



CANADA

House of Commons Debates

VOLUME 139 • NUMBER 028 • 3rd SESSION • 37th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Wednesday, March 24, 2004

—

Speaker: The Honourable Peter Milliken

CONTENTS

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

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

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

HOUSE OF COMMONS

Wednesday, March 24, 2004

The House met at 2 p.m.

Prayers

• (1400)

[*English*]

The Speaker: It being Wednesday we will now have the singing of the national anthem, led by the hon. member for Sackville—Musquodoboit Valley—Eastern Shore.

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

STATEMENTS BY MEMBERS

[*English*]

NATIONAL KIDNEY MONTH

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, March is National Kidney Month. I rise to recognize this and to recognize the needs of all those who suffer from kidney disease and their families.

I also want to recognize all those who care for those suffering with kidney disease and those who conduct research into ways of coping with and curing kidney disease.

In recent years I have presented petitions from literally tens of thousands of people in Peterborough, southern Ontario and further afield who also support this cause.

These petitions were initiated by Ken Sharp, who has been on kidney dialysis all of his adult life. The petitions focused on the development of a bioartificial kidney and the designation of one of the Canadian Institutes of Health Research as a kidney institute.

I urge all members to support those with kidney disease, their families, friends and the medical professionals who work to help them.

* * *

NATIONAL VOLUNTEER WEEK

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, I am proud to rise today to congratulate the residents of Red Deer in advance of National Volunteer Week.

Red Deer has a long, proud history of volunteerism. Our community alone has over 18,000 volunteers.

Volunteers made this year's Scott Tournament of Hearts the smashing success it was. Organizers turned away as many volunteers as they actually needed.

The Board of Governors at Red Deer College are an example of the great volunteers we have. That makes it a true community college. The activities of the board have seen a new library completed and many other community activities organized.

We have had the World Junior Hockey championships. We sell 50-50 tickets at the Red Deer Rebel games. The Festival of Trees is a great success. We have manning the phones for the annual jail and bail fundraiser. Those are just a few of the things that the residents of Red Deer do. They always come out in force to make this truly a paradise in which to live.

Red Deer is certainly the city of volunteers.

* * *

• (1405)

[*Translation*]

THE BUDGET

Mr. Nick Discepola (Vaudreuil—Soulanges, Lib.): Mr. Speaker, the 2004 budget lays the foundation for a better future for all Canadians. This budget has two clear objectives. It demonstrates unequivocally the principles of financial responsibility and integrity, and begins to give tangible shape to the goals presented in the Speech from the Throne.

Investing in health care, our communities, learning, the well-being and development of our children now and in the future, that is how the government puts people at the heart of all it does.

We will not throw fiscal caution to the wind, nor will we engage in a pre-election spending spree. This is a solid budget that allows Canada to begin another decade of achievement with confidence.

* * *

[*English*]

THE BUDGET

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, I rise today to congratulate the government and the Minister of Finance on its seventh consecutive balanced budget.

S. O. 31

I was especially pleased that the government yesterday announced that it will restore its contribution to the Canadian television fund at \$100 million a year over two years.

Since 1996 the government has contributed more than \$800 million to the CTF. This funding has been instrumental in bringing approximately \$5 billion worth of quality Canadian programming to the screen.

The messages from my constituents were loud and clear: that the CTF is essential to Canadian broadcasting. My constituent, Keith Ross Leicke, a professional Canadian screenwriter, wrote:

The CTF is a strong cultural tool in this country as it supports Canadian television shows that are written, directed and performed by Canadians.

I am pleased to note that the increased financial resources for the fund confirms this government's continuing commitment to support the production of high quality Canadian television programming.

* * *

[Translation]

ST. LAWRENCE SEAWAY

Mr. Christian Jobin (Lévis-et-Chutes-de-la-Chaudière, Lib.): Mr. Speaker, last week I met with marine industry stakeholders in Quebec City who were floored by comments made by the Bloc Québécois regarding the expansion of the St. Lawrence Seaway.

Since day one, the Bloc Québécois has been misinforming Quebeckers on certain subjects, including the expansion of the St. Lawrence Seaway. I come back to this today to save Quebeckers from the tall tales of the opposition.

As the Minister of Transport confirmed yesterday in the House, the Canadian government has no intention of expanding the seaway. Instead, it intends to integrate this natural resource into a process that will revive the Canadian marine industry while respecting environmental rules.

* * *

[English]

SURREY CENTRAL CITY

Mr. Gurmant Grewal (Surrey Central, CPC): Mr. Speaker, I rise to congratulate Surrey Central City, an office-retail-university complex, for winning the most prestigious award, the Special Jury Prize at the International Property Market Awards in Cannes, France. It is kind of an Oscar of the property industry.

Architect, Bing Thom, was recognized for transforming a struggling Surrey mall into a modern urban centre that is a landmark dominating the city's skyline.

Lost in the stories of grow-ops, auto theft, gang violence and homelessness in Surrey is the vibrancy of one of Canada's fastest growing cities. Construction is booming and over 800 new residents a month call Surrey home.

Known as the city of parks, it is home to North America's third largest rodeo, B.C. Hydro, Terasen, BC Biomedical Labs and TransLink, among many corporations.

Surrey, a city with heart, is a great place to live and an excellent location for business. No wonder Steve Malkowich and Gary Hollick of *The Now* newspaper have launched "I love Surrey" pins.

* * *

[Translation]

THE BUDGET

Hon. Claude Drouin (Beauce, Lib.): Mr. Speaker, the 2004 budget recognizes the importance of the social economy, which is based on values we hold dear: sustainable development, equality of opportunity, inclusion of the less fortunate and community action.

This is a growing sector all across the country. In Quebec, for example, 10,000 collective businesses and community organizations employ more than 100,000 people. These enterprises produce goods and services for the market economy, but direct their surpluses to the pursuit of social and community goals

We will be investing \$162 million over 5 years in this dynamic sector; \$100 million to increase lending to social economy enterprises; \$47 million for pilot projects supporting strategic planning and capacity building; and \$15 million for community-based research on the social economy.

Our government wishes to improve the social infrastructure of communities in all corners of the country, and the 2004 budget will provide us with the means to bring this about.

* * *

● (1410)

NICOLE DEMERS

Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, on February 26, 2004, in front of more than 600 people attending the annual merit awards gala of the Quebec cooperative movement, Nicole Demers—a woman of caring and action—was honoured with the "cooperator of the year" award, volunteer category.

A recipient of the Persons Award in 2003, and praised at that time by my hon. colleague for Laval East, she has now been recognized by her peers for her commitment.

Deeply involved in the Laval community and active in many of its social sectors, she is especially devoted to the "Vivre chez soi" foundation that she recently established.

I am honoured to pay tribute to this great Quebecker, and of course agree wholeheartedly with the Quebec minister of citizen relations and immigration and the minister responsible for Laval, who said just a few weeks ago, "In Laval, Nicole Demers takes the prize for generosity".

To the future Bloc Québécois member for Laval, I say, bravo, Nicole and good luck.

PAY EQUITY

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, all crown corporations must respect the Public Service Pay Equity Act. Recently, members have risen in the House to speak out against pay inequity affecting CBC employees, depending on whether they work for the French or English network and whether they are male or female.

Apparently, since these statements were made, bargaining between the CBC and the union representing these employees has hit an impasse. I am very concerned. All Canadians have the fundamental right to consult their member of Parliament and inform that member of problems with government entities.

I call today on the CBC to show respect for our democracy by bargaining in good faith with the union on the issue of pay equity.

* * *

[English]

RAIL TOURISM

Mr. Jim Abbott (Kootenay—Columbia, CPC): Mr. Speaker, waterfalls, glacier cut gorges, forests and spectacular mountain terrain makes my constituency of Kootenay—Columbia a natural magnet for national and international tourism. Add the excitement of rail travel found all around us from Vancouver to Alberta and the U.S. northwest to Montana.

Last week I held meetings with constituents, representatives of Rocky Mountaineer Railtours and local rail proponents to discuss enhancing rail travel and tourism. Rocky Mountaineer Railtours has had 15 years of great success and hundreds of thousands of excited, satisfied clients.

Throughout my tenure as MP for Kootenay—Columbia, I have remained in touch with Rocky Mountaineer Railtour executives, working to describe our constituency's suitability for rail tourism and all the benefits it would bring to bolster our employment and economy.

I applaud and support all the rail travel proponents who are working diligently on this initiative which will benefit my constituents and show the world spectacular Kootenay—Columbia.

* * *

THE BUDGET

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, a nation as blessed as ours should always aim higher and reach further. Canada is in a position to be able to launch a new decade of achievement, and we began that journey with our new government's first full budget.

Tabled yesterday, budget 2004 lays the foundation for a better future for all Canadians. This government has some very specific goals to create an even greater country, one that will give more Canadians the opportunity to succeed, to enlarge their ambitions and to pursue their dreams.

[Translation]

Tabled yesterday, budget 2004 lays the foundation for a better future for all Canadians. This government has some very specific

S. O. 31

goals to create an even greater country, one that will give more Canadians the opportunity to succeed, to enlarge their ambitions, and to pursue their dreams.

● (1415)

[English]

We have a responsibility to make sure our children and grandchildren lead even better lives in an even better land. This is the goal we have set for ourselves. A nation as great as ours should be able to reach it, and with this budget we are striving to do so.

* * *

STATUS OF WOMEN

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, the Liberal government has once again chosen to balance the budget on the backs of women. As child care, health care and education continue to be inadequately funded, it is women's unpaid labour that has to make up the shortfall.

Women are the primary caregivers and when health care, education and child care fall short, women take on the responsibility. I think it is time the federal Liberal government accepted its responsibility.

What do women want? At our economic summit this February, women said loud and clear that they needed affordable child care, housing and adequate health care for themselves and their families. What did they get? Nothing.

How is the 25% GDP ratio supposed to help the mother who is trying to feed her child and save up so they can go to university? How is this mother going to put money into an RESP when she cannot afford food?

There is virtually nothing in the budget that touches on the unique situation of aboriginal women. Aboriginal women's groups have been calling on the federal government to recognize their unique challenges.

The Prime Minister acknowledged the shameful conditions in which aboriginal Canadians live. Yet there was nothing for native women's groups and nothing to improve the third world conditions in which many are forced to live.

If this is the Prime Minister's vision for women in Canada, he and all Liberals should hang their heads in shame.

* * *

[Translation]

THE BUDGET

Mr. Marcel Gagnon (Champlain, BQ): Mr. Speaker, yesterday, the Minister of Finance showed once again that he cares nothing about the most vulnerable in our society. There are no concrete measures to grant fully retroactive guaranteed income supplement benefits. Yet he had no qualms about doing eligible seniors out of \$3.2 billion in guaranteed income supplement benefits.

Oral Questions

Rather than taking money from the most vulnerable to pay down the debt, the Minister of Finance would have been better advised to ask the Prime Minister to repay the money he saved in tax havens. When he was finance minister, the Prime Minister introduced Bill C-28 with its retroactive tax benefits for shipping companies.

Therein lies this government's real priority: retroactive measures for the rich but nothing for the poor.

* * *

[English]

WOMEN ENTREPRENEURS

Ms. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, March 8 to March 13 Canadians celebrated the Women's Enterprise Initiative Awareness Week.

This week was dedicated to celebrating the achievements of women entrepreneurs in the four western provinces. I want to recognize two particularly successful women who are this year's recipients of the awards of excellence.

Rebecca McCormack received the Emerging Business Award of Excellence. Her company, Cake Clothing, is located in Winnipeg. It has flourished well beyond her expectations. Using her knowledge and experience, Rebecca hopes to expand her company.

Rhoda O'Malley, founder and owner of Step Ahead Shoes in Saskatoon, was awarded the Existing Business Award of Excellence. The first location of her company opened its doors in 1996. Eight years later, her company thrives.

The Government of Canada, through Western Economic Diversification Canada, has initiated this program in order to build and expand businesses that would have remained merely as ideas and pipe dreams.

* * *

THE BUDGET

Mr. Gerald Keddy (South Shore, CPC): Mr. Speaker, shockingly, only a few days ago the Prime Minister loaded the public accounts committee so key documentation needed to get to the bottom of ad scam was refused.

Yesterday his entire budget was based on the premise that the Prime Minister needs a mandate to clean up his own party. Better yet was the raspberry winning display of the finance minister. His feeble and pathetic attempt to blame ad scam on a previous government was classic Liberal.

The present Prime Minister was minister of finance when he cut the office of comptroller general. The next excuse will be the Prime Minister's dog ate the surplus.

Meanwhile, Canadians wait in line for health care and infrastructure commitments. Worse yet, this budget was a classic missed opportunity to help Canadian students. Instead of helping students, the Prime Minister funnelled millions to his Liberal cronies. That is the fact.

ORAL QUESTION PERIOD

[English]

THE BUDGET

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, yesterday's budget made an extraordinary claim that after a decade in power, the Prime Minister would better manage public funds. The problem is that he has promised this before. In one of his first budgets in 1995 he stated, "We will reform of government programs and procedures to eliminate waste and abuse". That was the same year the sponsorship scandal was conceived.

We heard the Prime Minister's claims before. Why should anyone in this country believe him now?

● (1420)

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the Prime Minister has made it clear for a long time now that he believes the office of the comptroller general should be re-established within the machinery of government. That office did exist prior to 1993. It was eliminated by the former Conservative government.

This government has determined that in an operation as large as the Government of Canada, the function of the comptroller general ought to be there, together with comptrollers in each government department and a strengthened internal audit, all in the public interest.

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, it is pretty bad when the Prime Minister will not stand up and take credit for his own record of financial management.

The Prime Minister promised that he would start cleaning up the government by getting to the bottom of the sponsorship scandal. He promised that no stone would be left unturned. Yet he is now blocking the release of documents legally pertinent to Alfonso Gagliano's testimony before the public accounts committee.

How can Canadians believe the Prime Minister's claims of cleaning up the government when he is hiding the truth from the committee?

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this matter was brought up yesterday. The government has confirmed that whatever information is requested by the committee, the government will provide.

The committee is master of its own destiny, as we well know, and the committee has decided to approve a number of recommendations. We will act on those. As soon as the information is collected and gathered, it will be made available, as we have in the past with cabinet documents.

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, I have another idea. If the Prime Minister is not interested in getting up out of his seat, I can come over and sit in it instead. We will have to change parties, of course.

Some hon. members: Oh, oh.

Oral Questions

The Speaker: Order, please. Perhaps instead of making helpful suggestions like that, the Leader of the Opposition could ask a question. It would perhaps speed things up in question period rather than create the disorder that these suggestions tend to do. The hon. Leader of the Opposition.

Mr. Stephen Harper: Mr. Speaker, what we did learn yesterday from the budget was that the government had been running a secret unity fund of \$40 million a year that did not appear in the prime minister's budgets. Apparently, it was kept hidden from Parliament.

How many other secret Liberal slush funds has the Prime Minister had out there?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, first, the hon. member would be welcome to come to this side. Most of his seat mates' former party members have come to this side of the House.

In terms of the unity fund, the hon. member ought to know about the fund. In fact it was set up in 1992 by former Prime Minister Brian Mulroney.

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, over nine years the Prime Minister put over \$300 million into the national unity reserve, supposedly without even knowing it. In denying knowledge of the fund, he is saying that he lost track of a third of \$1 billion.

Why would Canadians trust him to fix spending problems when, by his own admission, he was incompetent on the file?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, it is—

Some hon. members: Oh, oh.

● (1425)

The Speaker: Order. The hon. member for Medicine Hat has to be able to hear the answer. The President of the Treasury Board has the floor.

Hon. Reg Alcock: Mr. Speaker, I am not sure what they are afraid of.

It is interesting to hear that party complain about transparency and openness when we still do not know who has been financing the leadership campaigns of their leader.

When it comes now to the unity fund, all of the transactions have been reported. It has been funding things like Terry Fox, Canada Day. They have been reported through the departments and reported to public accounts. I am not sure what the concern is.

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, I guess the other possibility is that the Prime Minister knew about this fund all along and just did not want to admit it. After all, a number of Liberal MPs obviously knew about it because they were accessing this fund.

Which was it? Was the Prime Minister shifty or was he dopey?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, it was a fund that was identified in the departmental estimates. It was a fund that was distributed to departments to pay for

things like Terry Fox, like the Forum of Federations, worthy public events like Canada Day. This is not a big secret.

* * *

[*Translation*]

HEALTH

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, barely a week ago, the Prime Minister was telling us “never again”, yet he has quickly returned to old habits. His government has once again underestimated the extent of the federal surplus. As a result, the budget includes no new transfer payment for health care in Quebec.

Will the Prime Minister admit that, far from being over, the scandal of the concealed surplus funds, which he himself initiated, is still going on, at the expense of health care?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the leader of the Bloc Québécois must be aware of the commitment I made with the provincial premiers in January to hold an extraordinary meeting this summer with them, in order to discuss with the ministers of health and of finance the entire issue of health funding. It is precisely for this reason that the Minister of Finance has given us the financial leeway.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it would be hard to say there is no financial leeway, when nothing is earmarked for health. It is hard to give less than nothing. That is why the Quebec finance minister, Mr. Séguin, tells us the \$2 billion was from Jean Chrétien, not this government.

Why is the Prime Minister not putting health ahead of political gain at the expense of those in need of health care in Quebec? Why has he given nothing?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, there will be no more playing politics. We have invested \$500 million in public health, which will allow us to make improvements, including in Quebec. The \$2 billion figure has been confirmed. What we made absolutely clear in this responsible budget, for which I congratulate the Minister of Finance, is the presence of the financial leeway to allow us to work with the provinces on a plan for reform, with the financial resources to ensure the long term viability of our health care system.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, yesterday, the Quebec Minister of Finance said that this budget illustrates a different page of the museum of horrors on the fiscal imbalance. The person who made that comment is not a sovereignist: he is the Quebec Minister of Finance, a federalist and a Liberal.

How can the government continue to deny the existence of the fiscal imbalance when its negative impact on health and education is condemned not only by a federalist Liberal minister in Quebec, but by all the provinces?

Oral Questions

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, allow me to say that this wonderful surplus, the seventh one in seven consecutive budgets, is absolutely necessary and also benefits Quebec as well as all the other provinces. This surplus allows everyone to enjoy lower interest rates.

In the specific case of Quebec, I will say one thing. Mr. Séguin made five requests relating to equalization. My colleague, the Minister of Finance, reacted positively to each of these five requests concerning the equalization formula, which includes property taxes.

• (1430)

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, what the Minister of Health just said is false. Quebec finance minister Séguin condemned the equalization formula as proposed unilaterally by the government opposite. The federal government is acting irresponsibly. While Ottawa is accumulating surpluses—as we were just told—the provinces and Quebec are forced to get into debt, to borrow money to provide health and education services to the public.

Can the Liberal government understand that this fiscal imbalance means that the provinces have to borrow money and get into debt, while Ottawa is lining its pockets at the expense of public health?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, I can say that I am much prouder of our management of public finances than that of the PQ, which forced the Société générale de financement to get into debt, not to mention what it did to the Caisse de dépôt and Oxygène 9. These are friends of Raymond Bréard and of the people who are trying to lecture us in this House.

Mr. Séguin, Quebec's Minister of Finance, made five requests regarding the equalization program. He asked us to spread this year's shortfall over a five year period and we agreed to do that. For the first time in 15 years, we have been able to integrate the property tax equalization formula—

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

[*English*]

Hon. Bill Blaikie (Winnipeg—Transcona, NDP): Mr. Speaker, we in the NDP have always maintained that the real united right is the Liberal Party. It does not surprise us that the Leader of the Opposition is having fantasies about crossing the floor, or that the Prime Minister is welcoming him, because given the excessive conservative nature of the budget, this all makes sense.

I ask the Prime Minister, can he tell us why, given the surplus, there is no mention of the Romanow report in the budget? There is no long term health care funding improvement. There is nothing for home care. There is nothing for pharmacare. There is nothing for any of the things that Roy Romanow recommended. Could the Prime Minister tell us why he has chosen to do it this way?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, there are enormous numbers of pressures in health care that need to be dealt with. The Prime Minister has indicated he is working in a process with the premiers on sustainability that includes both extra financing and reform to the system.

I am very pleased to say that in terms of the way we are proceeding forward, we have today the endorsement of the Hon. Roy Romanow.

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

The Prime Minister has made a big deal about how Canadians need to get to the bottom of the sponsorship scandal before we have an election. Can he tell us why Canadians should be expected to go to the polls without the Prime Minister telling us what his long term intention is for the long term funding of health care in this country?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, as a result of the health care accord, we put in \$35 billion. As a result of the commitment made last year, we added \$2 billion. The total is \$37 billion over the next five years. It is escalating at the rate of 8% per year, which is faster than the growth in the economy overall.

We have indicated we want to work with the provinces on the issue of sustainability. Sustainability involves both money and reform. The two need to go together. The first ministers will meet this summer to deal with exactly that issue.

* * *

SPONSORSHIP PROGRAM

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, there are direct contradictions between the witness accounts over Alfonso Gagliano's time and tenure at public works: the number of times Mr. Gagliano met with Mr. Guité; their relationship; topics of discussion that took place at the meetings; who else was present; and all relevant and pertinent information that took place during that time to uncover the truth about ad scam.

Why did the Liberals veto a motion that would have allowed us to get the pertinent information that the Prime Minister promised? Is the real story that he knows the truth will lead to his door?

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, of the five motions passed by public accounts yesterday, three were from opposition members and the Liberal members supported them. The commitment from this government is steady. We will provide the pertinent information as requested by the committee, which is the master of its own destiny. We have been providing that information and we will continue to do so.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, the two motions that were voted down were from the opposition. Yesterday, the Prime Minister accused the chair of the public accounts committee of stalling tactics. The truth of the matter is, it is the Prime Minister and his members who are dragging their feet and running interference in the process. Further evidence of insincerity includes the fact that the Prime Minister's public inquiry is yet to begin, nor do we have any information about the independent counsel.

I ask the Prime Minister again, what is his fear factor? Will he unequivocally commit to getting to the bottom of ad scam before he calls an election?

• (1435)

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, we have a process in the House through the public accounts committee. We will respect the request for pertinent information from that committee, as we have in the past, and we will continue to do so.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, it makes my blood boil to watch these underhanded Liberals betray Canadians over and over. Just yesterday the parliamentary committee was blocked from looking at Alfonso Gagliano's records of meetings and phone calls that he had with respect to the sponsorship program.

The Prime Minister pledged to Canadians to leave no stone unturned to get to the bottom of this, to get the truth, but his real agenda seems to be to hide the truth. Why did the Prime Minister betray Canadians so badly?

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, yesterday the following motion was adopted, "That the committee request that a copy of the daily agendas of Guité, Quail and Gagliano between November 1993 and December 2003 be forwarded to the committee's counsel for his review". That will be done.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, the member knows very well exactly what the Liberal members did and how they blocked information coming out about the sponsorship program. Shame on him for trying to fool Canadians that way. Shame on him.

I guess the Liberals do not know how to keep a promise. They promised that they would get to the bottom of this, yet there is something in Gagliano's records that they do not want to get out.

My question is, who is the Prime Minister really trying to protect? Is it Alfonso Gagliano, or is it himself?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, normally a successful budget usually lasts for about two or three days of question periods. Having been there, I want to congratulate the Minister of Finance. His budget has not even lasted two questioners. There has been one question here.

Some hon. members: Oh, oh.

The Speaker: Order. We are wasting time again. Hon. members do not want to waste time in question period, even on a Wednesday.

The hon. member for Roberval has the floor now.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, as of yesterday, the Prime Minister thinks he has solved all his problems by asking the Minister of Finance to cut the secret unity fund administered by the Prime Minister himself.

Does the Prime Minister not realize that, since this fund is at the heart of the sponsorship scandal, he has an obligation to tell us why he put millions of dollars into it for nine years when he was finance

minister? Who signed to release money from the fund? Who made representations to take money out of the fund?

He has an obligation to answer these questions.

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, we will not mention the Conseil de la souveraineté and ties to Oxygène 9. Members opposite keep quiet about that kind of thing.

I can say that this fund has existed within the government since 1992. In fact, it was set up by the Conservative government of Brian Mulroney.

All government programs and commitments related to this fund went through regular government procedure. They were approved by the Treasury Board and are part of the public accounts, line by line.

There is nothing secretive about this, and the opposition knows it.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, despite efforts by the Minister of Health, I can say that there has never been a dirtier or uglier thing done by any other government in the history of Canada.

I call on all government members to tell us how they—these so-called kings of transparency—can justify that, at the request of the Prime Minister's Office, on the very day the Minister of Finance cut the secret unity fund, the Liberal members were blocking the disclosure of documents. If all the documents are public, then why do we not have access—

• (1440)

The Speaker: The hon. Minister of Health.

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, we appreciate the show the hon. member for Roberval is putting on for the cameras. Obviously, it bothers members opposite a great deal to be reminded of the Conseil de la souveraineté and all their ties to it.

I can tell the hon. members that all the projects approved under this fund are on the books and in the Public Accounts of Canada. They are part of the public accounts. They were included in regular programs of various departments and have been approved, in all transparency, under Treasury Board standards.

Still, it is painful for them to recall the bad memories for which they are responsible.

* * *

HEALTH

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ): Mr. Speaker, the Minister of Finance learns quickly. True to his predecessor's old habits, he is hiding the surplus at the beginning of the year so that he can surprise us with it later, in the fall.

Does the government not find it repugnant to hide surpluses when the needs for health care are so great, and to transfer nothing to Quebec and the provinces for them to invest in direct patient care? That is where the need is.

*Oral Questions**[English]*

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the government has established the practice of maintaining a contingency reserve and an extra amount of prudence for the very specific reason of making sure that we do not slip back into the red ink, into deficit once again, but can in emergency circumstances deal with the urgent problems of Canadians.

In this past year we proved the value of that. We had to deal with SARS. We had to deal with BSE. We had to deal with the hurricane. We had to deal with massive forest fires. We dealt with all of them and stayed solidly in the black.

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, part of the money the government earmarked for health will be used to establish pan-Canadian information technology structures that will make the system even more cumbersome, rather than streamlining it.

When will the government understand that the way to improve the health care system is not to inflate the bureaucracy but to put the money where it makes a difference, directly into patient care? Will the Minister of Health please rise?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, I thought that the opposition felt that I rose too often in this House. I am thrilled to rise and I never miss an opportunity to do so, especially when I have a chance to point out that we have made a new investment of \$100 million in the Health Infoway, a project in which the Quebec government is participating. It will provide us with a system of faster alerts for epidemics and diseases.

We have invested \$400 million in vaccination, creating a fund from which Quebec and the other provinces can draw to improve vaccination. For the long term, I count on the Prime Minister and the Minister of Finance to work—

The Speaker: The hon. member for Cumberland—Colchester.

* * *

*[English]***SPONSORSHIP PROGRAM**

Mr. Bill Casey (Cumberland—Colchester, CPC): Mr. Speaker, the Ukrainian festival in Manitoba received a sponsorship grant of \$30,000, approved by Public Works Canada. First the festival organization was told in writing by Public Works that Compass Communications in Halifax would get the commission. Then it was told to make the bill out to Media/IDA Vision in Montreal. Then it was told to send the bill through Compass in Halifax, and it would then be passed through Media/IDA Vision in Montreal, which would pay the government.

Does the minister have any idea at all why Public Works would tell a Manitoba organization to send this bill through one Liberal advertising agency in Nova Scotia and have it funnelled through another one in Montreal for an event in Manitoba to be paid for by Ottawa?

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, it is no surprise to anyone that there were problems with the sponsorship program. If the hon. member has evidence of a problem that should be brought to our attention or brought to the attention of any of the processes going forward, then he should do this, but allegations and reading from pieces of paper in the House do not help us get to the bottom of this. Members can either table them in the House, and we can answer, or put them before the processes that are set up to deal with them.

Mr. Bill Casey (Cumberland—Colchester, CPC): Mr. Speaker, the piece of paper I am reading from is signed by Pierre Tremblay, executive director of Public Works Canada. Mr. Tremblay said in the letter that the Government of Canada would pay the fees of Compass Communications but the letter from Compass said Media/IDA Vision in Montreal would send the final bill.

Did the government pay commissions to Media/IDA Vision in Montreal or did it pay commissions to Compass Communications in Halifax, or did it pay commissions to both of these Liberal advertising firms?

• (1445)

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I cannot help but notice, watching the member opposite, that sitting right behind him is the chair of the public accounts committee. I think what he should do is hand the papers over his shoulder and hear them at the public accounts committee, which is sitting to deal with this. That is exactly where it should be dealt with, or at the public inquiry.

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, across Canada, Liberal-friendly ad agencies have skimmed huge percentages from grants destined for community initiatives. Liberal ad agencies from as far away as Montreal and Halifax dipped into a Ukrainian community initiative in Manitoba.

Who allowed Liberal ad agencies to take money from the Ukrainians of Manitoba through an elaborate money laundering scheme?

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, some of the hon. members on the other side have been deriding process. We have processes set up so these questions can be answered. There are certainly problems with the sponsorship program. That is why we are getting to the bottom of it. If the hon. members want to assist in that process they can put the evidence—not allegations but evidence—before the processes that are set up to hear them.

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, money laundering is not acceptable process.

According to the Prime Minister, over the last 10 years the Liberal government he was a part of was engaged in cronyism and patronage. Now the Prime Minister engages in cover-up. Why is the Prime Minister hiding the fact that he ordered the Liberal majority on the public accounts committee to vote against releasing the very information that Canadians need to get to the bottom of this scandal?

Hon. Mauril Bélanger (Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the Prime Minister did no such thing.

*Oral Questions***HUMAN RIGHTS**

Hon. Elinor Caplan (Thornhill, Lib.): Mr. Speaker, my question today is for the Minister of Justice and Attorney General of Canada. Last week, Jewish homes, property, synagogues and schools were targeted and vandalized with anti-Semitic graffiti, and a Jewish cemetery was desecrated. These were anti-Semitic incidents of hate.

Could the hon. minister explain to my constituents, to members of all minority groups, and to Canadians who are concerned and angry, what steps have been or will be taken to ensure that these acts of hatred and racism are not and will not be tolerated by the government?

Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, these racist hate crimes where anti-Semitism has once again reared its ugly head constitute an assault on the inherent dignity of the human person, an assault on the equal dignity of all persons, an assault on the right of minorities to protection against group vilification, and an assault on our own multicultural democracy. Therefore, this government and I am sure all members of this House join me in unequivocally condemning these acts of racist hate.

We say to all Canadians, to all minorities, that we will not be silent. We will act through an action plan against racism, anti-Semitism—

The Speaker: The hon. member for Winnipeg North Centre.

* * *

THE BUDGET

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I would like to go back to the budget for a moment; I hate to come in the way of this love-in between the Liberals and Conservatives but let me ask a question of the finance minister. This budget ignored Kyoto, it ignored women and it ignored home care, all so the Liberals can aggressively pay down the debt because they have given up on the idea of investing in Canada and helping Canadians.

No family would pay down the mortgage faster when they have a sick grandmother, a kid going to school and the roof caving in, so why is this Liberal government listening to Bay Street and aggressively pursuing artificial debt targets instead of listening to Canadians?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, I might give the hon. member the same advice that I gave her leader yesterday. A basic course in economics 101 might be helpful here. On the debt, obviously if we are able to reduce it in a reasonable and sensible way, we hold down interest rates and we save billions of dollars a year in interest charges that we do not have to pay. That means we shift money into health, into education, into communities and into children, making this country stronger and better and improving our quality of life.

● (1450)

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I want to say that I do not think we need any veracity from a government whose veracity makes George Bush look like an expert on weapons of mass destruction.

If this was a hell or high water target it would cost as much as \$200 billion, but there are no hell or high water targets for cutting pollution or fixing health care or funding child care. No, those get rhetoric. Those get Liberal budgets that quadruple-count numbers. Is \$200 billion the upper limit of this silly goal? Yes, but the lower limit is \$30 billion—

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the hon. member is just plainly wrong. In fact, assuming we have an ordinary rate of growth and the ordinary application of the contingency reserve, we will indeed meet our debt targets within exactly 10 years without any \$200 billion bogus, phony story invented by the NDP simply to confuse and mislead Canadians.

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC): Mr. Speaker, the budget yesterday proved once again that the Prime Minister's supposed new deal for cities was really just a campaign gimmick. The Prime Minister promised time and time again during his campaign for the Liberal leadership that he was going to put gas taxes into roads.

Every year Canadians send \$7 billion in gas taxes to Ottawa and we are getting next to nothing at all back. What happened to the Prime Minister's promise of putting gas taxes into roads? Why did he fail to comply with his one campaign commitment?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, the Prime Minister said the first step would be rebating the GST. We have done that. That is \$100 million this year, \$580 million next year and \$605 million the year after that. That is \$7 billion over 10 years.

We then said we would accelerate infrastructure. We did that in the budget yesterday. Then we said we would sit down with the provinces and negotiate the rearrangements with respect to the fuel tax. We are ready to have that conversation whenever the premiers are prepared to come to the table, because we believe it is time for a new deal for cities and communities in this country, and I am glad—

The Speaker: The hon. member for Port Moody—Coquitlam—Port Coquitlam.

Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, CPC): This government is ripping off Canadians, ripping off provinces, and ripping off taxpayers. As for \$7 billion over 10 years, every single year the federal government takes in \$7 billion and it is bragging about spreading \$7 billion on projects over 10 years. It describes infrastructure as things like putting a canoe museum in the former prime minister's riding, hardly the idea of idea of infrastructure that gas taxes are supposed to be for.

My question is for the Prime Minister. Why did he fail on and betray his campaign promise to put gas taxes into roads? He failed to keep his word.

Oral Questions

●(1455)

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, apart from the histrionics of the hon. gentleman across the floor, I am glad to have the endorsement for our approach to municipalities from the Canadian Federation of Municipalities. They have called it major progress toward the goals that they wish to achieve.

This government will make sure they are listened to. This government will work in partnership with them and the provinces to deliver on that new deal for cities because it is the way of the future. It is important for this country to have that partnership even if the official opposition stands against it.

* * *

CORRECTIONAL SERVICE OF CANADA

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, over a month ago I implored the Minister of Public Safety to launch a full review into the Drumheller Institution in my riding. Despite a litany of incidents including murder, violent assaults and nine escapes that warranted such an investigation, the minister failed to respond to my request. In fact, she has not even acknowledged the letter.

Last night another inmate was murdered in the Drumheller Institution, a federal penitentiary. My question is for the Minister of Public Safety. Perhaps she could stand in this House and explain to this House and to the victims' families why our request again has been ignored.

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): In fact, Mr. Speaker, far from ignoring the hon. member's request, I am in receipt of his letter. We investigate each one of these incidents very seriously.

Let me say that what happened at the Drumheller Institution is indeed a tragedy, which is why the RCMP and the Correctional Service of Canada are investigating the incident. We will get to the bottom of what happened there.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, these tragedies are far too common in Drumheller and in all federal penitentiaries.

I made this request to the minister because we were genuinely concerned about the safety of the inmates and correctional officers. We were concerned that maximum risk offenders were being put in this medium minimum institution and wrongly classified. Yesterday's incident demonstrates that those concerns were obviously well-founded.

Will the minister of public safety now launch that investigation before she has another murder to investigate?

Hon. Anne McLellan (Deputy Prime Minister and Minister of Public Safety and Emergency Preparedness, Lib.): Mr. Speaker, no one in the House denies that what happened yesterday at the Drumheller Institution was a tragedy. As the hon. member is undoubtedly aware, there is a complex system that we go through in assessing risk factors in relation to how prisoners are classified in relation to whether they are medium security, maximum security, or whatever.

I agree with the hon. member that this was a tragedy. We need to get to the bottom of what happened, which is why the RCMP and Corrections Canada are investigating it.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, this government has made it a habit not to keep its promises. Before the 1997 and 2000 elections, the Liberal Party had promised the unemployed that it would remedy the situation of the raid on the employment insurance fund.

But what is there in the budget to compensate for the theft of \$45 million? Not one cent. After such a budget, can anyone say that this government cares about the unemployed?

While the shirtless, the Sans-chemise, are out on the street, the heartless are across from us in this House.

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, on the contrary, it is clear that, under this administration, the jobless rate has dropped. The unemployment rate in Quebec is currently 8.1%.

So, the government has created jobs. At the same time, the government is enabling Quebec and the regions to help other people who have lost their—

The Speaker: The hon. member for Rimouski—Neigette-et-la Mitis.

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, one has to be really heartless to let people in our regions suffer from a crisis for which they are not even responsible. The aid package proposed by the Bloc Québécois includes special measures for workers hit by the softwood lumber crisis.

How can the government explain to those suffering that it does not have any money for them after raiding the EI fund year after year, to the tune of \$45 billion?

●(1500)

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I say again, on the contrary.

The government has announced aid of almost \$246 million for workers, communities and companies affected by the softwood lumber crisis. This amount includes \$71 million to extend employment insurance benefits and \$110 million to create national adjustment funds, and there is an additional \$450 million to help all workers in the forestry sector.

* * *

[English]

VETERANS AFFAIRS

Mrs. Elsie Wayne (Saint John, CPC): Mr. Speaker, since taking office, the Prime Minister has promised to do more for Canada's military, but I guess actions speak louder than words.

When faced with the opportunity to help deserving veterans' widows with the VIP, the Prime Minister has turned a blind eye.

When will the Prime Minister follow-through on his promises and help these brave women and give them the VIP?

Hon. John McCallum (Minister of Veterans Affairs, Lib.): Mr. Speaker, a bit of history might be useful here.

In 1990 the Conservative government introduced legislation which cut off widows after one year after their husbands died. In the last session, this government improved that program so that now those widows have the program for the rest of their lifetime. We clearly made a substantial improvement over what had previously been done which benefited 10,000 widows.

My department is looking into other groups which might wish to have access to this program.

Mrs. Elsie Wayne (Saint John, CPC): Mr. Speaker, this government lost more than \$100 million in the sponsorship scandal, then \$160 million from DND, and has put over a billion dollars in that boondoggle useless gun registry.

Yet, at the same time, it says that it cannot afford to give much needed help to Canadian war widows whose hero husbands died before 1990.

I want to know and the Prime Minister should be telling us, why does his government always have the money for waste, but never the money for war widows.

Hon. John McCallum (Minister of Veterans Affairs, Lib.): Mr. Speaker, as I explained, the government took the Conservative legislation in 1990 and made substantial improvements which benefited 10,000 additional widows that were not previously eligible.

There are other groups in society who would benefit from that program. My department is looking in a more general fashion at this program as we speak.

* * *

REGIONAL ECONOMIC DEVELOPMENT

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, my question is for the Minister of State for Federal Economic Development Initiative for Northern Ontario.

Eastern Ontario needs more effective economic development. We were pleased to see our region mentioned in the budget with regard to a strengthening of the Community Futures Development Corporation.

Can the minister give us some idea of plans for strengthening the CFDC?

Hon. Joe Comuzzi (Minister of State (Federal Economic Development Initiative for Northern Ontario), Lib.): Mr. Speaker, I thank my colleague for his question.

Since assuming this portfolio, we were pleasantly surprised by the high degree of acceptance that all community futures programs had throughout Canada. In fact, rural Canada supports all community futures very much.

I might add that with the recommendations made yesterday by the Minister of Finance, finding innovative ways in which to bring

diversity to our economy in rural Canada will be added to enhance the community futures program.

* * *

HUMAN RESOURCES AND SKILLS DEVELOPMENT

Mr. John Duncan (Vancouver Island North, CPC): Mr. Speaker, the Liberal government has found a new way to destroy jobs in high unemployment areas of British Columbia.

In December 11 foreign workers under HRDC permits issued in Delhi and rubber stamped in Vancouver began to dismantle part of the pulp mill in Gold River. Bids by Canadian companies using Canadian workers were earlier rejected and told their price was too high.

Why is the government hiring foreign workers to undercut Canadian jobs?

● (1505)

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, I reject outright the allegation.

Under our system any employers that cannot fill a job with local employees and workers must submit an application for job validation to HRSD before they can submit for a minister's permit in order to bring these workers over. That situation is always temporary.

In other words, the moment that a Canadian worker can fulfill that position, then that job lapses.

* * *

POINTS OF ORDER

JEWISH COMMUNITY

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I rise on a point of order. I believe that you would find unanimous consent, based on discussions among the House leaders, to put the following motion which is supported by all parties. I move:

That this House condemn in the strongest possible terms the recent anti-Semitic attacks in Toronto on Jewish houses, synagogues and schools, and support the call in the 2002 OSCE Parliamentary Assembly Declaration on anti-Semitic violence for strengthening mechanisms to combat the scourge of anti-Semitism in Canada and globally.

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

Some hon. members: Agreed.

[Translation]

The Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Routine Proceedings

(Motion agreed to)

[English]

Right Hon. Joe Clark: Mr. Speaker, I rise on a point of order. I agreed to that motion because I agree very strongly with the sentiments it expressed.

However, I draw to the attention of the House and to the House leader of the New Democratic Party that it is not adequate to consult with House leaders of recognized parties to secure unanimous consent in the House of Commons. If there are to be consultations, I, and other members who are not affiliated with parties recognized in the House, expect to be consulted in the future.

ROUTINE PROCEEDINGS

[English]

CANADIAN HUMAN RIGHTS COMMISSION

The Speaker: I have the honour to lay upon the table the 2003 annual report of the Canadian Human Rights Commission.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Hon. Roger Gallaway (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 pleasure to table, in both official languages, the government's response to one petition.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have the honour to present the 12th report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness.

If the House gives its consent, I will be seeking concurrence in the 12th report later this day.

LIBRARY OF PARLIAMENT

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, I have the honour to present the first report of the Standing Joint Committee on the Library of Parliament. Pursuant to Standing Order 118(1) the report establishes the quorum of the committee.

If the House gives its consent, I will be seeking concurrence in the report later this day.

* * *

• (1510)

CANADA PENSION PLAN

Hon. Charles Caccia (Davenport, Lib.) moved for leave to introduce Bill C-495, an act to amend the Canada Pension Plan (arrears of benefits).

He said: Mr. Speaker, if this bill were adopted, as I hope it will, then a person who applies for a pension under the Canada pension plan after reaching the age of 70 years would, in most cases, be able to receive retroactive payments starting from their 70th birthday, rather than the current maximum of 12 months.

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

* * *

NATIONAL OVARIAN CANCER MONTH ACT

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC) moved for leave to introduce Bill C-496, an act to designate the month of September as National Ovarian Cancer Month.

She said: Mr. Speaker, I rise today on behalf of thousands of Canadian women who have or will find out they have ovarian cancer. The bill would designate September as national ovarian cancer month, similar to those in other countries.

Each year 2,600 women are diagnosed with cancer and one in seventy will get this cancer in their lifetime. The good news is that when detected early, and treated, the survival rate is as high as 90%.

We need to fund research, testing and awareness of this dreadful disease. I sincerely hope my colleagues will support this initiative.

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

* * *

HOLIDAYS ACT

Mr. Pat O'Brien (London—Fanshawe, Lib.) moved for leave to introduce Bill C-497, an act to amend the Holidays Act and to make consequential amendments to other acts.

He said: Mr. Speaker, the rationale behind the bill is that as a nation we go some 14 weeks between January 1 and Easter with no national holiday. During that time period there are a number of important events that we could single out to honour and also to have a long weekend to recharge our batteries as a people during the toughest time of winter.

After consulting with a number of people across the country, because the bill has had considerable interest, two particular days emerged as probable days, or leading contenders one might say, the first one being St. Patrick's Day, March 17.

The second possible and worthy day would be flag day. On February 15, 1965, Lester B. Pearson, The Liberal Prime Minister of Canada, through his courageous efforts, saw us have our new flag.

The bill calls on the government to establish a national holiday, a long weekend, and then to conduct appropriate consultations with Canadians in order to have such holiday in place for next winter.

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

* * *

WORKERS MOURNING DAY ACT

Hon. Wayne Easter (Malpeque, Lib.) moved, seconded by the member for Sackville—Musquodoboit Valley—Eastern Shore, for leave to introduce Bill C-498, an act to amend the Workers Mourning Day Act.

He said: Mr. Speaker, I rise to introduce a bill entitled an act to amend the Workers Mourning Day Act which will, every April 28, require that the Canadian flag be lowered to half-mast in honour of those who have lost their lives on the job.

I want to express my gratitude to the member for Sackville—Musquodoboit Valley—Eastern Shore for seconding the motion and the member for St. John's East and the member for Laurentides for agreeing to co-sponsor the bill.

The bill would give better recognition to those who lost their lives on the job and would bring more focus to such tragedies. Whether it be on a job site, at a workplace, on a farm or on a fishing boat, these men and women, whose lives have been cut short, deserve such a tribute from the nation they so served.

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

* * *

• (1515)

[Translation]

OFFICIAL LANGUAGES ACT

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.) moved that Bill S-4, an act to amend the Official Languages Act (promotion of English and French), be read the first time.

(Motion agreed to and bill read the first time)

* * *

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, if the House gives its consent, I move that the 12th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to)

LIBRARY OF PARLIAMENT

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, if the House gives its consent, I move that the first report of the Standing Joint Committee on the Library of Parliament, presented earlier this day, be concurred in.

(Motion agreed to)

* * *

PETITIONS

POST-SECONDARY EDUCATION

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am delighted to present a petition from college and university students who belong to the Canadian Alliance of Student Associations. This particular batch contains tens of thousands among many other tens of thousands of signatures from all across the country. They represent Quebec, Ontario and Alberta.

These students point out that there has been huge increases in tuition and student debt. They point out that a third of the students who drop out of school drop out for financial reasons.

Routine Proceedings

They call upon Parliament to enact legislation to create a new system of grants aimed at reducing financial barriers for individuals from low income homes, to expand the existing Canada student loan grant in order to lower the debt burden of full time students with financial need, and to negotiate with the provinces a dedicated transfer payment for post-secondary education.

I strongly support this petition.

The Speaker: The hon. member for Peterborough and chairman of the procedure and House affairs committee, the senior committee on procedure in the House, knows and would not want to set a bad example for hon. members in suggesting that he supports or opposes any petition in the House. I am sure he knows better and would not want to repeat that performance.

MARRIAGE

Mr. Darrel Stinson (Okanagan—Shuswap, CPC): Mr. Speaker, I am pleased to present a petition with over 200 signatures of my constituents of Okanagan—Shuswap who wish to draw to the attention of the House that marriage is the best foundation for families in the raising of children.

They also want to remind the House that it passed a motion in June 1999 that called for marriage to continue to be defined as the union of one man and one woman to the exclusion of all others.

Therefore my constituents call upon Parliament to pass legislation to recognize the institution of marriage in federal law as being the lifelong union of one man and one woman to the exclusion of all others.

POST-SECONDARY EDUCATION

Mr. John Herron (Fundy—Royal, PC): Mr. Speaker, I have the pleasure to present two petitions.

The first petition evolves from the Canadian Alliance of Student Associations where they highlight the financial challenges that students from coast to coast to coast have with respect to seeking higher learning. They call on the Government of Canada to ensure that there is improved core funding, recognizing that there still needs to be an envelope of student aid and a debt remediation aspect as well to improve access to post-secondary education.

They highlight that students from high income families are 2.5 times more likely to attend university or college than those from low income families. That is why we saw similar initiatives in yesterday's budget. It is my pleasure to present that petition on behalf of catholic schools, including my province, from UNB, UNBSJ and St. Thomas.

My second petition comes from Osgoode Hall Law School. It is my honour to rise in the House today to present a petition, duly certified by the clerk, on behalf of the students of Osgoode Hall Law School in Toronto, Ontario.

Routine Proceedings

The petitioners are calling upon Parliament to take immediate steps to lower tuition rates in Canada, to address the burden of existing high levels of student debt, to commit to ensuring access to affordable legal education as a necessary condition of a fair and equitable legal system in Canada, and to ensure that tuition rates at law schools, including Osgoode Hall, are frozen at existing levels and ultimately reduced.

• (1520)

[*Translation*]

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, I have the honour to present to the House a petition signed by hundreds of students from Nova Scotia. This petition, which is similar to the ones presented by the hon. members for Peterborough and Fundy—Royal, seeks to lower the debt burden of post-secondary students.

The petitioners are urging the federal and provincial governments to work together to establish programs that will help ensure that Canadian students from all backgrounds have access to our excellent post-secondary institutions.

[*English*]

LABELLING OF ALCOHOLIC BEVERAGES

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am pleased to table 10 petitions from hundreds of Canadians on the matter of ensuring we have warning labels on alcohol beverage containers indicating that drinking alcohol during pregnancy can cause birth defects.

The petitioners acknowledge the fact that this Parliament has already passed a bill to ensure that this happens and they call upon the government to enact those provisions as soon as possible.

MARRIAGE

Mr. John Reynolds (West Vancouver—Sunshine Coast, CPC): Mr. Speaker, I have a petition on behalf of British Columbians who are calling upon Parliament to renew the debate on the definition of marriage and to reaffirm its commitment, as it did in 1999, to take all necessary steps to maintain the definition of marriage as the union of one man and one woman.

[*Translation*]

POST-SECONDARY EDUCATION

Mr. Jeannot Castonguay (Madawaska—Restigouche, Lib.): Mr. Speaker, I am pleased to present to the House a petition signed by thousands of students from Canadian universities, particularly from New Brunswick, but also from British Columbia, Alberta and just about every Canadian province.

The petitioners are asking us to improve our student assistance program by reducing financial barriers to education. They are also asking us to work with the provinces to put in place targeted money transfers for post-secondary education, so that colleges and universities can maintain a post-secondary education system that is accessible to all those who wish to further their education.

If I were not in the House, I would be tempted to say that I support this initiative.

[*English*]

MARRIAGE

Mr. Gerald Keddy (South Shore, CPC): Mr. Speaker, I rise to present two petitions. The first petition is from citizens on the South Shore asking to reaffirm the right of Parliament to determine and preserve the definition of marriage.

CANADA POST

Mr. Gerald Keddy (South Shore, CPC): Mr. Speaker, the second petition is from the citizens of Tancook Island and surrounding area on the importance of maintaining a rural post office on Tancook Island. It is absolutely essential for Canadians who live in rural Canada to have the service of the post office. It is quite often the only federal building in that area.

MARRIAGE

Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition signed by 2,200 people from across Canada who call upon Parliament to take whatever action is required to maintain the current definition of marriage in law in perpetuity and to prevent any court from overturning or amending that definition.

Mr. John Cummins (Delta—South Richmond, CPC): Mr. Speaker, it is my honour to present a petition today where the petitioners call upon Parliament to defend the traditional definition of marriage as the bond between one man and one woman. They call upon Parliament to protect this union of one man and one woman to the exclusion of all others and to not permit it to be modified by a legislative act or by court of law.

The petitioners therefore ask Parliament to maintain the current definition of marriage.

POST-SECONDARY EDUCATION

Mr. Raymond Simard (Saint Boniface, Lib.): Mr. Speaker, it is a pleasure to rise before the House today and submit petitions with hundreds of names of Manitoba post-secondary students.

These students call upon Parliament to enact legislation to put in place very specific measures to alleviate the debt burden of full time students, to ensure Canada's colleges and universities have sufficient resources, and to guarantee a post-secondary education that is financially accessible to all qualified persons.

• (1525)

MARRIAGE

Mr. Pat O'Brien (London—Fanshawe, Lib.): Mr. Speaker, I am in receipt of some 25,000 names from citizens of London, Ontario and the area around London, Ontario. I present today the latest 1,500 such signatures that have properly gone through the process.

The petitioners call upon the Government of Canada to do everything within its power to maintain the definition of marriage that has served our country so well since Confederation, namely, that it be the union of one man and one woman to the exclusion of all others.

I am very pleased to present this petition today.

Mr. Philip Mayfield (Cariboo—Chilcotin, CPC): Mr. Speaker, I am pleased to present a petition on behalf of some of the residents of Lone Butte and 100 Mile House in my vast constituency of Cariboo—Chilcotin in central British Columbia.

These citizens call upon Parliament to remember that marriage is the best foundation for families and raising children; that the institution of marriage as being between a man and a woman is being challenged; that the House passed in June 1999 a motion calling for marriage to continue to be recognized as the union of one man and one woman to the exclusion of all others; and that marriage is the exclusive jurisdiction of Parliament.

They therefore call upon Parliament to pass legislation recognizing the institution of marriage in federal law as being a lifelong union between one man and one woman to the exclusion of all others.

TAXATION

Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP): Mr. Speaker, I have a petition signed by several hundred people.

It is about the Canada Customs and Revenue Agency. The petitioners state that it should be held to the same standards as any other instrument of justice by applying the principles of natural justice, the charter, and common law and that the citizens of Canada as taxpayers should enjoy all the protections provided by the law and that the tax courts in Canada recognize that taxpayers should be assumed innocent until proven guilty.

Therefore, the people have said in the petition that the government should introduce legislation to ensure that all Canadians have the same rights with respect to tax obligations as people accused of crimes, that is, to be presumed innocent until proven guilty, and that relevant legislation should be amended to this end.

The petition is signed by several hundred of my constituents and people from across the country.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 22 and 62.

[Text]

Question No. 22—**Mrs. Carol Skelton:**

With regard to the dredging of Wascana Lake in Regina: (a) what is the total financial contribution by the government to this project; (b) how much in total has been pledged by the government and its representative; (c) what is the total amount that has been transferred to date; and (d) from which department and agency budgets will this funding come?

Hon. Geoff Regan (Minister of Fisheries and Oceans, Lib.): The answer is as follows: With regard to (a) On October 3, 2003, the three levels of government—national, provincial, and municipal—announced an \$18 million project to deepen Wascana Lake. The Government of Canada has committed \$9 million to the project, the province has committed \$5 million and the City of Regina has committed \$4 million. The Wascana Centre Authority will be the beneficiary of the project.

Routine Proceedings

With regard to (b) A total of \$18 million was pledged by three levels of government. The Government of Canada's representative is Infrastructure Canada and the Government of Saskatchewan's representative is Saskatchewan Property Management Corporation.

With regard to (c) Infrastructure Canada is currently working on the transfer of funds arrangement. Technically, the arrangement is through a contribution agreement, not a transfer. This is likely to be accomplished through a bilateral agreement between Saskatchewan and Canada. In a bilateral agreement, Saskatchewan, represented by Saskatchewan Property Management Corporation, will be responsible for paying the bills, and then will invoice the other two partners.

With regard to (d) Infrastructure Canada, as the Government of Canada's representative, will provide up to \$9 million towards this project.

Question No. 62—**Mr. Gary Schellenberger:**

To date, how much has it cost to grow marijuana underground in the mine in Manitoba?

Hon. Pierre Pettigrew (Minister of Health, Lib.): In December 2000, Health Canada signed a five year contract with Prairie Plant Systems Inc. The total value of the contract was \$5,751,250.00. As of March 12, 2004, \$3,476,399.70, GST included, had been paid to Prairie Plant Systems Inc. to grow marijuana underground in the mine at Flin Flon, Manitoba.

* * *

[English]

QUESTIONS PASSED AS ORDER FOR RETURN

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No. 20 could be made an order for return, the return would be tabled immediately.

The Speaker: The question enumerated by the hon. parliamentary secretary has been answered. Is it agreed that Question No. 20 be made an order for return?

Some hon. members: Agreed.

[Text]

Question No. 20—**Mr. James Rajotte:**

Since 1995 and for each fiscal year since, with respect to Technology Partnerships Canada (and including the IRAP TPC program) and the Atlantic Innovation Fund: (a) how many loans have been made; (b) what is the dollar value of these loans; (c) how much has actually been repaid; (d) how much was supposed to have been repaid based on the original agreements; (e) how many loans have been made to each province; (f) what is the dollar value of the loans in each province; (g) have any recipients of loans under these agreements defaulted on payments, yes or no; (h) how much has been written off; (i) how many jobs were expected to be created in each province; (j) how many were actually created in each province; (k) who has signing authority for these projects; (l) what other federal departments or agencies consulted prior to signing an agreement; and (m) what is the role of these other agencies?

(Return tabled)

[English]

Hon. Roger Gallaway: Mr. Speaker, I ask that all remaining questions be allowed to stand.

The Speaker: Is that agreed?

Government Orders

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed, from March 23, consideration of the motion that this House approves in general the budgetary policy of the government.

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, I rise today to address the tenth budget of a tired, old and corrupt Liberal regime.

[*English*]

It is a Liberal regime mired in scandal. It is a Liberal regime wishing to shake itself of the past. It is a Liberal regime that cannot be trusted to manage our public funds.

There is little in this budget, but this budget tried to make one claim. It tried to make the claim that the government can be trusted to manage public funds, but what is the reality?

We have continued record spending levels, not even spending directed simply to the public good. We have a government that has been exposed as ripping off taxpayers in scandal after scandal. The government has been exposed as wasting dollars in program after program. This budget will change none of those things. Ottawa remains knee deep in cash, keeping its padded estimates, masking its hidden surpluses well into the future.

Only a few short years ago the Government of Canada had projected program spending of just a little over \$100 billion. Today this budget projects program spending well over \$150 billion. It is an increase of 50% in only a few short years.

There is no return of tax dollars to overtaxed Canadians and their families, no reduction in onerous tax levels. The pledge to do better with management in the future is an empty one. It is empty because the government and the Prime Minister have had 10 years to do better. He was the one writing the cheques for the sponsorship scandal. He was the one writing the cheques for the HRDC boondoggle. He was the one writing the cheques for the useless gun registry. His promises to clean up this mess are simply not credible. He had his chance and he missed his chance.

● (1530)

[*Translation*]

This government has had ten years to show us what a good financial manager it is. This very Prime Minister has had eight budgets with which to bring in improvements to the way public funds are being managed, but has done nothing.

In previous budget speeches, he kept telling us that he had public spending under control. Yet now, as Prime Minister, he is telling us he had no idea of what was going on in the sponsorship scandal.

[*English*]

This is the 10th budget of the tired, old Liberal government. The first eight budgets were delivered, as Canadians know, by the current Prime Minister himself. Before turning my attention to today's budget, I want to take a small detour through some of those earlier budgets.

In those earlier budgets, the Prime Minister was finance minister at the time and took full responsibility for the spending program of the government. The message in those budgets was clear: the finance minister was in control of taxpayers' dollars.

In his 1995 budget speech, the current Prime Minister said the following, and I am going to quote at length:

The government has just introduced a new and much tighter system to manage its spending.... For the first time, departments will have to prepare business plans for three years forward.... That transparency and that accountability will mark a major departure from the past.... Individual ministers are being asked to alter their funding approach accordingly. They will be held accountable for their decisions and those decisions will be reviewed annually.

Reviewed annually, one can only assume, by the Minister of Finance, or at least by Treasury Board, of which the Minister of Finance was the vice-chair.

The year 1995 was significant because that was the year the Liberal government nearly lost the country. That was also the year in which the Liberal government decided to create the sponsorship program. Let me repeat that. The year that the Liberals created the sponsorship program was also the year in which the current Prime Minister put in place "a new and much tighter system to manage its spending".

Most Canadians remember 1995 as the year in which the government cut billions of dollars from the health care system. Let me repeat and emphasize that as well. The year that the Liberals created the sponsorship program was also the year in which the current Prime Minister massively cut spending on health care.

The 1995 budget put forward four priorities. The very first priority was "the reform of government programs and procedures, to eliminate waste and abuse and ensure value" for the taxpayer's dollar. That promise was repeated in his 1996 budget speech:

If there is one area where we must never let up, it is the effort to root out waste and inefficiency.

In his 1998 budget speech he said, "The battle to root out waste and inefficiency can never end". Apparently it can never begin either.

Government Orders

Let me rephrase all of that. The year in which the Liberals created the sponsorship program was also the year in which the current Prime Minister first vowed to root out waste and abuse of taxpayers' dollars. Now this budget once again tries to establish the government as "prudent managers".

The government has made a number of recommendations to tighten spending. It wants to re-establish the office of the comptroller general. Canadians are rightly asking, does that mean there is not one now? The answer is no, there is not one, because the current Prime Minister permanently cut that office in his first budget as finance minister.

The government wants to appoint professionally accredited comptrollers. Canadians are rightly asking, does that mean they are not accredited now? The answer is no, because the Prime Minister never thought it necessary to establish them.

The government wants to bolster the audit function. It wants real time information systems and it wants "public disclosure of contracts". All Canadians should rightly ask, does that mean the government does not have any of these things today? The answer is no, it does not, because the Prime Minister never thought it necessary when he was finance minister.

Why should Canadians believe any of these promises when the Prime Minister had 10 years mainly as finance minister to make them happen?

The Prime Minister cannot have it both ways. He cannot claim on the one hand to have a tight rein on spending, and at the same time, not created the most elementary spending control mechanisms that these scandals have finally driven the government to recommend.

The Prime Minister cannot have it both ways. He cannot claim on the one hand to have reformed government programs, to have eliminated waste and abuse, and at the same time claim that he had absolutely no idea that \$100 million had been shovelled into the hands of his Liberal friends. That is exactly what the Prime Minister is saying today.

Let me quote from some of his more recent statements. On February 10 he said, "I had no idea what was going on here". On February 11, "I didn't know anything about it". On February 16, "Did I know that people were kiting cheques, that people were making payments that were inappropriate, did I know all of those things? The answer is absolutely not. I did not know that".

These claims to ignorance and innocence are no more believable coming from the Prime Minister than they are coming from Alfonso Gagliano.

● (1535)

[*Translation*]

The Prime Minister would like to think he represents change, but that is far from the truth. This Prime Minister had 10 years to keep his promises to create an independent ethics commissioner, to hold more free votes, to have a better infrastructure program to meet the needs of our municipalities, and so on. This Prime Minister has

missed his opportunity to do all this, and does not deserve a second chance.

[*English*]

Yesterday's budget continues the theme put forward by the Prime Minister in his speech in Quebec City last week. The Liberals want Canadians to believe that they represent change. "Trust me", says the Prime Minister, usually with some reference to hell or high water. I am going to say it is appropriate that the only theological references from the Liberals are to hell.

Why should Canadians trust the Liberal government? For 10 years the Liberal government has refused to create a genuinely independent ethics commissioner. For 10 years the Liberal government has failed to give its members free votes. For 10 years the Liberal government has failed to allow Parliament the review of appointments. For 10 years the Liberal government has failed to prudently spend Canada's tax dollars. For 10 years the government has failed to deliver municipal infrastructure programs that adequately meet the needs of our communities. For 10 years the government has failed to clean up contaminated sites, like the Sydney tar ponds. I could go on and on.

Those are just some of the promises made by the Liberals repeatedly, made in the first Liberal red book in 1993, made in that book written by the current Prime Minister himself.

Promises of change from the Prime Minister are no more believable today than they were 10 years ago. He had his chance. He missed his chance. That is why Canadians should not believe any of the promises made in the budget. Let me touch briefly on some of the items in the budget.

[*Translation*]

The budget tries to present the government as a good financial manager. But nothing is changed concerning the Firearms Registry. Government members will continue to fly about in new jets while the army puts up with its old helicopters. The government wants to talk about cleaning up government spending, to hide the amounts wasted in the past 10 years.

The budget makes some positive promises about health care and education, but they are hardly any more than old promises recycled from previous years.

The budget supports more federal interference in provincial jurisdictions, in particular with respect to municipalities. There is no money for the army, no end to the employment insurance scam and, above all, no tax relief for Canadians and their families.

● (1540)

[*English*]

The government has made promises to clean up spending if the Canadian people re-elect it. This promise is little more than empty rhetoric. There are no plans to scrap the gun registry. There are no plans to reduce corporate welfare. The government is still flying around in brand new jets while the military has to make do with dilapidated helicopters.

Government Orders

The Liberals want Canadians to believe they are good managers simply because they balanced the budget. They want Canadians to trust their fiscal management of money, even though they continue to pad the budget with future spending without any controls. The government has a dismal record of fiscal management, and no amount of balanced budgets will gloss over the sponsorship scandal, the gun registry, the HRDC boondoggle, and I could go on and on.

To repeat, it was the current Prime Minister who finished off the comptroller functions of government in 1994. In 1995 the Prime Minister promised a program review, yet he would have us believe that the sponsorship scandal somehow escaped his attention during that review.

The government is no more likely today to clean up spending than it was likely to eliminate the GST in 1993. This is just empty rhetoric to hide the lack of real action to eliminate waste. The EI rip-off will continue with this government. The overspending on the gun registry will continue, and the government creates a tremendous amount of room for the spending scandals of the future. Government spending is still rising at record rates. Spending this year will double the growth in our economy and our population, just as it has over the past several years.

Spending is rising as it has been, but outcomes are not changing. Our taxes are still too high. Our competitiveness is falling behind. Our waiting lines are not shrinking. Our students are still piling up debt. Our soldiers are dangerously under-equipped. The government continues to hide large surpluses and then blow them in end of year bonanzas, and the budget continues exactly this kind of practice.

There is a better way. That better way is to return some of these massive surpluses to Canadians and their families in the form of tax reductions. We should be putting more money in the pockets of hard-working taxpayers, not in the pockets of advertising firms.

What is the government's approach to tax relief? Nothing. Well, not quite nothing, there is one thing: soldiers, military personnel in danger zones can have tax relief. First, we will be interested to see how much money we have to spend to define a danger zone. We have inadequately equipped soldiers who are under fire, with their lives in danger, wearing the wrong coloured uniforms. They can have tax relief. What kind of message is the government sending? Only when their lives are in danger, or worse yet, only when the danger is complicated by their government, can they expect tax relief. By the time they get to that point, they are really not very worried about the taxes they are paying anyway.

The government is at least setting a debt to GDP ratio for reducing the debt. Interest costs are still a burden on our public finances and services and the debt must be reduced so that those interest costs can fall. Can those promises be believed? I would urge the government to copy other governments in Canada by putting a legislative debt reduction plan; to put its promise into legislation so that it can be held to it.

On health care, the government is repeating the promise to provide an additional \$2 billion for health care. It is also moving forward on the establishment of a Canadian public health agency. These are developments the Conservatives support. However, I have to ask why the public health agency is taking so long. It has been well over

a year since SARS hit Canada, yet the Liberals have yet to appoint a chief public health officer or to start to create the new agency.

The same can be said about the health accord signed with the provinces. While we continue to support the health accord, I am increasingly worried about the inability of the government to follow up on its commitments in that accord or to meet any of the timelines.

On the education front, the budget promises to expand the student loan program. It also promises to remove barriers to low income Canadians seeking to further their and their children's higher education. These are noble goals. I would point out, however, that this is not the first time that the government has promised to increase assistance to students, and its track record has been once again one of underachievement.

• (1545)

This is government has not met any of its education targets set out in the 1998 budget, the Prime Minister's so-called education budget. The millennium scholarship program has been a flop, according to the government's own review of the program. Most of the other programs announced in 1998 have failed to deliver half of the money promised.

On agriculture, the budget promises an aid package for farmers hit by BSE. This aid is long overdue and much needed in this industry, but Canada's case of BSE was detected 10 months ago and our beef industry has been suffering since. Shamefully, the announcement of aid for farmers was a staged campaign announcement instead of a genuine act of support and compassion for our ranchers and their families.

In the past we have seen many programs which looked good when announced, but which do not translate into meaningful monetary help to those who need it. I call upon the government to ensure that the money actually makes it to our ranchers and producers immediately, without delays and without political interference.

On infrastructure, the Prime Minister has spent the better part of the last two years talking a new deal for cities. Yet to date, he has delivered precious little. He wants to keep in place boondoggle programs like the federal infrastructure program. He has already waffled on using gas tax revenues for infrastructure spending, and he has failed to talk about issues beyond Canada's big cities. His failure to deliver on these issues simply confirms that this Prime Minister cannot be trusted to keep his promises.

On the environment, this government is going down the path of making grand announcements without focusing on providing real solutions to real problems. The Liberals say they want to restore Canada to a place of pride in the world. Yet for 10 years, Canada has seen a dramatic drop in its standard of living relative to other countries and a widening productivity gap compared to the United States, Ireland, the Netherlands and many other countries.

Government Orders

The Prime Minister reserved his deepest cuts for the men and women who so proudly serve Canada in the military. This budget restores absolutely none of that spending. This is a strange way to improve our standing in the world.

Then there are the black holes in the budget. There are those programs that are just waiting to be the next sponsorship scandal, the next HRDC or the next gun registry. I refer to \$250 million in new money for the Business Development Bank to dole out on corporate welfare. I refer to billions in politically directed infrastructure funds. I refer to \$90 million in a so-called northern economic development strategy. I speak of \$605 million in undetermined spending in the security contingency reserve.

This is but a partial list of budget items which the tired, old and corrupt Liberal Party put forward to demonstrate change. Only the new Conservative Party is going to represent change in this country.

[*Translation*]

If Canadians want things to change, and I believe they do, it will not be done through a bunch of recycled 10-year-old promises from the Prime Minister. Change will only come through a change in government.

Only a new Conservative government will change the way tax dollars are spent. Only a Conservative government will return integrity to the political process. Only a Conservative government will put money into the pockets of Canadians, rather than the pockets of ad agencies.

We will accomplish all this and more because we have not been compromised by scandals. We will accomplish all this and more because we were not involved in 10 years of mismanagement. We will accomplish all this and more because we do not have to prove to Canadians that we can manage their money. We will accomplish all this and more because we represent the hopes and wishes of the unheard majority of the citizens of this country.

•(1550)

[*English*]

If Canadians are looking for change, and I believe they are, they are not going to find it in a bunch of recycled 10 year old promises from this Liberal Prime Minister. They are only going to find it by changing the government.

Only a new Conservative government will change the way tax dollars are treated. Only a new Conservative government will return integrity to the political process. Only a new Conservative government will put dollars in the pockets of Canadians, rather than in the pockets of ad firms. Only a new Conservative government will transfer gas taxes to infrastructure projects in all corners of Canada. Only a new Conservative government will give rural communities and rural livelihoods the respect that they deserve. Only a new Conservative government will protect children and respect families. Only a new Conservative government will restore funding to our armed forces. Only a new Conservative government will eliminate, not just cut, the air tax. Only a new Conservative government will stop the EI rip-off.

We will do all these things and more because we are not encumbered by this scandal. We will do these things and more

because we are not weighed down by 10 years of mismanagement. We can do these things and more because we do not have to prove to Canadians that we can finally manage their money. We will do all these things and more because we represent the hopes and desires of the unheard majority of the citizens of this country.

We will also do these things and more because for the first time in a decade we can present a united Conservative choice to all Canadians. We will listen to those in Atlantic Canada who desire greater control over their own resources and their own destiny. We will respect those in Quebec and their own unique language and culture. We will hear the unheard majority of Ontarians who are demanding accountability and sound fiscal management of their tax dollars. We will welcome the west into the corridors of power.

New Conservatives represent real change for a better government for all Canadians.

This budget truly demonstrates the difference between the tired old Liberals and our new Conservative Party. The old Liberal Party is so focused on trying to restore its image as financial managers that it has absolutely nothing else to propose.

Our new Conservative Party is not encumbered by scandal. Our new Conservative Party has no obstacle to interfere with the vision of providing good, clean government for the benefit of all Canadians. It is a vision of cleaning up waste. It is a vision of reducing taxes for Canadians and their families. It is a vision of providing sustainable public services. It is a vision of continuing to clean up our water, clean up our air and clean up our land and to do so with a clean government. It is a vision that Canadians will be hearing much more about in the weeks and months to come.

I move:

That the motion be amended by substituting all the words after the word "that" with the following:

This House rejects the government's budget because it is an agenda for underachievement that fails to eliminate wasteful spending like the gun registry, corporate welfare and the \$160 million misappropriated at DND; and because, by perpetuating Liberal government favouritism through corrupt programs like ad scam, it is an affront to Canadians funding priorities that would address ever increasing hospital waiting lines, student debt, over burdened and under equipped soldiers, tax relief, and debt retirement.

•(1555)

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Madam Speaker, I am pleased to take part in the budget debate because, as the Bloc Quebecois leader said yesterday, this budget is truly scandalous.

Government Orders

It is scandalous because the federal government is once again playing its little game of fiscal hide and seek to hide the true state of public finances. We must condemn this game and this lack of transparency by this government. In this regard, this Liberal budget is the Prime Minister's tenth budget. Indeed, this budget is very much in line with what the Prime Minister did when he was finance minister, which is to hide from Canadians and Quebecers the true state of federal finances.

For the second time in a few months, we are the victims of the sponsorship scandal. The first time, all of us, parliamentarians, citizens and taxpayers, were the victims of a major misappropriation of funds. As we know, the Standing Committee on Public Accounts is currently looking into this issue. There will be an independent inquiry, but this will not prevent the Bloc Québécois from continuing to ask questions.

Now, we are the victims of the sponsorship scandal for a second time. Indeed, on the eve of an election, the Liberal government, the Liberal Party and the Prime Minister wanted, through this budget, to create an impression of integrity, prudence and rigour. However, this is not what we are getting with this budget. This budget is not about prudence, but about irresponsibility, considering the needs of the provinces, particularly Quebec. This budget is not about integrity either, because it plays with numbers. I will get back to this later on. This budget is definitely not about rigour, because it includes a series of intrusions in Quebec's jurisdictions, not to mention the fact that federal bureaucratic spending is maintained at its current level.

With this budget, the government is trying to buy votes. However, many observers have not been fooled by this attempt. The federal government would have us believe that it runs a very tight ship, that it does not have much leeway and, therefore, that it could not transfer to the provinces, and to Quebec in particular, any money for health. If we look at the numbers, we can clearly see the figure zero for 2004-05 and 2005-06.

Nor was there sufficient leeway to transfer money to education. There is absolutely nothing allocated under the new Canada Health and Social Transfer. However, about \$500 million was found to create a Canada public health agency. But when the frontlines face problems and epidemics, the provincial agencies—Quebec has the Agence de santé publique—are responsible for managing these crises.

Granted, a small committee or coordinating body could have been struck, but certainly not to the tune of \$500 million. We know how things work with the federal government. We are told it will cost \$500 million this year. But what will this new Canada public health agency really cost? We are talking about an agency, a new bureaucratic elephant created by the Liberal Party. No one can predict the end result.

The former justice minister, the hon. member for Outremont—I am not sure if he still represents that riding today—told us that the gun registry would only cost \$2 million. I repeat that we agree with the principle of the gun registry. First, this program has cost over \$1 billion. I hope that everyone in this House will agree on this. According to some observers, the cost will soon reach \$2 billion.

We have similar concerns about this new Canadian public health agency. Not only is it an intrusion into provincial jurisdictions, but it is also a dreaded bureaucratic elephant.

Consequently, instead of being about prudence, integrity and rigour, this budget is, as I said, about irresponsibility and manipulation, and it provides for numerous intrusions and high levels of bureaucratic expenditures.

I want to come back to the issue of the concealed surplus. I know that some people are sick of hearing about this. Unfortunately, just because a problem has been around for over ten years and people are sick of hearing about it, does not mean that not talking about it will make it disappear. We have a moral obligation to be truthful and to inform the public that the Liberal government is once again underestimating its surplus.

• (1600)

I will not go back over last year, when the government altered its estimates several times. Nevertheless, we have been told for some months that the surplus would scarcely reach \$2.3 billion. And what did we learn yesterday? That, from April 1, 2003 through January 2004, the surplus had already reached the \$5.4 billion level. The fiscal year was not yet over for another three months. Likely the figure will hit \$6 or \$7 billion, if not more. We reckon it will be around the \$7 billion mark.

So there we have the year end surplus. It was used to pay the so often promised \$2 billion to Quebec and the provinces for health care. Some of it also went in one-time assistance—and I emphasize its one-time nature, nothing recurring here—to farmers, particularly cattle farmers. Some of it went to create that bureaucratic monster, the Canadian public health agency, and a number of other initiatives. And still after all that there is \$1.9 billion left, which will be used to pay down the debt.

We are two weeks away from the end of the fiscal year. We know the Canadian economy is in good shape, that there is an upturn in the U.S., that Canadian exports are now picking up as well, that corporate profits are on the rise. So there is not, to my knowledge, much likelihood of any disaster in the next two weeks that would lead to any major reversal of the situation.

So, from that \$1.9 billion, without any jeopardy to the federal government's public finances, a certain amount could have been found for additional transfers to the provinces. But that is in the past.

Now for the future. For 2004-05, the Minister of Finance is talking of a surplus of \$4 billion, that is \$3 billion for his contingency reserve fund and \$1 billion for economic prudence. This is a joke. We will generate a surplus of \$5.4 billion for the current year, a figure on which every one agrees, despite SARS, the mad cow crisis, a major blackout in Ontario, the worst ever fires in British Columbia, and a marked strengthening of the Canadian dollar. All this despite the fact that we have generated three times the surplus announced by the federal government.

Government Orders

Now that we will no longer have to deal with SARS or the mad cow crisis, and probably no major blackout in Ontario—let us hope not for Ontarians—or any other disasters such as the ones that occurred in British Columbia, the government is announcing that although there will be increased growth and renewed exports to the U.S., the surplus next year will be less than this year's. What do they take the public for? They take them for fools, to say something so absurd.

We cannot accept this. The government's biggest hypocrisy is not giving the real picture on public finances. Without the real picture, the entire debate is flawed. It is truly anti-democratic and this has been going on for 10 years. It has become a farce. Journalists no longer believe these figures. The public does not believe them. This is certainly not the way to fix the democratic deficit the Prime Minister is so fond of talking about.

It is very clear that the federal government's leeway is much greater than what we were told yesterday. It is probably more in the order of \$9 billion. That is what we are predicting, \$9 billion for next year, and we are not alone. The members of the Conference Board of Canada are neither sovereignists nor overly progressive. They are people who are probably trying to do careful and honest work.

In a study dated February 2004, the Conference Board of Canada predicted a \$10 billion surplus for next year. We are not far off. Most reliable financial observers will say that \$4 billion is a big joke.

If the government had wanted to do some serious work, with integrity and prudence, it ought to have told the truth to Canadians and Quebecers. It ought to have told them that our surplus would be around \$8 or \$10 billion, for example, and that out of that \$8 or \$10 billion, a reserve would be set aside, perhaps not \$4 billion as the government has announced, but a reserve of perhaps \$2 to \$3 billion for contingencies. It is quite true that we do not know what might happen during the year. Then we would have a margin of around \$8 billion for investments in health, education, social housing and infrastructure.

That is not what they told us yesterday. Once again, they have disguised the truth.

• (1605)

Probably, later on, or perhaps very soon, during an election campaign, for example, someone will finally notice that growth is continuing, that interest rates are low, and that the Canadian dollar is doing well. They will say that they did not foresee that a few weeks ago, and now, with that money, they will fulfil their election promises, because they have a healthy surplus in the federal treasury. That is the operation now under way.

This government is trying to mask its true face but no one is fooled. We know very well that, with the room to manoeuvre that the government has, election promises will be made during the campaign and then, after the election, if this government should happen to be returned to power, it will use this room to keep a certain number of promises.

Or perhaps—probably in addition—they will do what they did after the 2000 election. They will promise to invest half the surplus in social programs and transfers to provinces and the other half in

lowering taxes and paying down the debt. Overall, about three-quarters of the money will go towards paying down the debt.

I want to remind the House that all the so-called unexpected surpluses of the past ten years, starting in 1997-98, went in large part to paying down the debt. We are talking about approximately \$45 billion to \$50 billion, money that should have gone to the provinces, including Quebec, for health and education to rectify the fiscal imbalance.

However, the federal government preferred to conceal the truth to avoid a public debate, continue to strangle the provinces, particularly Quebec, and impose its rules when it reinvests, as with the paltry \$2 billion promised once, twice and finally delivered to the provinces.

This is totally unacceptable, and we will continue to speak out against it. Nevertheless, we are not alone. In fact, Quebec currently has a government with which we do not necessarily see eye to eye. As the House knows, it is a Liberal and federalist government, but it still tries to defend the interests of Quebecers insofar as its vision for Quebec's development allows.

Yesterday, for example, as Quebec's Minister of Finance, Mr. Séguin stated the following in a press release—and I think it bears repeating:

Despite the urgent needs of the provinces, the budget contains no new money for health.

Only the federal Minister of Health believes—I said it yesterday, he is Canada's resident optimist—that there is new money.

At the very least, I expected that the \$2 billion announced over and over again for 2003-04 would be recurrent. Clearly this will not be the case, although the federal government's surplus, very conservatively estimated at \$4 billion, would have easily allowed this.

Quebec's Minister of Finance, a federalist and a Liberal, is the one saying this, not us. We are, in fact, saying it too but it is clear that, in Quebec—and I noticed this in the statements by the leaders of both the Parti Québécois and the Action démocratique—this vision is shared by all Quebecers. Only the federal Quebec Liberals fail to see reality for what it is.

I do not know if it is because they have been in power in Ottawa too long, are living in a bubble, can no longer see and are out of touch with reality, but they are the only ones who claim that there is no fiscal imbalance.

Quebec's finance minister points out that the federal contribution for health is currently 16%. The minister was referring to last year. Indeed, after the budget brought down yesterday by the Minister of Finance, the federal government contribution is no longer 16%, but 14.5%. While the Romanow Commission suggested a 25% investment by the federal government through health transfers, this year, to our surprise—I am not really surprised—or rather, to our disappointment, the investment is dropping from 16% to 14.5%. This is unacceptable when the Prime Minister of this government says that health is his priority.

Government Orders

Luckily health is his priority. If it were not, there would probably be disinvestments in health transfers right now. In fact, that is what we are experiencing and it is driving the provinces into debt.

As I mentioned, the federal government is raking in a surplus this year. I am using the Conference Board figures so that I will not be criticized for being subjective. I will try to use figures from a body whose objectivity is beyond reproach.

This year, as I mentioned, the Conference Board predicts that the federal government's surplus for 2004-05 will be \$10 billion. The surpluses and deficits for all the provinces combined results in an accumulated deficit of \$4 billion. This year, we are looking at a \$5 billion deficit for all the Canadian provinces, including Quebec.

• (1610)

So there will be a surplus of \$10 billion, and a deficit of \$4 billion. The next year, more or less the same situation is forecast by the Conference Board. For the year after that, that is 2006-07, they are talking of a federal surplus of \$9 billion and combined provincial deficit of \$7 billion, and so on. I will not take it 20 years on, as I could with the Conference Board study. I will stop at 2009-10, when, if there is no change, the provinces will have a combined deficit of \$10 billion, and the federal government a surplus of \$13 billion.

Where is the logic in the taxpayers' eyes for the federal government to conceal its surpluses, to pay off the debt rapidly by putting the provinces into debt, while the provinces not only have an obligation to deliver health and education services, but also have to pay a higher interest rate? Where is the logic for the taxpayers' debts to be paid off at the level charged the lowest interest rate, while debts are being run up elsewhere at a higher rate?

It is just like an individual deciding to pay off his mortgage as fast as possible. Mortgage rates, as we know, are usually the best interest rate a consumer can get. So, while paying off his mortgage as quickly as possible, the individual goes to a credit union or a bank to borrow for his children's education, at a 9% interest rate instead of 5%. If you were to do such a thing, Mr. Speaker, which I know you would not because you are an informed consumer, you would be truly irresponsible. That is exactly what the federal government is doing.

The federal government has decided to pay off its debt quickly. As the Minister of Finance and the Prime Minister have said, their objective is to achieve 25% of GDP within 10 years. But this will be done by saddling the provinces with debt, making the taxpayer pay heavier debt service fees, because the interest rate the provinces pay is higher than the federal rate. Nothing could be less financially logical.

Yesterday, our resident optimist, the Minister of Health, was walking around talking to journalists, saying that Quebec had made great gains through equalization. I can even say that he was quite convincing. His optimism is probably contagious because some of the journalists said it was true, that it appeared Quebec would benefit from equalization. When one reads the budget documents, it does indeed appear that the government listened to Quebec and the provinces, and that changes will be made that correspond to their demands.

Still, the fact of the matter is that, when one looks at the bottom line, the budget talks about \$1.5 billion more for the provinces over the next five years. Looking at this year's figures, it is \$175 million, of which \$70 million goes to Quebec. Over the last two years, the equalization formula has cost Quebec \$1.4 billion. That means that, even if Quebec received the entire additional amount the federal government plans to invest in the equalization formula, it would barely compensate for the loss we have suffered. They are laughing at us.

All that the equalization formula does is soften the losses that are already planned. I can provide the numbers. For this year, the equalization payment made to Quebec will be about \$3.802 billion. Next year, with the bonus being touted everywhere yesterday by the optimistic Minister of Health, the amount would decrease from \$3.802 billion to \$3.761 billion. The amount decreases. Certainly, the amount of the decrease is a bit smaller, \$40 million smaller than with the other formula, but it is a decrease nonetheless. Therefore, let no one come and present us with a new equalization formula that, contrary to what we were told yesterday, has not been negotiated with the provinces. It was imposed unilaterally as part of this budget.

Thus, equalization is not only far from meeting the demands of Quebec and the provinces, but also far from solving the problem. It is a band-aid on a cancer, and in that I am speaking very kindly.

Moreover, the Quebec finance minister is not fooled by this operation. I will read from his press release of yesterday. I remind the House that Mr. Séguin is a Liberal and a federalist, as are many MPs on the government side. This is from Mr. Séguin's press release:

With respect to the renewal of the equalization program, Mr. Séguin indicated that the federal budget did not provide satisfactory responses to the demands of Quebec and the provinces.

• (1615)

That is not what I heard the Minister of Health say on television. He seems to have been misinformed. Mr. Séguin said:

The proposed reform is inadequate. While the equalization payments to Quebec decreased by \$2.3 billion in 2003-04, federal reform will provide only a \$70 million gain for 2004-05.

This is in relation to a decrease that was already substantial.

The press release from Mr. Séguin's office also said the following:

The minister pointed out that the reform proposed by the federal government does not respond to the unanimous demand of the provinces to correct the program's standard and to ensure comprehensive revenue coverage.

I see that this budget does not say anything about transfers for health and education. Equalization is lacking, yet the government is trying to pass this off as a rigorous and respectful budget. As I mentioned, this is an utterly irresponsible budget in that it will cause the provinces to get into debt.

I ask the Chair to please inform me when I have one minute left, because I want to be able to move my amendment to the amendment.

There is another aspect that I would like to address, and that is the manipulation of figures. I will give two brief examples.

Government Orders

Social housing is mentioned, but nothing new is being provided. A short sentence was included, saying that the government will find a way to give Quebec the \$80 million it is entitled to, but that is not much of a guarantee. It will insist that it is new money, but that is not true.

With respect to infrastructure, \$1 billion over 10 years was announced last year, and now, we are being told it is over 5 years. It is still the same money. Furthermore, it has practically all been spent.

For all these reasons, we cannot support this budget.

I move:

That the amendment be amended by deleting all the words after the words "affront to" and substituting the following:

"the budget priorities of Quebecers and Canadians such as increased health care transfer payments, funding for social housing, assistance to softwood lumber workers and industries, improvements to the employment insurance program, and full retroactivity for the guaranteed income supplement."

[*English*]

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I listened to the hon. member's speech and I recorded words like: "It is scandalous. It is illogical. It is a joke. It is a farce". I stopped writing after that. It is hard to enter into a reasoned debate when pejorative language such as that is used.

Apparently, it is a joke for the Government of Canada to set aside contingency moneys in the order of \$4 million, whether they are contingency, reserves or prudence money. That is apparently a joke.

• (1620)

It was a bit of a joke this year when Canada was faced with quite a number of contingencies for which reserves are set aside, such as SARS, hurricanes out on the east coast, mad cow disease, and blackouts in Ontario.

These scandalous jokes cost Canada \$25 billion in terms of economic activity. That is lost economic activity which cannot be recouped. Not only did it affect the fiscal year 2003-04, it will affect fiscal year 2004-05. Apparently, it is just foolishness to set aside moneys such as this.

I point out that the tabling of the \$1.9 billion surplus for this year was severely curtailed because in the previous day the Government of Canada put aside \$1 billion for one of those very contingencies, namely, mad cow disease.

I fail to understand how the hon. member can think that this exercise in putting together a budget where we actually set up reserves, contingencies and prudence moneys is a joke, illogical or scandalous.

I fail to understand how the hon. member can say that this is an election budget. Canadians are well beyond the notion that we can induce them to vote for us with their own money.

It seems somewhat passingly strange that we are in the fifth year of a tax reduction program and the minister chose not to speak about that during his speech. This was a \$100 billion program, 75% to personal and 25% on the corporate side. We are in the tail end of that program and that was not even emphasized. Generally, if we want to secure votes, we would emphasize the tax cutting aspects of our

budget. Again, I fail to understand how this is scandalous, illogical or a joke.

The minister announced that this was the seventh balanced budget in a row, the first time since Confederation. We are the only nation of the G-7 countries that is in surplus.

Our net financial liabilities, in terms of GDP to debt, have gone from something in the order of 68% to 42%, which was the number that was booked yesterday. We are set on a path to go down to 25% over the next 10 years. I fail to understand how this is illogical or scandalous. This is arguably one of the best managed countries in the world, if not the best managed, in terms of its fiscal picture.

The hon. member goes on at great length about the so-called fiscal imbalance. The fiscal imbalance in 2002-03 is something for another question.

I put it to the hon. member, how can he argue that this is scandalous, illogical, a joke, or a farce, when we have had all of these things happen to us in this past year and yet, we still maintained a modest surplus after all of those contingencies?

• (1625)

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, I think the parliamentary secretary did not listen to everything because he would have understood that what is scandalous and a joke is not having a contingency reserve, it is making people believe that the surplus is only equivalent to this contingency fund.

For example, it is true, as I said, that the Canadian economy took some very hard blows this year. We can imagine how big the surplus would have been without the mad cow crisis, the blackout in Ontario and SARS.

Despite these events, the surplus is three times higher than forecast. Even just a few weeks ago, the Minister of Finance forecast \$2.3 billion. It is at least \$5.4 billion, and will probably be about \$7 billion.

The joke is trying to get us to believe that the federal government is having financial difficulties, that it is scraping the bottom of the barrel.

We must not forget that, over the past five years, bureaucratic expenditures, the federal government's operating expenses, have increased 40%, a more than 8% annual increase. That money too should have gone to health and education, instead of creating an even heavier federal bureaucracy, particularly in Ottawa.

Next year, the surplus will not be \$4 billion. Everyone is well aware that the economic situation will be better than last year. In fact, last year, despite the fact that there were a certain number of problems, the surplus was three times higher than forecast. Without those problems, the surplus would probably have been \$10 billion or \$12 billion. What is scandalous is hiding the true figures from Canadians in order to avoid a very important public debate.

Government Orders

It is also scandalous—I did not have the time to say this in my speech—is having used \$45 billion from the employment insurance fund at the expense of workers, by taking contributions from workers and employers to pay down the debt. That is not the purpose of the employment insurance fund. This fund must be used to provide financial security to workers who temporarily lose their job.

We must not forget that, to a great extent, the federal surpluses over the past seven years have come from the employment insurance fund. If the federal government, under the current Prime Minister and former finance minister, had not raided this fund, these surpluses would have been much higher.

I will close with a few figures. If the Liberal government only occasionally went wrong in its estimates, people could say, “Yes but there may have been a particular economic situation that year that caused the miscalculation”, but it is a regular occurrence. It goes on year after year.

Take 2000-01. The estimate by the finance minister of the day was \$4 billion; the reality was \$18.1 billion. That is what the surplus was. It went to the debt, yet the money came from the employment insurance fund.

In 2001-02, the estimate by the finance minister of the day was \$1.5 billion; the reality was \$8.9 billion. That too went to the debt, and again in large part came from the employment insurance fund.

In 2002-03—with a new finance minister—there was an estimate of \$3 billion; the surplus was \$7 billion. This year, the prediction was \$2.3 billion, and we are already at \$5.4 billion. So it goes on and on. The truth about the federal government's handling of public funds is being concealed. This is scandalous. The figures are farcical.

I realize, however, that there is a political will behind this, a plan to construct a unitary state focussed on Ottawa, to give this central government the means to strangle the provinces and impose its vision of how Canada needs to be developed and built. This is done particularly at the expense of the building of the Quebec nation and this is why Quebec sovereignty is so urgent.

The Speaker: The hon. member for Elk Island for a very brief comment, because there is only one minute left.

[English]

Mr. Ken Epp (Elk Island, CPC): Mr. Speaker, I will be very brief. I have noticed that the members from the Bloc, this member included, always speak of Canada as being Quebec and the provinces. I like to think that we are all one big happy family. I happen to come from a province where, as far as I know, in the last 40 years we have been payers into the equalization payments fund and we have not received a penny out of it. We are happy to do so. We are part of the family. I believe in that equalization formula.

I would like to ask the member whether he is not at least slightly grateful for the fact that he does qualify for equalization payments in Quebec to the degree that his province needs them, and he, like I, should rejoice in the fact that it does not need very much because it is already relatively prosperous.

•(1630)

[Translation]

Mr. Pierre Paquette: Mr. Speaker, first of all, the money that is transferred through the equalization program comes from all the taxpayers in Canada. It is not money that comes specifically from Alberta.

It is clear that, because of the way the program is designed, Alberta does not receive any money. We know that it is a province in a very special situation. Still, British Columbia, which previously did not receive anything, now gets some.

I am not happy to be receiving equalization payments. I think that if Quebec had been a sovereign country for some decades, we would have had the means, with our own taxes, to manage our own affairs and be a more prosperous society than we are today.

Still, the hon. member is correct. Quebec has caught up in an extraordinary way. Consequently, in a few years we will no longer need this equalization because we will be a sovereign state.

[English]

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am very pleased to be able to comment on yesterday's budget on behalf of the New Democratic Party.

I want to start by saying that by all accounts this was a lacklustre budget, a lacklustre budget presented by the finance minister renowned for his ability to smother the many flames and fires of controversy that have previously annoyed and now threatened to burn down the Liberal homestead.

The Liberals have taken every opportunity over the past several months to lower Canadians' expectations to zero and yesterday they delivered. After all, exposed in the storm of controversy around the sponsorship scandal, the government's intention was clearly to make no waves. As a result, a lot of the commentary around the budget has been a shrug.

Although disappointed, many Canadians have been so primed to expect nothing from this budget that they are more stunned than angry. Reaction from the corporate community has been muted, with a quiet nod of approval, I think we could say, at debt reduction. I think there has been only the occasional grumble about insufficient tax cuts. The head of one business lobby even called this budget “boring”. Imagine that.

All quiet on the budget front? It may have been quiet around Ottawa last night, but I have a feeling it was not so quiet in the corporate boardrooms around the country and in fact around the world. I would bet there was quite a racket as corporations hammered together Trojan horses, gifts of corporate assistance and partnerships to offer to Canadians to help us out of the health and infrastructure crises that the government has chosen to neglect in this budget. The din was deafening from the sharpening of corporate knives in readiness to come after public services like health, education and infrastructure.

Government Orders

This budget offered no solutions to the major problems confronting Canadians, serious and life-changing or even life-threatening problems such as a public health system still eroding away because of inaction on the Romanow report, or young people burdened by skyrocketing tuition fees and huge debt loads. Then let us not forget the deteriorating infrastructure, threatening not only individuals wanting basics like safe drinking water, but businesses as well, which rely on public roads and power. Then there is the lack of affordable housing, and of course, still and again, the appalling conditions faced by first nations and aboriginal Canadians.

This budget not only does not offer new solutions on its own, but it also fails to deliver on the Liberal government's own throne speech of just a few weeks ago. How is that for Liberal credibility? We can go back 10 years and talk about the broken promises from the red book. We can talk about the 1993 promise for a national child care program. As we know, that is the longest running broken political promise in the history of this country; it has been 11 years or more. I think even Brian Mulroney promised a national child care program. There is still nothing. There is nothing in this budget.

We can go back 10 years, but that would be sort of pointless, especially since we only have to go back a couple of weeks to the throne speech, that supposed trademark indicator for this so-called new Liberal government.

This play it safe Liberal budget gamble may divert attention from scandals and mismanagement, but it serves to actually focus attention on the bankruptcy of this government's agenda and leadership vision.

•(1635)

For many Canadians who had been holding on, waiting for help from their national government, their disappointment and despair is only heightened by the obvious lost opportunity.

The only plan in the budget? The only national vision in the budget? Pay down the debt. That is all, folks. That vision, if we can call it that, is clearly set out in the budget by the government formally setting the debt to GDP ratio target at 25% within 10 years.

The Liberal plan is the same as it has been all along: keep spending at rock bottom, underestimate surpluses, and then pour every cent that is left into debt reduction. Never mind what Canadians want and never mind putting it on the table and having a debate: lowball the surplus and when the money comes in sock it away against the debt.

Budgets are supposed to be about choices. They are a road map for the future. Spending money to speed up debt repayment instead of on social need is a clear indication of just how lacking in vision and leadership this new Liberal government really is. This decision to spend money to speed up debt repayment is the Liberal choice again this year. This is a choice that is made in full knowledge of all the facts on what Canadians are faced with and what their needs are.

Let me list them: hospital halls still filled with patients; an unemployment rate that has not dropped below 6% in 20 years; student debt averaging \$25,000; an estimated one-quarter of a million Canadians experiencing homelessness over the course of a year; aboriginal Canadians with a poverty rate above 50%; women

forced to live with violent spouses for lack of alternatives; and a child poverty rate that is still hovering around 20%.

Given all those facts, that reality, the Liberal choice was to spend money on paying down the debt faster. The Liberal choice was to spend a minimum of \$30 billion over 10 years on debt reduction to get to a target that would have happened anyway just one year later.

Human need is stagnating in a pool of Liberal inertia. Would Canadians make this choice? They certainly do not seem to favour this direction when asked in the polls. It certainly has not been my experience in talking to constituents. In fact it is like deciding to speed up one's mortgage payments when one's mother is sick, one's son needs tuition and one's roof is falling in. Nobody would make that choice.

But the Liberals just did, and it becomes even worse knowing that the debt to GDP ratio will fall on its own with a strong economy, and as I just said a moment ago, an economy that would be made even stronger by putting budget resources into these other urgent priorities.

New Democrats, like other Canadians, want to deal with the national debt. I do not want my colleagues across the way in the Liberal Party to assume otherwise and to pretend that we are not paying attention to the need to always be vigilant in terms of reducing the debt. But New Democrats want to do so in an appropriate and reasonable way, not as this Liberal government has chosen, not driven by a right wing corporate ideology.

•(1640)

Is this totally a budget to save the government's reputation? I do not think so. I think there is more to it than that.

The Prime Minister, on the day he took office, created a new cabinet position of parliamentary secretary for public-private partnerships, with the specific task of fostering and overseeing the development of public-private partnerships to privatize what have been public services. I do not know why the Liberals are so proud of that sell off of what is so valuable to Canadians.

Let us look at it this way. Given the Liberal's new found zeal for not wasting money, my colleagues are confident that they do not want this parliamentary secretary sitting idol. That is what we have today. We have given that person some work to do because this privatization budget will give that person lots to do.

Of course, we are all aware of the budget's opportunistic privatization of the government's remaining shares in Petro-Canada. However, that is privatization through the front door. That is finishing off what Brian Mulroney started to do. The Liberals are much better at privatizing through the back door. That is what this budget sets up because it is the classic pattern in the Conservative neo-Liberal strategy to starve public services to the crisis point and then welcome the corporate for profit sector in on the pretext of helping out.

Government Orders

The Conservatives tried it with public education in Ontario and with health care in Alberta. The public then ends up adding corporate profits to its costs, but the government does not show big short term investment spending and can keep corporate taxes lower.

Nowhere is this more evident than in health care. Short of a long overdue investment in public health, almost half of which is just a reallocation of Health Canada's resources, this budget does nothing to help stabilize, sustain or save public health care. There is not one new penny for new provincial transfers for health.

Just like the Liberals' throne speech before it, there is not a mention of the Romanow commission on health care. It is really quite incredible. Canadians have been telling the government for years that health care is the number one priority. Finally, after a lot of pushing, prodding and pulling, the government responded with the Romanow commission. Canadians spoke, they expressed their wishes to preserve medicare, a public not for profit health care system.

A year and a half after that report was completed the blueprint is still on the shelf. The system is still wallowing in disorganization because Romanow reforms have not been made. Privatization continues to erode every bit it can, and the provinces are outraged and threatening to privatize even more.

Thankfully, I come from a province where the government has no intention of falling to the lowest common denominator and following this obvious direction that the Liberals have set out, which is to privatize health care. In fact the NDP government in Manitoba, under Premier Gary Doer, has been a leader in the country in trying to convince the federal government to finally, once and for all, live up to a fundamental commitment of a basic 25% share of health care, so the provinces do not have to come begging for money, and we can ensure that patients get the services they need.

I want to quote from Gary Doer's comments to the press yesterday in response to the federal budget. As the news report said, he tore into the Prime Minister's first budget as Prime Minister, warning that the provinces would be unable to deliver the kind of health care Manitobans expect with the dollars Ottawa is offering. He said:

If this was spring training for the federal election on where people stand on health care, I think we as Canadians have struck out.

Premier Gary Doer has said it all. Canadians are the losers, when all is said and done, when it comes to this Liberal budget.

What has been the government's response. Nothing, not a cent. There is no strategic investment raising the federal contribution to 25% of total government spending; a \$2 billion one time payment that Liberals took credit for last year on budget day. They have now announced this five times, the same \$2 billion.

• (1645)

What the budget provided was just another quiet step along the path to the parliamentary secretary for public private partnership's door.

What a blow to Canadians. What a catastrophic failure of government responsibility. What does it matter that the numbers add up properly if the total still falls way short of what is needed? The

government's new accountability budget is small comfort to patients stuck in a hospital hallway.

The president of the Canadian Medical Association said yesterday of the budget, "This says again that Canadians will continue to wait for timely access to care and Canada's position vis-à-vis OECD countries continues to drop. We are now slowly eroding our medicare".

When asked about the absence of money to alleviate the doctor and nursing shortage, he said that Canadians had identified that Canada had a serious "shortage and doctors", something the Prime Minister said in the throne speech. Unfortunately, there has been no money to follow up on those words. Words are easy to give, but hard to deliver upon. It is if one is a Liberal.

However, if Canadians on the whole are upset about the government's abandonment of their treasured public health system, most of us can only imagine the disappointment and disillusionment in the aboriginal community. To quote the Liberal government from last month's Speech from the Throne, it said:

There is one aspect of Canadian society, one aspect of our history, that casts a shadow over all that we have achieved. The continuing gap in life conditions between aboriginal and other Canadians is intolerable. It offends our values and we cannot remain on our current path.

Those are noble words. They are absolutely accurate in terms of the reality with which we are faced. Noble words, though probably are all too familiar words to on and off reserve aboriginal communities. Although the budget extended existing programs, there is no sight of the significant investment needed to show any meaningful commitment to back up those words.

The Assembly of First Nations which spent two months working intensively with the government leading up to this budget called the lack of substantive resources disappointing. We could probably think of some other words, the AFN is being a little polite.

Chief Phil Fontaine stated that while the resources proposed were clearly needed, they were not enough. He said, "I am disappointed with the lack of action on urgent priorities like housing, health, economic development and education". The Speech from the Throne recognized the shameful conditions facing his people. He asked what more compelling reason did we need to take immediate action?

There are alternatives. We presented alternatives in the House on behalf of the New Democratic Party. I also want to reference the alternative federal budget, which presents an annual budget with the needs of Canadians as its priorities. It was able to do so using the government's own economic projections, and it did so to: allocate \$20 million over two years on jobs and youth strategies; \$500 million over three years on a strategy to improve aboriginal education; \$375 million over three years for aboriginal housing; and \$200 million over three years on the backlog of land claims cases.

Government Orders

The alternative budget presented just a couple of weeks ago was a balanced budget and it also included a much needed \$1 billion into building up the stock of affordable housing, plus an additional sum of money as part of an infrastructure financing program to fund infrastructure capital investment.

What does this government's budget offer in terms of housing dollars? Zero dollars to a problem that even the TD Bank has identified as one of Canada's most pressing public policy issues. One-quarter of Canadians say that they have trouble paying housing costs and that jumps to 40% for renters. An estimated one-quarter million Canadians will experience homelessness this year.

The Prime Minister, when finance minister, pulled the government out of social housing. He appears to pick up where he left off by squeezing public financing for housing completely dry. Why? Let us go back to the privatization budget again. Housing is one of the two primary examples that the parliamentary secretary for public-private partnerships gives as his new mandate.

• (1650)

Canadians are capable of achieving great national goals starting with a national railway to unite the country, a national old age security plan to enable seniors to survive and survive with dignity and our national public health care system to provide care based on need, not income, just to name a few.

Canadians have shown that they are ready to put our collective shoulders to new projects: a national childcare program; a national housing strategy; and social justice for aboriginal Canadians. However, we need a government with vision and commitment, a government to provide leadership. The budget clearly shows that the Liberal government, however honest it may eventually become, is not capable of that leadership. It has had 10 years to prove otherwise and has failed.

Some have said the budget is boring. I do not think it is boring at all. It may be dull, but it is also deceptive and dangerous.

The Speaker: Before we proceed with questions and comments, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Burnaby—Douglas, Natural Resources; the hon. member for Renfrew—Nipissing—Pembroke, National Defence.

Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I am starting to get a persecution complex from this hon. member. On Monday she tried to get me kicked off the finance committee. She told me it was a matter of principle, not personal. I am touched. Now she is a little upset with my special mandate with respect to public-private partnerships.

I want to address my comments and question to the hon. member about this public-private partnership mandate.

I think the hon. member has it basically backwards. The emphasis with the mandate is on partnerships. If we look anywhere close to the future of governments in the country as a whole, one would realize that this year the provincial governments collectively will run a deficit of about \$8.2 billion. The federal government's surplus is pretty modest. It is about \$1.9 billion. The municipal governments

are basically holding on. Their debt load is not all that significant. However, one can readily look into the future and realize that the fiscal planning horizon for all these governments is pretty modest indeed, especially as the Canadian population ages and the demands on infrastructure increase.

I am told that we have an infrastructure deficit of something in the order of about \$57 billion and we annually go behind something in the order of about \$2 billion. In addition, I think our highway infrastructure has about a \$17 billion deficit.

People who look into public finances realize that this has to be addressed, to wit the mandate about public-private partnerships.

I point out to the hon. member that we have basically put the universities of the country back in the research game in the last number of years. Our funding of university research will be in the order of about \$9 billion. Almost all of that research is multiplied by public-private partnerships, and that is frankly the only way to go. There will not be any surplus moneys, or very little surplus moneys, at any level of government for addressing the very real infrastructure needs of the country.

I would think the hon. member would actually rejoice with me that this money will be freed from pension plans and freed from even union movements to go into the public realm to address the crying needs of public infrastructure, for retrofits and things of that nature.

A few weeks ago I was approached by representatives of the union movement. They want to participate in the retrofitting of federal buildings to bring them up to environmental speed, and have their own pension money involved in these plans.

The hon. member seems to have emphasized this whole business of public-private partnerships. Is she fairly limited in her horizons that she thinks we can carry on government as usual? It is not just this level of government. It is municipal and provincial governments as well. Is she not in effect denying the people who she purports to represent the opportunity to participate in these partnerships so Canadians as a whole can actually benefit from these partnerships?

• (1655)

Ms. Judy Wasylcia-Leis: Mr. Speaker, I appreciate the question from the parliamentary secretary for finance. This is an important debate about private public partnerships, the P3s.

The kind of argument we have just heard from the parliamentary secretary responsible for privatization is exactly how the government has tried to hoodwink the Canadian public. It has tried to suggest that if we do not get it, we are limited, that our understanding is not very good because we do not get the fact that it wants to find a way, through the back door, to sell off important aspects of our sovereignty and nation state.

Government Orders

The government continues to try to pull the wool over the eyes of Canadians, but it is not going to happen because in fact we are not talking about no flexibility and lack of opportunity to make decisions. In last year's budget, the government put \$1.9 billion against the debt, and that is only based on third quarter reports. There is probably another \$3 or \$4 billion to come in when the fourth quarter reports are in, and the government will either slip it quietly against the debt or use it to fund election promises in the coming election. In total, the government has put \$80 billion in surplus dollars against the debt as opposed to investing it in infrastructure, child care, and health care. That is the first point. There is flexibility.

This is about choices and we think it is in the best interests of Canadians to invest in infrastructure and programs that are owned and operated by Canadians for Canadians. In fact, that is the way we can assure the most gain for the Canadian public and avoid the syphoning off of profits and the movement of resources into the private sector where big bucks can be made.

I want to quote from the Canadian Centre for Policy Alternatives. It took this on directly when it released its alternative budget just a short while ago. In a CP article on March 16, it states:

Private public partnerships, dubbed P3s, have been given much more prominence since [the Prime Minister] appointed a parliamentary secretary in charge of the issue last December. Critics have complained such deals, often involving millions of dollars, could be hard to audit and represent a giant step towards privatization of government.

"While P3s would take the debt off the government books, we would leave it there, right in the light of day," said Russell.

Improving accountability in the federal government is a major theme in this year's alternative federal budget, the 10th issued by the Ottawa-based think tank.

What it is saying is, have we not learned enough from the scandals before government? Have we not learned enough from the sponsorship fiasco? Why do we want to move more money off-book? Why do we want to move more money beyond the accountability of Parliament and the public? Why, when we have the resources and the wherewithal, would we not invest that money to benefit Canadians and, by implication, bring down the debt in the natural way in order to ensure that quality of life is a top priority for the government of the day?

I hope the parliamentary secretary understands how deeply we feel about this issue and how concerned Canadians are by this move to off-load responsibility outside of government, and in fact to give the private sector a huge advantage by being able to own and operate services once in the public domain.

• (1700)

If there was one way to encapsulate this budget, or one slogan that the Prime Minister could have used, it would be "bankers of the world unite". This is a great day for bankers; it is a great day for the private sector. They are going to get their hands on a lot of low cost money, and a lot of rich programs and resources if the government's plan is allowed to continue. That is what we must stop. That is why this debate is so important.

Ms. Sarmite Bulte (Parkdale—High Park, Lib.): Mr. Speaker, I am pleased to rise today to participate in the debate on budget 2004.

I would like to inform the chair that I will be sharing my time with my colleague, the member for Yukon.

I wish to begin by congratulating the government and the Minister of Finance on the government's seventh consecutive balanced budget. As noted by the finance minister yesterday in the House of Commons, the budget that was presented was a focused budget with two clear objectives.

First, to demonstrate unequivocally the principles of financial responsibility and integrity. Second, to begin to give tangible shape to the goals presented in the Speech from the Throne.

I would like to point out to Canadians that the finance minister specifically noted that with the latter objective, the budget was just the beginning to give shape to the goals presented in the Speech from the Throne.

We should not be too disappointed if all the goals presented in the Speech from the Throne were not presented in this budget. We must remember that the Speech from the Throne is a long term working document, one that is intended to be implemented over a number of years by a government. On the other hand, as members know, a budget deals with a one to two year time framework.

It is necessary to point this out in light of the bulletin that I received this morning from the Canadian Conference of the Arts which began its critique of the budget by noting the following "It's clear that culture is not on the new government's radar! Even though there was news to announce it was hidden deep within the budget plan".

I would like to remind Canadians that there were significant references to Canada's artists, cultural enterprises, arts and culture policies, cultural institutions, as well as the government's leadership in the creation of a new international instrument on cultural diversity in the Speech from the Throne which was delivered by Her Excellency, the Governor General, on February 2, 2004.

I would also like to point out to Canadians that budget 2004 is composed of much more than the budget speech which was presented by the Minister of Finance in the House of Commons. Whether or not an item appears in the budget speech does not mean that it does not form part and parcel of the budget plan. The budget plan is a thick book. The speech itself is only a few pages long.

I want to use my time to talk about the Canadian Television Fund. I was pleased to note that in the 2004 budget plan the government announced that it will restore its contribution to the Canadian Television Fund at \$100 million a year over two years. That is \$37.5 million more than what was forecasted for 2004-05, and an extension for 2005-06. In fact, with this new funding allocation, the resources of the fund will be \$264 million for the year 2004-05.

The fund is a key instrument to reaching growing audiences for Canadian programming. These increased financial resources for the fund confirm the government's continuing commitment to support the production of high quality Canadian television programming.

The industry's reaction to this announcement was positive. I would like to share its response with members:

Government Orders

Producers are very happy about the budget announcement. It's a real vote of confidence for the CTF. The additional dollars will help address the financing problems inherent in making Canadian-made TV.

This statement was made by Canadian Film and Television Production Association President and Chief Executive Officer Guy Mayson.

I should add that this morning I received an e-mail from two of my constituents, two women entrepreneurs I might add, Mary Young Leckie and her partner Heather Haldane, who have a company called Tapestry Pictures. They too applauded the government for the renewal of the fund. One of the great things about Tapestry Pictures is that it produced very famous Canadian programs such as *The Avro Arrow*, *Milgaard* and most recently *Shattered City*, which is a story about the Halifax explosion. These are true Canadian stories that would not have had a chance to be told if they had not been told by these two incredible women.

● (1705)

Since 1996 the government has contributed more than \$800 million to the Canadian Television Fund. This funding has been instrumental in bringing approximately \$5 billion worth of quality Canadian programming to the screen and to Canadians.

The fund has supported well known English programs such as: *Da Vinci's Inquest*; *Degrassi: The Next Generation*; *Franklin*; *Cold Squad*, and *Made In Canada*. It has also supported well known French programs such as *La Vie, la vie*; *Emma*; *Un gars, une fille*; *Le Monde de Charlotte*; and *Tabou*. It also supported *Trudeau* which was broadcast on both CBC and Radio-Canada.

I would like to take this opportunity to point out that in the report prepared by the Standing Committee on Canadian Heritage entitled "Our Cultural Sovereignty: The Second Century of Canadian Broadcasting" dated June 2003 and tabled in the House, the committee recommended increased and stable funding for a focused Canadian Television Fund. Recommendation 5.10 stated:

The Committee recommends that the Canadian Television Fund be recognized by the government as an essential component of the Canadian broadcasting system. This recognition must include increased and stable long-term funding. The CRTC should be directed to oblige licensees, with the exception of small cable operators, to contribute to the CTF.

I would also like to take this opportunity to encourage all of my colleagues to get a copy of this report of the standing committee and look at chapter 5 which deals with Canadian programming. I am proud to say that this study is being used in universities throughout Canada as a textbook for broadcasting studies.

During pre-budget consultations, I received numerous correspondences from my constituents who work in the film and television industry. They urged the government to top up the Canadian Television Fund in the upcoming budget by \$37.5 million, and to reinstate the government's commitment to the television sector by bringing the CTF to its traditional level of \$100 million.

I received letters from picture editors, screenwriters, film and television crew members, film and television directors, sound editors, filmmakers, and producers. I would submit that all of the players in the artistic community were behind the renewal of the fund at its higher level.

Constituent after constituent noted that the CTF is crucial to the survival of our domestic television industry and the tens of thousands of jobs that it supports.

I would like to share some of the great success factors of the fund since its inception in 1996. In 2002 the CTF contributed \$241 million toward the creation of 583 television and film productions. The 583 productions supported by the fund pumped \$802 million into the economy. About 2,822 new hours of Canadian programming were created. More incredibly, the CTF generated 16,000 direct and indirect jobs from production activities.

It is interesting to note that 80% of the CTFs total funding went to programs produced by small and medium sized enterprises, many of which are owned by women. On average, the CTF provides 30% of the financing needed to produce distinctively Canadian programming.

Most important, for every dollar the CTF contributes to the creation of a television production, \$2 more are invested by other funding sources, highlighting the fund's role as a major catalyst for the creation of Canadian television.

The importance of the fund has also been recognized by the Canadian Association of Broadcasters. Since 1996 things have changed. While the fund was originally set to expire after a few years, the success of it has been overwhelming. Things are also different than in 1996.

● (1710)

Today, in the year 2004, we have a 500 channel universe. Canadians now have more choice and the demand for Canadian programming has never been higher. The Canadian Association of Broadcasters has noted that if the government is committed to ensuring high quality Canadian programs, then it needs to provide a cohesive and complementary cultural policy framework that addresses program financing. The CTF is part of that framework.

I am delighted to be part of a government that continues to support the arts community and Canadian artists across Canada.

Mr. Darrel Stinson (Okanagan—Shuswap, CPC): Mr. Speaker, with regard to these programs that she talked so fondly about and which are doing so well, why do we not just sell them and make money so we can support something else? If those networks she talked about are doing so well, why have the private outfits not picked up the funding on these programs in order to keep them going?

Ms. Sarmite Bulte: Mr. Speaker, my colleague has raised an important question. When I said things have changed since the inception of the fund in 1996, it is because the demand for Canadian programming by international markets has actually shrunk. More and more countries are insisting on buying only indigenous work. Canadian productions are now being left out in the cold.

Government Orders

While other countries are trying to reinforce and require their producers to make more indigenous programming, we, in a sense, with a reduction in the fund in the 2003 budget by \$25 million, have actually done a tremendous disservice to our own industry. Where Canada has been a leader in so many things, we actually fell behind here because we let other countries increase their production while we have sort of ended up going backward.

The important thing to remember is that the CTF only provides 30% of the funding, when in fact it leverages this huge amount of money. For every dollar we get, another \$2 is put in by the private sector which, as the members opposite know, encourages and creates investment and creates jobs in all communities across Canada, not just big cities, because there are films everywhere.

In Saskatchewan there is great production in Canadian productions. As we become more successful we will continue to export it. However we must compete with the United States, which has a huge industry that comes across via satellite. Our productions are just as good. We just need to continue to make them even better.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I want to acknowledge my colleague's commitment to culture. Curiously, she is praising the budget for putting the money back into culture, even though at some point she said that we had to look deep into the budget to find it. When I was out in the lobby I was thinking we might have to put a finder's fee in there to find that great investment in culture.

The hon. member has spoken accurately in the sense that culture does create jobs; it does create economic activity that brings in tax dollars. How does she feel, knowing that for the last number of years the finance minister, now turned Prime Minister, made severe cuts to that program? Why should we be here cheering now that the Liberals have passed one of the cuts when there are still a whole lot more out there? Why should we be cheering this when we should be giving a good slap on the hand for having made the cuts in the first place?

• (1715)

Ms. Sarmite Bulte: Mr. Speaker, I think the hon. member is mistaken. In 2002 the government on this side of the House was responsible for the largest reinvestment in the arts in the last 40 years: \$550 million. It increased funding for the CBC, increasing acknowledgement of how important a role the CBC plays here.

If we talk about cuts that were made, let us not talk about cuts that were made 10 years ago. Those cuts were made in order to invest in the programs that we are investing in now because we dealt with the deficit. We started paying down the debt. All this talk about how we should take money that does not go into the debt and invest it in strategic infrastructure, we are doing all that.

However, by the very fact that we have been able to pay down a debt which, when I was first elected in 1997, cost us \$42 billion in interest, I can only think of how many programs we could fund if we were to bring that into line. We must continue to pay down the debt so we can continue to invest in the programs that are important to my colleague across the way and to those on this side of the House.

Hon. Larry Bagnell (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I first want to thank the Prime Minister and the finance minister for the tremendous job they have done for the north in this budget. It

puts the north on the map, which is very exciting. My counterparts from the other territories and the people in the north were excited when they talked to me about the budget. It is a landmark budget for the north. I will explain a number of provisions that provide to the north, which have made us so excited about this budget.

First, of course, is the \$90 million for northern economic development. My colleagues have talked a lot about regional funding. We know regional development funds were sometimes not available for the north but were available for other parts of the country, but now we have the funds for the north. We are tremendously excited.

We are in the process of transiting the north for ideas on the best federal investments in economic development. I can tell members that the people I talked to across the north so far have been very excited about the potential of this investment.

Furthermore, the northern territories are funded through transfer payments and very complicated formulas. They are in the process of renewing them now. In that process will be a \$150 million increase in transfer payments over five years, bringing the projected territorial transfer payments over the next five years to more than \$10 billion.

As we know, for a couple of years there was an increase of \$20 million in health because of the unique circumstances the north finds itself in health care and its unique needs. Now that has been permanently put into the next five years of this formula financing cycle. We are very excited about this increase in health care money for the north.

I now want to talk about northern gas and oil development. The Mackenzie Valley pipeline is on the verge of occurring. The Alaska Highway pipeline will be the biggest industrial project in history, with wonderful wealth creation, not only for the people in the territories but for all of Canada. This budget puts \$75 million in to help the process for the federal government to do its role in making these projects possible. This money is needed for the agencies, the environmental boards and the federal departments.

Last week, the minister and I were in the Mackenzie Valley as they are getting ready for this potentially great economic development project in the north. The environmental boards that have to go through this complex procedure need capacity. The local small communities will be impacted. Their infrastructure, their social programs, their health care system and their employees will all be impacted by such large projects. They need the capacity to deal with this. The federal departments in the region, which do not have the capacity to analyze and be involved in coordinating such large projects, need to be upgraded.

Government Orders

The \$75 million is needed so that the federal government will do its part to help industry and to help the local people in the north to take advantage of and develop the capacity to have the jobs in the north that this project, which everyone has been working so hard on, can create.

I was also delighted to see once again for the north the \$3.5 billion toward the cleaning up of federal contaminated sites. Sixty per cent of that will go to the north. This is a wonderful initiative by the federal government. This is the largest amount of money that has ever been provided by any government in Canada for an environmental program. The money will not only ameliorate the environment, clean up the environmental problems that have been left over the years in hundreds and hundreds of sites, but it will also be a great economic development generated in itself.

As northerners develop the skills to do this through mediation, to clean up these sites on our own territory, we can then sell those skills around the northern world which will have a lasting effect on economic development, as well as, of course, the usage of the sites that are cleaned up.

• (1720)

Another exciting item for the north is the \$51 million investment over 10 years for seabed mapping of the Arctic continental shelf. People have heard me speak a number of times in the House about the importance of northern sovereignty and of ensuring our sovereignty in this developing part of Canada, especially with global warming as the seas are opened up.

The mapping of the continental shelf, which is possible for us after we recently signed a convention on the law of the sea, will allow us to expand our boundaries beyond the normal 200 mile limit. Other Arctic nations have already done this mapping. Everyone can see that it is very expensive. This will allow us to extend our boundaries, our sovereignty and make sure that it is Canadian laws and Canadian environmental control over precious parts of the waterways around our Arctic islands. I think this is very exciting for all Canadians.

Another item that will have a great effect on the north is the rural infrastructure program where municipalities apply for projects. Past versions of this have been a tremendous success in the north. Virtually every municipality in the Yukon has had projects through this. As we know, this was announced before. In our jurisdiction the \$15 million will be a great influx into our economy as cabinet and the government took heed of the fact that it is a lot more than we would normally get per capita because of the very difficult conditions in the north. We appreciate the government's understanding of the difficulties of developing infrastructure in the north.

What this budget did was accelerate the distribution of that money from 10 years down to 5 years, which means our municipalities and communities can spend twice as much each year of that money in developing projects. Once again this provides for more economic development and environmental protection as green infrastructure projects are done in communities.

I also wanted to talk about some of the other things that will be helpful for the north, although I will not be able to get through all of them. I guess I will have to do it during the next budget debate.

Northerners are happy with a number of things in the budget which will help them in a lot of ways, but will also help all Canadians. One in particular is the assistance to the voluntary sector and moral support for the voluntary sector. This is a very important part of our society and I think some people underestimate the importance of it to the smooth running operation and cooperation in health and safety that millions of Canadians put in.

We will receive \$12 million over the next two years to continue with the government's initiative in that area. There are some very innovative ideas, such as looking at a bank for the voluntary sector, looking at non-profit organization legislation that would remove some of the red tape, and of course the change in the capital percentage so that a trust fund or endowment fund can be built. They will not have to spend as much each year on operations and it will make it easier for voluntary giving.

Also in my portfolio I am delighted about the amounts of money to help the great needs of the aboriginal people. I will not go into all of them as there would not be time. There is \$125 million for the aboriginal human resource development and this is just one of a number of things in the throne speech and the budget is reinforcing and providing the funding to do what is in the throne speech.

There is also \$495 million, as we saw in the main estimates, to help aboriginal people, which is about a 9% increase, and that will go toward land claims, water, program funding, education and to capital rust and northern air mail food, once again another program for the north where food is mailed to the very remote northern communities at lower cost.

I will finish by saying that the \$7 billion for communities and the new deal for municipalities has been very well received. In my riding it is a substantial amount of funds for the municipalities that they can use on environmentally sensitive infrastructure and other things that municipalities need to help their local communities. It is an exciting budget for the north and I thank the Prime Minister and the finance minister for so much commitment to the north.

• (1725)

Mr. Darrel Stinson (Okanagan—Shuswap, CPC): Mr. Speaker, I listened to the member's speech. With regard to the \$7 billion that the municipalities are looking forward to, I would like to comment on that. It is much less than what the Prime Minister promised the cities and municipalities with regard to the gas tax rebate. I know the money for the north is long overdue in many areas there.

Private Members' Business

How much confidence does the member have that this will actually happen, in light of the history of broken promises in the budgets of the previous Liberal government? The member could be in for a long wait and many winters before he sees many of these programs implemented there.

Hon. Larry Bagnell: Mr. Speaker, the history is that the GST rebate for municipalities started on February 1. The government has kept its promise already.

The Acting Speaker (Mr. Bélair): Is there unanimous consent to call it 5:30 p.m.?

Some hon. members: Agreed.

PRIVATE MEMBERS' BUSINESS

[English]

FISHERIES

The House resumed from March 10 consideration of the motion.

The Acting Speaker (Mr. Bélair): It being 5:30 p.m., the House will now proceed to the taking of the deferred recorded division on Motion No. 136 under private members' business.

Call in the members.

(The House divided on the motion, which was agreed to on the following division:)

• (1800)

[Translation]

(Division No. 36)

YEAS

Members

| | |
|--|----------------------------------|
| Anderson (Cypress Hills—Grasslands) | Asselin |
| Bachand (Saint-Jean) | Bailey |
| Bellemare | Benoit |
| Bergeron | Bigras |
| Blaikie | Borotsik |
| Bourgeois | Breitreuz |
| Bulte | Burton |
| Byrne | Caccia |
| Cadman | Calder |
| Casey | Casson |
| Chamberlain | Clark |
| Collenette | Comartin |
| Cullen | Cummins |
| Desjarlais | Desrochers |
| Doyle | Dromisky |
| Duceppe | Duncan |
| Easter | Elley |
| Epp | Farrah |
| Fitzpatrick | Folco |
| Forseth | Gagnon (Lac-Saint-Jean—Saguenay) |
| Gagnon (Québec) | Gallant |
| Gaudet | Gauthier |
| Godin | Goldring |
| Grewal | Grey |
| Guay | Guimond |
| Harper | Hearn |
| Herron | Jaffer |
| Johnston | Karetak-Lindell |
| Keddy (South Shore) | Kenney (Calgary Southeast) |
| Laframboise | Laliberte |
| Lalonde | Leung |
| Longfield | Loubier |
| Lunn (Saanich—Gulf Islands) | Lunny (Nanaimo—Alberni) |
| MacKay (Pictou—Antigonish—Guysborough) | Mahoney |

| | |
|------------------------------------|----------------------------|
| Maloney | Marceau |
| Masse | Matthews |
| Mayfield | McNally |
| McTeague | Ménard |
| Merrifield | Mills (Red Deer) |
| Moore | Myers |
| Nystrom | O'Brien (London—Fanshawe) |
| O'Brien (Labrador) | Obhrai |
| Pallister | Paquette |
| Penson | Perron |
| Phinney | Plamondon |
| Proctor | Provenzano |
| Rajotte | Reid (Lanark—Carleton) |
| Reynolds | Ritz |
| Rocheleau | Roy |
| Sauvageau | Schellenberger |
| Shepherd | Skelton |
| Solberg | Sorenson |
| St-Hilaire | St. Denis |
| Steckle | Stinson |
| Stoffer | Strahl |
| Szabo | Thompson (Wild Rose) |
| Thompson (New Brunswick Southwest) | Toews |
| Tremblay | Ur |
| Wappel | Wasylycia-Leis |
| Wayne | White (Langley—Abbotsford) |
| White (North Vancouver) | Williams |
| Wood | Yelich — 124 |

NAYS

Members

| | |
|------------------------------|--------------------------|
| Adams | Alcock |
| Anderson (Victoria) | Assadourian |
| Augustine | Bagnell |
| Bakopanos | Barnes (London West) |
| Barrette | Beaumier |
| Bélanger | Bennett |
| Bevilacqua | Binet |
| Blondin-Andrew | Bonin |
| Boudria | Brisson |
| Brown | Carroll |
| Castonguay | Catterall |
| Coderre | Comuzzi |
| Cotler | Cuzner |
| DeVillers | Dion |
| Discepola | Drouin |
| Duplain | Eyking |
| Fontana | Frulla |
| Fry | Galloway |
| Godfrey | Goodale |
| Graham | Guarnieri |
| Harvey | Hubbard |
| Jackson | Jobin |
| Jordan | Keys |
| Kilgour (Edmonton Southeast) | Kraft Sloan |
| Lancôt | Lastewka |
| LeBlanc | Lee |
| Lincoln | Macklin |
| Malhi | Manley |
| Marci | McCallum |
| McGuire | McKay (Scarborough East) |
| Mitchell | Murphy |
| Neville | O'Reilly |
| Owen | Pacetti |
| Pagtakhan | Paradis |
| Parrish | Patry |
| Peric | Peschisolido |
| Peterson | Pettigrew |
| Pickard (Chatham—Kent Essex) | Pritt |
| Proulx | Redman |
| Reed (Halton) | Regan |
| Robillard | Saada |
| Savoy | Scherrer |
| Sgro | Simard |
| St-Jacques | Telegdi |
| Thibault (West Nova) | Tonks |
| Torsney | Valeri |
| Vanclief | Volpe |
| Whelan — 95 | |

Private Members' Business

PAIRED

Members

Bradshaw
Crête
Gagnon (Champlain)
Knutson
Scott
Stewart

Cardin
Gagnon (Québec)
Grose
Picard (Drummond)
Speller
Tremblay— 12

Mrs. Marlene Jennings: Mr. Speaker, I was not paying attention when the vote was taken. I would like to be recorded as voting in favour of the motion.

The Acting Speaker (Mr. Bélair): I would like to have the attention of the hon. member for Notre-Dame-de-Grâce—Lachine. That would require unanimous consent.

Does the House give its consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Bélair): There is no consent.
[English]

Colleagues, let me just clarify the situation here. When the hon. member for Burlington stood up she was opposing the motion and therefore her vote was accepted as such. However, when the hon. member for Notre-Dame-de-Grâce—Lachine rose on a point of order, she wanted to vote for the motion but it was too late. She asked for unanimous consent, which she did not get. I declare the motion carried.

* * *

● (1805)

CRIMINAL CODE

Mr. Leon Benoit (Lakeland, CPC) moved that Bill C-452, an act to amend the Criminal Code (proceedings under section 258), be read the second time and referred to a committee.

He said: Mr. Speaker, it is an honour for me to rise today to speak on my private member's bill, Bill C-452. I look forward to discussing the contents of my bill in the House today and as it moves through the House in the future. I think this bill is a true example of a non-partisan bill and I believe that it will be supported. I am looking forward to that.

Today I would like to explain to the House why I have decided to put this particular bill forward. I intend to outline the contents of my bill, both in specific and general terms, and then provide members with some information which will help them in their decision to support this proposed legislation.

First, my intent with regard to Bill C-452 is simple. I want to keep drunk drivers off our roads. I want to help stop the death and destruction caused by impaired driving. And I want to make sure that when people do make the decision to drive while drunk, they no longer will be protected by the current loopholes in the Criminal Code. I want to briefly outline how Bill C-452 will prevent impaired drivers from getting off on technicalities.

This bill would give the courts the ability to use sample test results as proof of the accused's blood alcohol content at the time of the

alleged offences. If the accused were to dispute those results, this bill would then place the evidential burden on the accused to establish factors that affect the reliability of those results based on the balance of probabilities. Bill C-452 will increase the time allowed for the taking of breath or blood samples from an accused to three hours from the current two, and I will explain why that is necessary.

The legislation states that it is illegal to operate a motor vehicle with a blood alcohol content of more than .08. We all know that. That is currently in the Criminal Code. In order to ensure that this law is enforced effectively, Parliament enacted two statutory presumptions. The first, the presumption of accuracy, is that the breath or blood tests accurately reflect the driver's BAC at the time of testing, that is, the blood alcohol concentration. The second, the presumption of identity, is that the driver's blood alcohol level at the time of testing is evidence of his or her BAC at the time of driving, provided the samples were taken within two hours of the alleged offence.

While Parliament extended the time limit for police to demand breath samples from suspects to three hours in 1999, we failed to make a corresponding change to the presumption of identity. This means that the Crown has to call a toxicological expert to testify in each case that samples are taken more than two hours after the alleged offence. This is time consuming and expensive, and often, sadly, prosecutors will simply choose to drop the charges rather than spend the time and money that would be required to make this case in court.

The timeframe for the presumption of identity, as it is called, should be extended to three hours. My bill would do that.

Once again, I want to be clear about the intention of my bill. The issue of drunk driving and the pain and destruction it causes has been a concern for me for some time. I want to make Canada's roads safer for all of us, for our families and for our loved ones. Last year, and this is what really prompted me to bring this bill forth, I met with representatives from Mothers Against Drunk Driving, or MADD Canada. They reminded me that drunk driving is still the number one criminal cause of death in Canada. I want to emphasize that fact. Drunk driving is still the number one criminal cause of death in Canada.

On average, we lose four Canadians every day and another 200 are injured due to drunk driving. Those numbers represent hundreds of families who are left to deal with the grief and trauma of having their loved ones killed or hurt by drunk drivers. As legislators, we owe it to those Canadians to help reduce this devastation if at all possible, and MADD Canada told me that it is possible. It has outlined several areas where our laws are lacking.

● (1810)

When I met with its national president, Louise Knox, she told me that one major problem stemmed from the fact that the courts have interpreted the Criminal Code in such a manner that breath or blood tests are often thrown out, based solely on the accused's own testimony, which contradicts the science-based test results. Without the test results being accepted as accurate, the charges are usually dropped and the accused is acquitted. What kind of a system is this when the accused's testimony overrides the scientifically based test procedures? It is simply crazy.

Private Members' Business

I want to tell the House about the two main defences being used by those accused of drunk driving to avoid being punished. They are defences that are successfully used in many cases. These loopholes are the exact ones that my private member's bill, if passed, will close.

The first is called the "Carter" defence, whereby the accused testifies that he or she had only a small amount to drink prior to the offence. The defence calls a toxicologist to confirm that the accused's blood content would definitely have been below the .08 level if such a small amount were consumed.

If the court accepts the accused's evidence, the test results are completely disregarded even if they were administered properly, even if they were consistent with the reading on the roadside screening device, and even if they are supported by the officer's evidence that the accused showed signs of intoxication. It is incredible.

I want to put this defence into perspective so that what I am saying is crystal clear. Let us say that someone gets picked up due to erratic driving or after they have had an accident. The police suspect impaired driving and do an initial roadside test. It tests positive for BAC above the legal limit. The individual is then taken down to the local police station for the next test. The result is again positive. The police have done their job, right?

Now the individual arrives in court. The accused's defence is that he or she drank so little that the test simply must have been wrong. It is only the word of the accused that he or she drank so little that the tests have to be wrong. The way the Criminal Code is currently written, it allows judges to throw out the test results, which are scientifically based and which have proven to be very accurate in hundreds and hundreds of tests. If a person gets the right lawyer and the right judge, he or she is let off the hook for a very serious crime that has often led to death. More accurately for the public, if they get the wrong lawyer and the wrong judge, they are often let off the hook due to technicalities alone.

My bill would close that loophole. Those accused of impaired driving would have to prove on the balance of probabilities that the tests were wrong.

The second defence that is commonly used is the "last drink" defence. In this case, those who are accused testify that they consumed a large amount of alcohol immediately before driving but they say the alcohol could not possibly have been absorbed into the bloodstream when they were stopped by the police.

These accused argue that their blood alcohol content was below the legal limit when they were driving and only rose above the limit in that interval between the time they were caught driving and when the testing was done. Again, the breath results are rejected and the accused are acquitted, strictly on their word that they had taken a large amount to drink just before driving so therefore their alcohol content simply could not have been high enough at the time of driving.

These technicalities are simply not acceptable. They are not an acceptable way for people to get off the hook when they are in fact guilty of drunk driving. What I propose to do is help prevent some of the four deaths that occur every day and the 200 injuries that occur every day from people getting off the hook due to technicalities. If it

did happen that someone drank too much booze and then drove but was not technically over the limit when driving, is it unreasonable to change the law to send a clear message, "Too bad, simply do not drink that amount and drive?"

● (1815)

People simply should not drink an amount which could bring their alcohol content level above that which would make them impaired when they drove. Or better yet, people simply should not drink and drive.

What has been the result of these two loopholes being allowed to remain? Despite an estimated 12.5 million impaired driving trips every year in Canada, the majority of offenders are not even stopped by police. We can understand why. The police cannot be everywhere; we understand that. However, even when people are stopped, officers often do not press charges. Police do not believe that their work and effort will result in convictions because the laws are simply not strong enough and most important, because those loopholes are there.

In other countries these things simply are not allowed to happen. For example, the impaired driving legislation in the United Kingdom takes into account in all cases the assumption that the accused's blood alcohol content at the time of driving was not less than that indicated in the blood test. The only exception arises when the accused proves that he or she consumed alcohol after driving, but before providing the breath and blood sample proves that, and also proves that as a result of this consumption his or her blood alcohol content would not have exceeded the limit at the time of driving. In the United Kingdom they have to prove those two things.

Obviously this places a much heavier onus on the accused who wishes to challenge the blood alcohol content results from scientifically based testing.

It is similar in the United States. The onus is placed on the offender to prove his evidence. I believe that Canada is the only western democratic country which allows these types of technicalities to interfere with convictions in this type of a situation. It is no longer acceptable and my bill would change that.

When I tabled the bill in the last session before Parliament prorogued, the then parliamentary secretary to the minister of justice said that he would like to do everything possible to deal with those who would drive impaired upon our roads. He criticized portions of my bill, specifically the provision allowing a court to consider evidence of the accused's driving and demeanour. The parliamentary secretary pointed out that such evidence is irrelevant to an over 80 charge. He is correct.

However, he did not understand the thrust of my proposed amendment. While not relevant to the proof of the offence itself, these factors are very relevant to the accused's contention that there is evidence to the contrary casting doubt on the BAC reading. He missed the point entirely. I do not think he was really listening to what I said.

Private Members' Business

For example, it would clearly enhance the accused's claim that the BAC results are in error if, with even a moderately high BAC, he or she did not show any of the usual indicators of alcohol consumption, odour, slurred speech or any sign of impaired driving.

Since only credible evidence is capable of constituting evidence to the contrary, the court should consider all available evidence in assessing whether the accused's claim is credible.

The parliamentary secretary went on to speculate that there may be some resulting challenges under the charter should the bill pass, a common argument that we hear from the other side. This legislation was drafted by lawyers, refined by lawyers, reviewed by a former attorney general, and analyzed yet again by lawyers after I presented it in the House last year. They have not raised this concern about a charter challenge, so it is bogus.

●(1820)

I encourage all members of the House to examine this bill carefully. I encourage them to support not only my bill, but to support Mothers Against Drunk Driving in their cause to cut down on the four deaths and 200 injuries that occur every single day across this country. They can do that by supporting this bill and eliminating those two loopholes which allow people who are guilty of drunk driving to avoid being successfully charged.

Hon. Sue Barnes (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, impaired driving charges represent 11% of all Criminal Code charges according to Statistics Canada. Overall the conviction rate for impaired driving charges is 71%. This is the highest conviction rate among all Criminal Code offences. Nevertheless the impaired driving conviction rate has fallen by about 10% over the past 10 to 15 years.

Anecdotally, prosecutors indicate that impaired driving trials take up 30% to 40% of the trial time in provincial judges' courts. Again anecdotally, some observers believe that fewer accused impaired drivers are pleading guilty to their charges because the consequences of a conviction have increased over time.

One example of the increased consequence for convicted impaired drivers is the 1999 amendment by which Parliament increased the Criminal Code's prohibition from driving anywhere in Canada that applies to a convicted impaired driver.

The minimum driving prohibition on a first offence moved from three months to one year. On a second offence it moved from six months to two years. On a subsequent offence it moved from one year to three years. In addition, an offender will face increased costs for facility insurance. There will also be provincial consequences that can include a provincial driving licence suspension, assessment and treatment for alcohol or drug abuse, and installation of an ignition interlock device once a provincial driving licence is reinstated.

Bill C-452 aims to improve the processing of impaired driving trials. This is a very laudable goal and I commend the member for bringing this forward. However I cannot agree with the specifics of the proposed solution in Bill C-452.

The bill goes against the very base and premise of our criminal justice system. The bill would make three notable changes. First, it would require a court to give reasons if "on all the evidence" it "gives preference to the evidence given by the accused". Second, it would require the accused to provide that the analysis equipment or procedure was faulty if the accused challenged the result of a breath or blood test. Third, Bill C-452 would extend the time period for taking a breath sample as it relates to the prosecution obtaining an evidentiary presumption so that the time period for the presumption would equal the time period that a peace officer has to demand a breath sample.

I will focus my remarks upon the suggestion that reasons must be given if the court gives preference to the evidence of the accused. In a criminal trial it is not the job of a court to pick which side's evidence it prefers overall. The test for a criminal trial is constitutionally entrenched. It is, did the prosecution prove beyond a reasonable doubt all the elements of the offence? This is called burden of proof and it remains with the prosecution at all times and an accused only needs to raise a reasonable doubt in order to be acquitted.

For cases involving a charge of driving with a blood alcohol concentration that is over the legal limit of 80 milligrams of alcohol in 100 millilitres of blood, Bill C-452 would appear to obscure, if not totally revise, the criminal test. Even if the test for criminal cases were not constitutionally entrenched, it would defy logic for Parliament to create a lesser test for the crime of driving with a blood alcohol concentration that is over the legal limit while having a higher test for every other Criminal Code offence.

Society reserves the criminal law for its strongest disapproval of unwanted behaviour. The criminal sanction carries a high stigma and consequences. The prosecution is therefore required to prove its case beyond a reasonable doubt. This implies that there will be some individuals who have actually done the prohibited behaviour but who cannot be convicted because the evidence and proof of the offence simply do not meet the beyond a reasonable doubt standard.

A court may be left with a high degree of suspicion that the accused did the prohibited behaviour, but unless there is proof beyond a reasonable doubt, there can be no conviction. It has been said that the rationale behind the criminal standard is that it is better that 99 people who committed the offence go free than the one innocent person be convicted.

●(1825)

Practically, if Parliament wanted to eliminate the application of the criminal standard of proof, it could eliminate the criminal offence of driving while over the legal limit and leave to the provinces, under highway traffic legislation, the ticketing and fining of persons who are over the legal limit.

Private Members' Business

My own view is that driving over the legal limit is very appropriately a criminal offence and should stay in the Criminal Code. It should, and it does, attract Criminal Code penalties.

The flip side of this is that the prosecution will have to meet the criminal test, which is proving guilt beyond a reasonable doubt, in order to secure the conviction.

In my view, we have come a long way in Canada from the days when impaired driving was seen as not a real crime. I am happy to see that many people have now altered their behaviour so that they plan to have a designated driver if they drink alcohol away from home. Some people stay over, or they take a cab home, or they limit their drinking, which is not a bad idea.

I would not want to see us going back to the days when some people would think that having one more drink for the road was somehow funny or clever.

I would hope that all members share my view that eliminating the legal limit criminal offence and relying on provinces to create a driving infraction with some lesser standard of proof would not be the way to go.

We need to keep the legal limit offence in the Criminal Code. We need to keep criminal law penalties for driving while over the legal limit. We also need to keep the proof beyond a reasonable doubt standard for all criminal trials.

Impaired driving is a problem that has no magic solution. Education is certainly part of it.

I firmly believe that to the extent that criminal legislation can be sensibly used as one of the measures to combat the problem of impaired driving, it should be used.

However, as I have previously indicated, Bill C-452 has serious flaws. It is not well-conceived as a measure against impaired driving. My view is that it should not be supported by members in this House.

Having said that, I acknowledge this is a serious area in Canada. More people should be very conscious of what happens, and what can happen criminally in a courtroom, when they drink and drive, and not only what happens to their personal safety and the impact on their employment and on their own families.

• (1830)

[*Translation*]

Mr. Richard Marceau (Charlesbourg—Jacques-Cartier, BQ): Mr. Speaker, broken families, grieving families, injured people, people with both physical and emotional scars, these are the results of impaired driving in Canada and in Quebec.

Although society has made considerable progress in recent years in its battle against impaired driving, despite all the efforts by governments, despite all the advertising, all the public awareness campaigns, there are still too many people falling victim to drunk drivers.

I would like to make it clear that, at this stage in the legislative process, the Bloc Québécois is in favour of the member for

Lakeland's bill. I would like to congratulate him, moreover, for this initiative, which gives the House an opportunity to debate this issue.

We agree with the idea of extending to three hours the current two hour period within which a sample can be taken to determine whether an individual is impaired. We see this change as logical, and it would enable police forces, law enforcement agencies, to be better equipped against the scourge of impaired driving.

We do, however, have some reservations on one aspect of this bill. I hope to have the opportunity, if the Liberals become more kindly disposed, to explore this aspect further in committee.

Let us recall, for the sake of those across the way, and those listening to us, that we are at the second reading stage, or the point of adoption in principle of the bill. It seems to me that, if there is a desire to combat impaired driving, this principle needs the support of all colleagues in this House. If some Liberal colleagues have problems about the bill, any problems with certain specific details, any hesitations, any more technical reservations, these can be dealt with at the committee and third reading stages.

For instance, there is a clause in the bill stating that to reverse the presumption by which a sample taken corresponds to the true concentration of alcohol, there must be a preponderance of evidence. We frankly have some doubts as to the constitutionality of reversing this burden of proof. This is why we would want to hear in committee from legal experts, lawyers, constitutional experts, academics and so on. We would like to hear their point of view on this very specific aspect of the bill.

We must be extremely careful when we talk about rights and freedoms and charters. That is why the right thing to do would be to vote in favour of the bill at second reading and allow members to hear different opinions and different experts on this aspect of the bill.

There is a chance then, that if the debate goes to committee, we will make certain amendments to clarify and specify and perhaps change various parts of the bill by the member for Lakeland. The Bloc Québécois is prepared to do this work. We are prepared to do this work, and we want to do it in committee.

• (1835)

That is why I ask and implore my colleagues opposite to vote in favour of the bill.

I want to take this opportunity to ask my colleagues opposite, the government and the Minister of Justice to accelerate this process to create legislation on driving under the influence of drugs.

As the House knows, the special committee on the non-medical use of drugs tabled two reports. The first dealt with the potential decriminalization of certain quantities of marijuana. This was the subject of extensive debate both inside and outside the House. The other aspect we must not forget is that this committee had asked the government to table legislation compatible with the first bill as soon as possible in order to fight more effectively against driving under the influence of drugs, as this is more difficult to detect, recognize and therefore combat.

Private Members' Business

If I can summarize in two points my entire speech, I would say that, first, the Bloc will support the bill by the member for Lakeland, and I ask my Liberal colleagues to do likewise. Second, the government must accelerate the adoption of legislation to fight against driving under the influence of drugs.

On that note, I thank members for listening to my speech.

[*English*]

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I am very pleased to support the legislation introduced in this chamber, which has been initiated by the member for Lakeland. I want to congratulate him for his initiative and publicly acknowledge the importance of this legislative proposal before the House today.

[*Translation*]

As the Bloc member said, I think it is very important to send this bill to a committee of the House to be studied and discussed in depth.

[*English*]

It is very important that we recognize the initiatives taken in the House to deal with the very serious problem of drinking and driving in our society today and that we do everything we can as a Parliament to study, review and hear witnesses on legislation as we have before us today.

I know the Liberals in the House today have suggested there are some problems with the bill. It is my preference to ensure that we get this before committee to have a full discussion, hear witnesses and, if necessary, to amend the bill to ensure that it is in full compliance with the charter provisions.

There is nothing more important we can do as parliamentarians than address a very serious problem in our society today which has had such a major impact on the lives of Canadians everywhere. I am very pleased to have the opportunity to stand in the House and support the bill.

I know when the Mothers Against Drunk Driving were here in their last lobby on Hill, they challenged each and every one of us to take action. They were looking for MPs to do something concrete, not to give lip service. I regret I have not had the opportunity to present an initiative in the House, a bill or a motion, but I am very happy to support the initiative of the member for Lakeland, and any other suggestions before the House that deal with a very serious problem.

It has been said throughout this debate, and the evidence has been recapped many times over, that we are dealing with the number one criminal cause of death in Canada. It shocks me every time I see the statistics, and realize that an average of 4 Canadians are killed and 200 are injured everyday as a result of drunk driving. We know from each of our own communities the impact this kind of tragic situation has on the lives of families.

Recently in Winnipeg two young people, just beginning their lives with great expectations and hopes, were cut down in the prime of their lives, one in a traffic accident with a driver who was drunk and the other a pedestrian who was cut down by a drunk driver. The families of those individuals are devastated, and we lost two young people who had so much to offer the country. Everyday we hear stories like that repeated over and over again.

In the year 2000, 1,069 people were killed in alcohol related crashes, and 75,000 Canadians are impacted by impaired drivers every year. Impaired drivers getting behind the wheel of a car occurs 12.5 million times every year. However, only 70,000 are charged with impaired driving every year. The death rate from impaired driving is two to three times the national murder rate. Road crashes are the leading cause of death for persons aged 10 to 14. Thirty-six per cent of fatally injured drivers were drinking prior to the collision. The list goes on and the statistics go on. It is a serious problem, a grave problem and one that is entirely preventable.

Everything we can do as a Parliament to improve legislation, to work with organizations like MADD and to urge our provincial counterparts to take other action is important.

I am very proud that I come from a province where the government takes this matter very seriously. The minister of justice, the Hon. Gord Mackintosh, has undertaken numerous initiatives to deal with the serious problem of drinking and driving. As a result, Manitoba, by all accounts, is at the top of the list of provincial governments that are prepared to take on this issue with a vengeance.

• (1840)

I know other provinces are doing their part. We will continue to make progress, but for many affected by this horrible situation, progress is too slow. Change seems to be at a snail's pace.

The bill before us is one way we can speed up the agenda and address it with a vengeance. I appreciate the fact that we have before us legislation that would actually enhance police enforcement and eliminate spurious defences.

We have heard about the intention of the bill which is to respond to the Carter defence, whereby the accused testifies that he or she has had only a small amount to drink prior to the offence. The defence calls a toxicologist to confirm that the accused's blood alcohol content would definitely have been below the legal limit if such a small amount were consumed.

The court accepts the accused's evidence. The test results are completely disregarded, even if they were administered properly, consistent with the reading on the roadside screening device and are supported by the officer's evidence that the accused showed signs of intoxication.

That is the Carter defence and is one of the things the bill attempts to do to address the outcome of that kind of defence. I believe the bill would give courts the ability to use the sample results as proof of the accused's blood alcohol content at the time of the alleged offence,

I also know that if the accused disputes those results the bill would then place the evidential burden on the accused to establish factors that affect their reliability.

It is an important initiative. It has been identified by Mothers Against Drunk Driving as one of those areas that needs attention. The member for Lakeland has taken up that challenge and brought before us a bill to do just that.

Private Members' Business

We owe him a debt of gratitude for doing that and I hope that we in the House will support such a bill and get it to committee. If fine tuning were needed, we would do that and make it a law so that we would have a further tool in our arsenal to deal with a tragic and serious problem in our society today.

I understand that Senator Marjory LeBreton has also taken up the challenge in the Senate. She of course suffered personally from an incidence of drunk driving and has had the courage to go forward, using her time as a senator, to actually effect change where she can. She has introduced a Senate bill to enhance police powers in the apprehension, gathering of evidence, and charging of impaired drivers. That is also important.

The challenge for all of us is to do what we can, wherever we can, and certainly to support the initiative by the member for Lakeland. I encourage all members to do the same.

● (1845)

Mr. Vic Toews (Provencher, CPC): Mr. Speaker, I want to commend the member for Lakeland on this timely initiative.

Speaking as a former prosecutor and also as the director of constitutional law for the province of Manitoba, I have had quite a bit of involvement in terms of the difficulties involved with the prosecution of impaired driving offences. I have worked with the former justice minister in Manitoba, James McCrae, who implemented, as a politician, the first administrative licence suspension program in Canada. Manitoba, indeed, is a leader.

I had the honour to work with the attorney general at that time, as the director of constitutional law, in researching the existing problems with the law, developing a new system, and coming up with a system that has led Canada in terms of reducing the number of drunk drivers, and more importantly, deaths, injury and property damage caused by drunk driving.

One of the difficulties—and why the Government of Manitoba had to use its powers under property and civil rights—was because the federal government was unwilling to move in terms of making meaningful amendments that would stop impaired driving. It was very frustrating.

Speaking as a prosecutor, I recall that one of the most difficult charges to prove was impaired driving. When we look at impaired driving without any blood alcohol testing device, it is very difficult to prove. That is why I have expressed this concern about the decriminalization of marijuana. It will create additional difficulties if that encourages the more widespread use of marijuana.

However, when it comes to per se impairment, that is when someone blows into a breathalyzer machine and it reads over .08, one is presumed to be impaired. The theory was great. The technicalities though, that have developed, have been just astounding.

If we look at the legislation in the Criminal Code and the case law in annotated Criminal Code, perhaps *Martin's Annual Criminal Code*, there are many precedents cited, all dealing with technical defences on how to avoid convictions under the Criminal Code. It is very frustrating.

As a prosecutor, I would have much rather prosecuted a serious assault. Proving assault causing bodily harm or other serious assaults, indeed, somebody even suggests murder is easier to prove than .08 because of the technical nature of these defences.

Judges have been ingenious in developing ways of avoiding convicting individuals. Some of the ways that have been developed by judges, at the urging of defence counsel, are the two issues that this bill addresses: the Carter defence and the last drink defence.

The Carter defence is basically using expert evidence to rebut the evidence produced by the breathalyzer. The last drink defence is essentially the defence saying that an individual was at a party, quickly chugged three or four drinks and then got in the car and tried to make it home before getting over .08 alcohol absorbed in the blood. This is absolute foolishness and yet judges accept it as a matter of course.

● (1850)

Not only is it foolish, it is dangerous. We have seen these kinds of defences accepted by judges in this country. I do not blame defence counsel for raising these ridiculous arguments because judges apply these defences. If we had judges who would say, as they should, that this is nonsense and just put away these defences, then we would not be worried about the kind of amendments that my colleague from Lakeland, who has been such a strong fighter in this area, has put forward. We would not need these kinds of defences.

Specifically, we addressed these two defences in Manitoba's administrative suspension law. When I drafted that Manitoba legislation, we eliminated these two defences. We said that if the police were to catch people and they blow into that breathalyzer and it shows .08, the defences of when they had their last drink or the expert evidence that could be called to rebut that would simply not be available. The breathalyzer was conclusive evidence that their blood alcohol level at the time of the reading was in fact the level at the time they were stopped while driving.

What that does is put a little bit of fear into people who wonder if they should risk it. They could always chance getting a stupid judge. We should try to eliminate not the Carter defence and the last drink defence, but the defence we are talking about of how many judges buy this nonsense. That is the real defence.

In the Manitoba legislation we simply stated that we did not have any room for stupid defences like these. It was conclusively proven. As a result of that—and I make no apologies about the tough stand that the Conservative government in Manitoba took—we have seen a decrease in death, injuries and property damages.

I can look my constituents in the face and say we have saved lives and we have kept families together. That is what we need to do federally. We need to make it clear that this is a crime. There is nothing funny about drinking and driving, and killing people.

If only we could rely on the common sense of judges to do what is right. To do what is implicit in the legislation, we have to come up with these technical kinds of defences.

The effort by my colleague from Lakeland is an excellent effort. It needs to be done. But the moment we put this in the Criminal Code, I can already see the gears working in the minds of the criminal defence bar, saying "What other stupidity can we come up with that we can actually get a judge to buy?". It has become quite a challenge. Lawyers would not go to all this trouble and go to all this length if judges did not buy these defences.

I am encouraged by this initiative. I support this initiative fully and I want every member in the House to take this amendment seriously. If we can pass this kind of amendment, it will decrease the ability to get away from one's responsibilities as a licensed driver on the road and increase accountability. It will decrease deaths, injuries and property damage.

• (1855)

Mr. John Maloney (Erie—Lincoln, Lib.): Mr. Speaker, I am sure all members agreed that despite significant progress in the past two decades, impaired driving is still a complex criminal justice, health and traffic safety issue in the country. I want to believe that we all see impaired driving as a serious problem that requires the combined efforts of governments, police agencies, organizations, families and individuals.

Impaired drivers produce hundreds of deaths, thousands of injuries and millions of dollars in economic damage each year. This is all the more tragic precisely because impaired driving is so avoidable. I am told that impaired drivers and their passengers make up about three-quarters of the deaths that are attributed to impaired driving. Of the impaired drivers who die in motor vehicle crashes on public roadways, some 70% die in single vehicle crashes.

A survey by the Traffic Injury Research Foundation, which was conducted in 2003, indicated that some 3% of drivers do 86% of the impaired driving trips. Another 5% of drivers do the remaining 14% of impaired driving trips. That represents more than a million drivers who, combined, do millions of impaired driving trips every year. The overwhelming majority of the impaired driving trips in motor vehicles on public roadways are taken by persons who repeatedly do this behaviour. These are startling statistics.

What we are debating with Bill C-452 is not whether we are against drinking and driving. Nor are we debating whether it is a good idea to better process impaired driving incidents. In this House I take it as a given that we are all opposed to impaired driving and support improved processing of impaired driving incidents. That is most definitely my position. Rather what we are debating tonight is whether some very specific proposals should be placed within the criminal law.

While we all can agree on the problem, we do not always agree on the specific measures proposed to eliminate impaired driving. The Criminal Code makes it an offence to drive while impaired by

alcohol or a drug. It is a separate and distinct offence to drive with a blood alcohol concentration that exceeds 80 milligrams per cent. It is the latter offence that often is a subject of a criminal trial because there is no need to prove signs of impairment, as the status of driving with the offending concentration is the offence.

The summary to Bill C-452 tells us that the bill would extend from two to three hours the time allowed for the taking of a breath or blood sample from an accused in the investigation of an alleged offence. This leaves the impression that the police currently have only two hours to obtain a breath or blood sample, which is not the case.

Currently, a peace officer may demand a breath sample or, in certain cases a blood sample, from a person the officer reasonably believes committed the offence in the previous three hours. Where the driver is unconscious, the police have four hours to obtain a blood sample under a warrant, if they reasonably believe that the driver was committing an impaired driving offence and was involved in a collision resulting in injury or death.

The Criminal Code creates a presumption that, absent of any evidence to the contrary, the blood alcohol concentration at the time of breath testing equals the concentration at the time of the alleged offence. The prosecution obtains the presumption if the first breath sample was taken within two hours of the alleged offence. Without the presumption, the prosecution would have to call an expert to relate the blood alcohol concentration at the time of testing back to what it would have been at the time of the alleged offence. Bill C-452 would change the prerequisite for the presumption in respect of a breath sample from two hours to three hours, which matches the time the police have to make the breath sample demand.

The Criminal Code also creates the presumption that, absent of any evidence to the contrary, the blood alcohol concentration at the time of blood testing equals the concentration at the time of the alleged offence. The prosecution obtains the presumption if the first breath sample was taken within two hours of the alleged offence. Quite surprisingly, Bill C-452 would not increase the prerequisite for the presumption in respect of the blood sample from two hours to three hours, as it proposes to do for a breath sample.

Alcohol has a stable rate of absorption and elimination. After one hour and certainly after two hours from the time of consumption, alcohol will have been absorbed, and at that point in time the blood alcohol concentration level will be on a downward slope because the body by then has absorbed the alcohol and is eliminating alcohol.

Adjournment Debate

•(1900)

Before the first hour, the proposed presumption that the blood alcohol concentration is not less than the blood alcohol concentration at the time of the alleged offence might be scientifically inaccurate, if the alcohol is still being absorbed into the blood. This could also be said of the existing wording in the presumption that the concentration at the time of testing is equal to the concentration at the time of the alleged offence. Not a lot turns on the different wording proposed by Bill C-452 because the Criminal Code already makes it clear that any evidence to rebut the presumption must tend to show that the concentration was not simply different at the time of driving, but that it was lower than the legal limit. The important feature of the presumption aspect of Bill C-452 is the proposal to change the prerequisite for the presumption in respect of breath samples from two hours to three hours.

In practical terms, the vast majority of impaired driving investigations by police will see the police obtaining the breath or blood sample within the two hour period that is the prerequisite for obtaining the presumption. In a trial the blood alcohol concentration would be entered without the need for an expert to relate the concentration at the time of testing back to what it would have been at the time of driving. Extending to three hours the prerequisite for obtaining the presumption in order to match the period in which the police may demand a breath sample would mean that the prosecution would not have to call the expert in some cases where it now must call an expert. However, as already mentioned, Bill C-452 only addresses the breath sample presumption and not the blood sample presumption.

I compliment the hon. member for his concerns on the state of impaired driving in the country, and I share those concerns. MADD also shares those concerns. However, for the reasons stated, I feel that the bill has some very serious shortcomings, some very serious reservations and some very serious implications.

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, I want to talk a bit about what the whole issue does to families. I want to support my colleague from Lakeland for what he has brought forward. Over the years in Saskatchewan and working years ago with Mothers Against Drunk Driving, I have found out that we really must strengthen the laws. My colleague spoke about the province of Manitoba and what it has done to right the legislation that was wrongly written and to put forward laws that stop drunk driving.

We have to look at the death rate from drunk driving. Death by impaired driving is three times the national murder rate. Impaired driving kills three times as many people as those who are murdered every year. Approximately 75,000 Canadians are impacted by impaired drivers every year.

Impaired drivers get behind the wheel of a car 12.5 million times a year, but there are only 70,000 charges. Our justice department, our police officers, our RCMP officers across the country do not have enough staff to stop impaired driving the way they should. There is no way they can be out across the country stopping and charging impaired drivers.

We see people who have been charged with impaired driving released and allowed to travel again. As my hon. colleague from

Provencher said, they go into court. I remember a person who went into court and said that because he served in the armed forces he could not blow in the breathalyzer, and he got off. To me, that is not safe and it is something we need to change.

My hon. colleague has brought forth valuable legislation that will help. We have to take and study this. It has to go to committee. It needs to be looked at very seriously because it is a huge problem and we have to ensure that it is looked after.

In the year 2000, 30% of the fatally injured drivers had been drinking prior to the collision. Note that this reflects driver deaths only, not injuries. Nor does it reflect those who may have been killed or injured as a result.

The House should seriously look at what my hon. colleague has brought forward, and I thank him on behalf of all Canadians country for what he has done.

•(1905)

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.

ADJOURNMENT PROCEEDINGS

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

[English]

NATURAL RESOURCES

Mr. Svend Robinson (Burnaby—Douglas, NDP): Mr. Speaker, earlier this month I raised a question in the House, to the Minister of Natural Resources, concerning the biased panel that has been appointed by the federal Liberal government to review the possible lifting of the moratorium on oil and gas exploration off the west coast of British Columbia.

I pointed out that the panel includes Roland Priddle, who is the director of an oil and gas company that is involved in offshore exploration overseas, as well as Don Scott, a former mayor who actively lobbied to lift the moratorium. As well, I noted that the B.C. director general of Environment Canada warned some time ago that this panel would be seen as biased toward industry interests.

As a result, I asked the minister to fire these two members of the panel and to appoint a panel which would be clearly seen to be unbiased by the people of British Columbia. I am emphasized that perception is critically important. This is a review panel that is hearing from the public to make recommendations with respect to the possible lifting of this moratorium which has been in place since 1972 federally and since 1989 provincially.

Adjournment Debate

The provincial moratorium in fact was imposed following the disaster of the *Exxon Valdez*, and today is the 15 anniversary of the *Exxon Valdez* disaster. I would point out that disaster, which occurred in Alaska's Prince William Sound, spilled 11 million gallons of Alaska crude oil into the ocean. Harbour seals, Pacific herring, three different species of cormorants, harlequin ducks, pigeon guillemots and a family pod of killer whales are still listed as not recovering.

A study that was published late last year in the *Journal of Science* found that the devastating effects of Alaska's waters and beaches from the 1989 *Exxon Valdez* oil spill has lasted far longer and is far worse than first suspected.

Why has the provincial Liberal government of British Columbia, aided and abetted by the federal Liberal government now and a Minister of Natural Resources who seems absolutely determined to lift this moratorium, overlooked the devastating consequences of lifting this moratorium?

They overlooked as well the implications in terms of the rights of first nations people in that area. Indeed, today and tomorrow in the Supreme Court of Canada, the Haida Nation and the Taku Tlingit Nation are in court seeking an affirmation by the court that their fundamental rights must be respected. This process rides roughshod over the rights of the first nations in that area.

This is a magnificent area with great biodiversity. I would point out as well that oil and gas development contributes to climate change. Far from expanding the oil and gas industry, we should be investing in alternate energy sources and certainly not nuclear energy as the minister is pushing on a regular basis.

It is essential that the Liberal government recognize that the people of British Columbia wish to maintain this moratorium. They recognize that lifting the moratorium will not provide many jobs to the north coast. Instead we should be diversifying the economy there. It is a biased panel. We should maintain the moratorium.

I call on the government now to do the right thing and fire these two people who clearly are not perceived as being unbiased by the people of British Columbia.

●(1910)

Hon. R. John Efford (Minister of Natural Resources, Lib.): Mr. Speaker, in the hon. member's short remarks he mentioned two or three issues.

First, I would like to talk about lifting the moratorium. Absolutely no decision has been made to lift the moratorium on the west coast of Canada. I will talk about that further in a second.

Let me go back to the issue of offshore oil and gas. I am from the province of Newfoundland and Labrador where the offshore oil and gas industry has been very successful. Since the first well was drilled up until the present day, the fishing industry, the marine industry and the offshore oil and gas industry have all worked well together off the east coast of Canada. There have been absolutely no problems whatsoever.

In the Gulf of Mexico, 40,000 wells have been drilled and there have been no major problems.

Let me now talk about the offshore oil and gas industry on the west coast of this country.

Right now one process has taken place and two more are to be completed. The Royal Society of Canada has already completed its comprehensive review. This review was conducted by an intellectual group of scientists who have given their report. The second report that is supposed to be done is the Priddle report. Individuals are consulting with communities and people and will bring their report back to the government. The third report that will be done will be done in consultation with first nations.

When those three reports are completed they will be provided to the government. One has already come back to the government and the other two will come back when they are completed. As the Minister of Natural Resources I will take their recommendation to government and then we will make a decision based on all of the information collected as to whether the moratorium will be lifted.

I am appalled that the hon. member is suggesting that individuals be fired because they are collecting information. He should be providing input to the panels. He should be making presentations. I have been Minister of Natural Resources since December 12 and there has not been one occasion that the hon. member has come to me and asked to have a meeting to discuss the potential of offshore oil off the west coast of Canada, to discuss the panels or to discuss the procedure, and yet he goes out in public and makes statements telling us that we should be firing people. I will not. I have no intentions of firing these individuals.

Mr. Priddle, Mr. Scott, and Dr. Diana Valiela are all very competent individuals. They deserve respect for their ability to consult with the people of British Columbia. They have an obligation to bring back their recommendations to government. At the time they bring back their recommendations, it will be the government's responsibility to make a decision.

The hon. member should respect their integrity and their ability and give them the opportunity to have their consultations. If he chooses to go out and make a presentation, he has every right to do so, but he does not have the right to condemn these individuals and their ability to do due process.

●(1915)

Mr. Svend Robinson: Mr. Speaker, the issue here is not competence or integrity. The issue here is perception by the people of British Columbia, most important, and the people who will be appearing before this tribunal.

When the tribunal was originally established, according to the terms of reference of the tribunal, it states:

The Public Review Panel is represented by unbiased, well-respected experts appointed by the Minister of Natural Resources Canada...

Adjournment Debate

How can anybody seriously suggest that a director of Talisman Energy is unbiased on this? How can anybody seriously suggest that the former mayor who lobbied actively to lift this moratorium is unbiased? These people clearly have a bias, and this makes a complete mockery out of this process. It is a stacked tribunal. Obviously the Conservatives and Liberals together are doing whatever they can, together with their friends in the provincial Liberal government of British Columbia, to move to lift this moratorium.

How can the minister possibly say these people do not bring a bias when they clearly support lifting the moratorium?

Hon. R. John Efford: Mr. Speaker, what does it take to get through to the hon. member that the individuals, very competent individuals, on the panel do not make the decision about lifting the moratorium?

The process to be followed is to consult with the people of British Columbia, with the communities, with the stakeholders, gather all the information and bring it back to the Minister of Natural Resources, who will in turn bring it to the Government of Canada to make a decision. The hon. member just does not understand the process that has to be followed.

He also does not speak for all of the people in British Columbia. I have been in British Columbia on several occasions. On no occasion during my visits to British Columbia has anybody complained about the panel or suggested that we should not be following due process.

NATIONAL DEFENCE

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, the practice of the government in providing less than complete responses to questions posed by the official opposition during question period prompts me to ask for greater clarification from the Minister of Public Works regarding the fraudulent misappropriation of \$160 million in taxpayer funds from the Department of National Defence.

As the member for Renfrew—Nipissing—Pembroke, it is my honour to have Canadian Forces Base Petawawa in my riding. I pay tribute to the fine job the forces are doing on behalf of all Canadians. I say welcome back to all the Petawawa soldiers returning home from Afghanistan and Bosnia.

It was with shocked disbelief that my constituents, particularly the returning soldiers and their dependants, greeted the news that \$160 million had been stolen from DND. The men and women who work at the Department of National Defence, as do all Canadians, see this as a theft.

The federal government can lose \$160 million, but when it comes to its employees, it cries, "No money". Wages at DND have been frozen for seven years, but \$100 million would pay for a 3% wage increase for 150,000 employees. How credible is a government that tells public servants it has no money and it freezes their wages for seven years, and then turns around and with a straight face tells them the government has no money, yet it can lose \$160 million?

Negotiations are taking place right now between Treasury Board and public servants. I hope the government treats its employees with honesty and the respect they deserve.

My question to the minister is the same question being asked by all Canadians, who are outraged by the financial incompetence and the mismanagement of the government. How can an individual at the level of director in a department get away with stealing \$160 million?

The individual in question was a CS, a techie. He was not even a procurement officer. A CS is not even a classification with signing authority. He was specifically delegated with signing authority and he should not have had it.

Is it not a coincidence that his immediate superior, a director general, has put in for his retirement on April 1? Was it not the same director general who signed that contract for the defective grenades with no default clause?

The minister said, "if something was done of a criminal nature". The individual in question has been fired. Obviously the minister considers him guilty or he would not have been fired. The Prime Minister also fired Alfonso Gagliano as ambassador to Denmark, but he would not have fired him if he was not guilty in the \$250 million sponsorship scandal. People are fired if they are guilty.

What the people of Canada are afraid of is that a cover-up in the Department of National Defence will happen in the so-called name of national security.

What Canadians are afraid of is that not one dollar will be recovered, not one person will go to jail for stealing millions of dollars from Canadians. Every dollar stolen is one dollar less that goes to health care, highways, seniors, children, the environment, job creation, and the list goes on.

Canadians do not believe that the individual acted alone. He had help, inside help. I am told that the individual who was fired from DND rented a private plane for thousands of dollars an hour, boarded it with bags of cash, and flew to a Caribbean island. The money is lost.

• (1920)

Hon. Walt Lastewka (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, it gives me great pleasure to address the question of member for Renfrew—Nipissing—Pembroke on this very important matter.

As part of a routine audit of contract records completed in April 2003, Public Works and Government Services identified irregularities in the management of the Department of National Defence's IT hardware maintenance services contract with Hewlett-Packard.

To resolve these problems and to help prevent similar problems, actions were taken. HP is to make significant changes to its Canadian management personnel and organization, and to change its management of government contracts to ensure that these issues are fully addressed. HP had also agreed to have the government review the effectiveness of changes made to its financial systems.

Adjournment Debate

Public Works and Government Services and DND are to strengthen financial controls, contract management and oversight, to intensify monitoring, to review the management of relevant contracts, and to strengthen Public Works and Government Services management of cost audit programs and support. In addition, at the same time Public Works started a competitive procurement process to establish a replacement contract to be awarded in April 2004.

The Crown is continuing to investigate the amount of money that has been wrongfully paid out under contracts entered by Public Works on behalf of DND. These irregularities are taken very seriously and, as such, the following actions were taken.

The government is withholding payments pending the final outcome of audits and investigations.

The matter has been referred to the RCMP and outside counsel has been retained.

The government has issued a demand letter to the contractor to recover funds.

Officials at Public Works and DND are working with the prime contractor to ensure that any relevant contract administration issues are addressed.

The investigation is ongoing to determine whether the goods and services were received in respect of all funds paid out.

I believe that Public Works and DND, working together, have done the right thing.

Mrs. Cheryl Gallant: Mr. Speaker, who else helped make that \$160 million disappear? What prominent Ottawa law firm with extensive Liberal Party connections helped distribute this cash with no questions asked, a law firm with the type of party connections to get members of the firm appointed to the bench? Where did the money go?

No one believes Mr. Gagliano when he claims ignorance. We see the same pattern emerging with this theft at DND. No one will be identified to take responsibility and the investigation will be covered up under the guise of national security, just like last time.

Canadians believe they should have the answers and they deserve to. They deserve the answers now. They deserve those answers before the election is called.

• (1925)

Hon. Walt Lastewka: Mr. Speaker, I think it is outrageous that this member should make remarks she has in the House. If she has documentation on lawyers and law firms, let her bring it forward. Let her table it. It is easy to make remarks in the House, but let her bring the data to the table. When it comes to the misappropriation of taxpayers' funds the government has taken matters very seriously and it took action as soon as possible.

Let me reiterate the actions taken. The government withheld \$49 million in payments to Hewlett-Packard. The government issued a demand letter to recover funds. The file has been referred to the RCMP. DND has developed a rigorous management plan to strengthen the internal financial and management controls. Outside legal counsel has been engaged to maximize the recovery of funds.

I am very disappointed that she would make accusations like that about DND and Public Works and about other items without tabling those items in the House.

[*Translation*]

The Acting Speaker (Mr. Bélair): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:26 p.m.)

CONTENTS

Wednesday, March 24, 2004

STATEMENTS BY MEMBERS

| | |
|--------------------------------|------|
| National Kidney Month | |
| Mr. Adams | 1623 |
| National Volunteer Week | |
| Mr. Mills (Red Deer) | 1623 |
| The Budget | |
| Mr. Discepola | 1623 |
| The Budget | |
| Ms. Bulte | 1623 |
| St. Lawrence Seaway | |
| Mr. Jobin | 1624 |
| Surrey Central City | |
| Mr. Grewal | 1624 |
| The Budget | |
| Mr. Drouin (Beauce) | 1624 |
| Nicole Demers | |
| Ms. Dalphond-Guiral | 1624 |
| Pay Equity | |
| Mrs. Jennings | 1625 |
| Rail Tourism | |
| Mr. Abbott | 1625 |
| The Budget | |
| Mr. Cullen | 1625 |
| Status of Women | |
| Mrs. Desjarlais | 1625 |
| The Budget | |
| Mr. Gagnon (Champlain) | 1625 |
| Women Entrepreneurs | |
| Ms. Neville | 1626 |
| The Budget | |
| Mr. Keddy | 1626 |

ORAL QUESTION PERIOD

| | |
|----------------------------------|------|
| The Budget | |
| Mr. Harper | 1626 |
| Mr. Goodale | 1626 |
| Mr. Harper | 1626 |
| Mr. Bélanger | 1626 |
| Mr. Harper | 1626 |
| Mr. Martin (LaSalle—Émard) | 1627 |
| Mr. Solberg | 1627 |
| Mr. Alcock | 1627 |
| Mr. Solberg | 1627 |
| Mr. Alcock | 1627 |
| Health | |
| Mr. Duceppe | 1627 |
| Mr. Martin (LaSalle—Émard) | 1627 |

| | |
|---------------------|------|
| Mr. Duceppe | 1627 |
| Mr. Pettigrew | 1627 |
| Mr. Paquette | 1627 |
| Mr. Pettigrew | 1628 |
| Mr. Paquette | 1628 |
| Mr. Pettigrew | 1628 |
| Mr. Blaikie | 1628 |
| Mr. Goodale | 1628 |
| Mr. Blaikie | 1628 |
| Mr. Goodale | 1628 |

Sponsorship Program

| | |
|----------------------------------|------|
| Mr. MacKay | 1628 |
| Mr. Bélanger | 1628 |
| Mr. MacKay | 1628 |
| Mr. Bélanger | 1629 |
| Mrs. Ablonczy | 1629 |
| Mr. Bélanger | 1629 |
| Mrs. Ablonczy | 1629 |
| Mr. Martin (LaSalle—Émard) | 1629 |
| Mr. Gauthier | 1629 |
| Mr. Pettigrew | 1629 |
| Mr. Gauthier | 1629 |
| Mr. Pettigrew | 1629 |

Health

| | |
|---------------------|------|
| Mr. Ménard | 1629 |
| Mr. Goodale | 1630 |
| Mr. Ménard | 1630 |
| Mr. Pettigrew | 1630 |

Sponsorship Program

| | |
|-----------------------------------|------|
| Mr. Casey | 1630 |
| Mr. Owen (Vancouver Quadra) | 1630 |
| Mr. Casey | 1630 |
| Mr. Owen (Vancouver Quadra) | 1630 |
| Mr. Toews | 1630 |
| Mr. Owen (Vancouver Quadra) | 1630 |
| Mr. Toews | 1630 |
| Mr. Bélanger | 1630 |

Human Rights

| | |
|------------------|------|
| Ms. Caplan | 1631 |
| Mr. Cotler | 1631 |

The Budget

| | |
|--------------------------|------|
| Ms. Wasylycia-Leis | 1631 |
| Mr. Goodale | 1631 |
| Ms. Wasylycia-Leis | 1631 |
| Mr. Goodale | 1631 |
| Mr. Moore | 1631 |
| Mr. Goodale | 1631 |
| Mr. Moore | 1631 |
| Mr. Goodale | 1632 |

Correctional Service of Canada

| | |
|--------------------|------|
| Mr. Sorenson | 1632 |
|--------------------|------|

| | |
|----------------------------------|------|
| Mr. Harper | 1638 |
| Amendment | 1641 |
| Mr. Paquette | 1641 |
| Amendment to the amendment | 1645 |
| Mr. McKay | 1645 |
| Mr. Epp | 1646 |
| Ms. Wasylycia-Leis | 1646 |
| Mr. McKay | 1649 |
| Ms. Bulte | 1650 |
| Mr. Stinson | 1651 |
| Mrs. Desjarlais | 1652 |
| Mr. Bagnell | 1652 |
| Mr. Stinson | 1653 |

PRIVATE MEMBERS' BUSINESS

Fisheries

| | |
|---------------------------------------|------|
| Motion | 1654 |
| The Acting Speaker (Mr. Bélair) | 1654 |

Criminal Code

| | |
|----------------------------------|------|
| Mr. Benoit | 1655 |
| Bill C-452. Second reading | 1655 |
| Mrs. Barnes (London West) | 1657 |
| Mr. Marceau | 1658 |
| Ms. Wasylycia-Leis | 1659 |
| Mr. Toews | 1660 |
| Mr. Maloney | 1661 |
| Mrs. Skelton | 1662 |

ADJOURNMENT PROCEEDINGS

Natural Resources

| | |
|---|------|
| Mr. Robinson | 1662 |
| Mr. Efford (Bonavista—Trinity—Conception) | 1663 |

National Defence

| | |
|--------------------|------|
| Mrs. Gallant | 1664 |
| Mr. Lastewka | 1664 |

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:

Communication Canada - Publishing
Ottawa, Ontario K1A 0S9

En cas de non-livraison,

retourner cette COUVERTURE SEULEMENT à :

Communication Canada - Édition
Ottawa (Ontario) K1A 0S9

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

Also available on the Parliamentary Internet Parlementaire at the following address:

Aussi disponible sur le réseau électronique « Parliamentary Internet Parlementaire » à l'adresse suivante :

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

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Additional copies may be obtained from Communication Canada - Canadian Government Publishing, Ottawa, Ontario K1A 0S9

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.

On peut obtenir des copies supplémentaires en écrivant à : Communication Canada - Édition, Ottawa (Ontario) K1A 0S9

**On peut obtenir la version française de cette publication en écrivant à : Communication Canada - Édition
Ottawa (Ontario) K1A 0S9**