to cod.

Even there—and I do not know whether the secretary of state has indicated this—we are working to integrate these communities into the project, given the urgency of the situation.

Adjournment

In the days to come, the minister will be in a position to announce other fisheries plans, and we trust that these will be able to include something for the people of the Lower North Shore. I can assure the hon. member that, at my humble level, I am bringing all possible pressure to bear in order to see that the Lower North Shore is eligible to be included in any future fisheries plans, so that these fishers will have access to at least a minimal resource.

However, the hon. member has also mentioned the seal catch. The minister has demonstrated some openness when it comes to raising the seal hunt quota in this region. Looking at the traditional takes on the Lower North Shore, we can see that they have been at more or less the same level for the past few years. If fishers could have more access to seal, and be better equipped for this type of hunt, there is no doubt that the department is fully prepared to offer supplementary seal hunt quotas, among other things, in order to give these fishers access to a resource that is in abundance and not the object of any moratorium.

All this to say that we are very much aware of the situation and of its urgency, so I want the hon. member to know that we are putting everything we can into the balance to ensure that there is some good news to announce within the next few days. We know that the situation is urgent.

Mr. Ghislain Fournier: Mr. Speaker, it is not enough to be aware of the situation and of its urgency. The time has come to act.

This is a very real problem. The company is ready to hire 50 people for seal processing. For that, it must be guaranteed at least 35,000 seals. Therefore, it is waiting for an answer. Even though the seal quota has been raised to 350,000, it is useless for the Lower North Shore. With the unprecedented quantities of ice we had last winter, it was impossible for the boats to go out. On a first-come, first-served basis, when the Lower North Shore fishers are able to hunt, there will be no more seals. The quota will have been reached.

The situation is simple. A proponent is ready and is waiting for an answer. The minister says one thing to me and the public servants say something else. The minister is completely overwhelmed. I call on the Prime Minister to take steps. The situation is urgent. Now is the time to act.

• (1840)

Mr. Georges Farrah: Mr. Speaker, I think we agree on one thing: it is urgent that we take action. As the member mentioned, the problem with respect to the seals is not that the people of the Lower North Shore do not have access to them—we already have a quota and they can use it—but they have a hard time getting to the seals, given the ice conditions this year. Whatever the situation might be, if these people cannot go hunting, even if we keep a quota for them, will they be able to get to the seals with the condition of the ice this year?

All this to say that there is a possibility. We are looking at the regional level, at the Quebec level. As the member said, he talked with government officials. In Quebec, we will try to arrange for a specific quota to be authorized and allocated specifically for the Lower North Shore. If we can achieve that, we will gladly do so, given the urgency of the situation and the potential for economic development based on this resource for the people of the Lower North Shore.

FISHERIES

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, on May 7, I put a question to the human resources development minister about the crab crisis. My question read as follows:

My question is for the Minister of Human Resources Development. More than 1,800 plant workers have been affected by this crisis and find themselves without work. There is a \$44 billion surplus in the EI fund. What plan of action has the minister come up with to help the provinces affected, like New Brunswick and Quebec, to compensate workers for loss of income?

And this is what the minister answered:

—it is because the employment insurance fund is in such good shape that the benefits will be there, not only for fishers but fish plant workers. I would remind the hon. member that every year the Government of Canada transfers \$90 million to the jurisdiction of New Brunswick so that it can deal with issues precisely like this one.

Last week, I asked the same question in the House and the member for Beauce, who is the Secretary of State for the Economic Development Agency of Canada for the Regions of Quebec, said clearly that there was no more money left in the EI fund, that it had all been spent.

Here, the minister is telling us that the fund has so much money that the government can provide benefits not only to fishers, but also to plant workers. In her response, the minister mentioned \$90 million that was given to New Brunswick. Later, we will be able to read that more than \$600 million was given to Quebec for labour market training and for cases such as this.

Let me give an example of the problem we are dealing with. On Friday, I confronted New Brunswick's labour minister and said to him, "The federal government is giving you \$90 million. What is that about?" He answered, "No, the \$90 million agreement is for long-term training. The agreement contains a clause that says that we cannot use this money for emergencies like this. This money must be used for training programs". Quebec has said the same thing, that it cannot use this money.

So, there are two versions. I can understand what the province is saying, that the \$90 million was given specially, because it was calculated. The federal government said, "We need to give you \$90 million to train all these people". Then, there is a crisis all of a sudden, and the federal government says, "Use the \$90 million". However, if money is taken from that amount, if Quebec dips into its \$600 million that was provided for a specific program, then the people who were supposed to get training will not have the money, because it will have been used to solve the current crisis.

Can the minister tell me if the federal government—given that the fishery problem and the quotas come from the federal government—is able to help the provinces of New Brunswick and Quebec and give additional money in response to the crisis? Those who are suffering are plant workers who had nothing to do with this. They are the victims.

Adjournment

I would like to have more information on the program. I would also like to know how they see the program, because in New Brunswick, the labour minister said the opposite of what the Minister of Human Resources Development is saying.

• (1845)

Mr. Serge Marcil (Parliamentary Secretary to the Minister of Industry, Lib.): Mr. Speaker, I simply want to tell my colleague that the Government of Canada is very concerned with the situation, particularly with the crisis that New Brunswickers are currently going through.

It is very sad to see workers who depend on a resource that is being depleted faced with such a situation. We cannot sit idly by. We must get involved and this is what the Government of Canada is currently doing.

For example, my colleague mentioned that \$91 million is being transferred from Human Resources Development Canada to New Brunswick, as well as \$600 million to Quebec. This is for manpower training programs, but there is some leeway in these programs. There are even programs in Quebec where some people can also receive benefits during the training period. So there is some leeway in this regard. But this does not solve the problem.

Despite this, on top of this \$91 million that is under the responsibility of the New Brunswick government, Human Resources Development Canada is still involved with other partners. We are constantly in contact with people in the field.

Local committees were established in 2000, four of them in Quebec and one in New Brunswick. HRDC implemented various projects in order to help seasonal workers in New Brunswick. We provided \$360,000 for the creation of two service centres, in order to help seasonal workers in New Brunswick find a job during the off season. We are trying to do something in that regard.

Since the creation of those two service centres for seasonal workers, 421 people have joined the program in the northwestern part of New Brunswick. Of those people, 219 were able to find additional work, either part-time or full-time jobs. Some 219 jobs were filled that way. Of those 219 workers who got help, 123 were helped directly and 96 indirectly through heightened awareness of employers.

This simply shows that even if we have a program like employment insurance, we are trying to find ways to help regions with seasonal workers during off seasons. However, this does not solve a crisis, and I believe we are all aware of that.

We even brought in changes to employment insurance in order to fill the needs of seasonal workers. Thus, we eliminated the intensity rule, and that benefited frequent users of the system, many of them seasonal workers. My colleague from Gaspésie, Mr. Farrah, did some extensive work on that issue in the Standing Committee on Human Resources Development.

Workers are in a precarious situation, but HRDC is working every day to support these people and find a solution.

The Acting Speaker (Mr. Bélair): I would like to remind hon. members that they are not allowed to refer to members by name, but only by title or riding.

The hon. member for Acadie—Bathurst has one minute to answer.

Mr. Yvon Godin: Mr. Speaker, I am happy to hear from the Liberal member that the member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok had worked on the committee studying the employment insurance program.

We must remember that the bill we worked on after the 2000 election is identical to Bill C-44, which existed before the election, that is before the member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok was elected.

For our listeners, there is nothing new in Bill C-2 regarding employment insurance. It is the same bill. The member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok said, “I am making a heartfelt appeal to the minister to change the EI Plan”. Nothing has changed since he was elected and they are talking about his alleged performance on the Standing Committee on Human Resources Development.

The question I asked last week had to do with the crisis situation. I agree with the member that the government has given \$90 millions to New Brunswick, but it also reduced employment insurance by \$278 million a year. My question is this: What will the government do in a crisis? That is the question.

• (1850)

Mr. Serge Marcil: Mr. Speaker, I should say first that there is no such thing as a surplus in the EI fund. Some say there is, but there is not. In the past, with the plan put in place by the Progressive Conservative Party, there were deficits year after year, and they were covered by the consolidated fund.

There has been a new plan since 1994. There were a few years of deficits, but we now have years with a surplus which can be used to lower the contribution rates.

In 1997, for example, the provinces took charge of the design and implementation of the programs I mentioned earlier. They can target these programs to address various problems. They can have programs providing targeted salary subsidies, targeted income supplements, measures to help self-employed workers, and job creation partnerships.

What we need is action to address current problems, but also to prepare the manpower on an ongoing basis so we do not experience the same problems again. These are human problems that are hard on families.

[*English*]

The Acting Speaker (Mr. Bélair): The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1)

(The House adjourned at 6:52 p.m.)

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