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OFFICIAL REPORT
(HANSARD)

Monday, March 29, 2004

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, March 29, 2004

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1100)

[*Translation*]

OLDER ADULT JUSTICE ACT

The House resumed from February 5 consideration of the motion that Bill C-439, an act to establish the office of the Ombudsman for Older Adult Justice and the Canadian Older Adult Justice Agency and to amend the Criminal Code, be read the second time and referred to a committee.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, thank you for this opportunity to speak to Bill C-439, which establishes the office of the Ombudsman for Older Adult Justice and the Canadian Older Adult Justice Agency.

This bill is based on a good intention, we agree: the protection of older adults. Furthermore, the Criminal Code amendments in pages 21 and 22 of the bill are interesting, and some of them deserve to be taken up by another bill. I say another bill because, in addition to these amendments to the Criminal Code, Bill C-439 contains provisions that we find thoroughly unacceptable.

• (1105)

Some provisions are not within federal jurisdiction; others would duplicate structures that already exist in Quebec. Yet others, if adopted, would cause widespread confusion rather than help older adults. That is why, although we appreciate the concern expressed by the hon. member for Sudbury for the welfare of the elderly, we cannot support her bill.

If I understand it clearly, the bill provides for the creation of an office of the Ombudsman for Older Adult Justice, a kind of youth protection agency for seniors. The ombudsman would be responsible for supervising the work of curators. There are curators in Quebec. This ombudsman would thus have the right and power to carry out research on successful guardianship practices and systems. That already exists in Quebec.

The ombudsman would also be responsible for supervising institutions in the provincial health networks, since the bill gives him or her the power to develop and recommend guidelines to assist institutional review boards.

Imagine the confusion, for instance, at Saint-Charles-Borromé hospital—a case we have heard about—if we suddenly found ourselves with two parallel inquiries resulting from two sets of recommendations.

The bill also provides for the establishment of the Canadian Older Adult Justice Agency, an institution quite similar, in fact almost identical, to the Conseil des aînés in Quebec. It is already responsible for advising the minister on planning, implementing and coordinating governmental policies, and programs and services to meet the needs of seniors, and for proposing to the minister the implementation of programs and services to meet the needs of seniors and to prevent and correct the situations in which seniors can become victims of abuse.

The Conseil des aînés is already responsible for producing and distributing documentation and information programs about seniors and the services and benefits available to them, and promoting creation and distribution through third parties.

There is also the issue of information distribution. In Quebec, we have CLSCs, a type of institution which is unique in Canada. They already do good work in providing home support services to the sick. The CLSCs already do a great deal of promotion, prevention and distribution. To a degree, in fact a large degree, supporting Bill C-439 would ignore the excellent work the CLSCs are already doing in Quebec.

I would like to draw the attention of my colleagues and hon. members of this House to the following definition, in the bill, of the term abuse:

The knowing infliction of physical, psychological or financial harm—

• (1110)

This leads me to think that either there is no awareness or the member did not see the expression “financial harm” or else she was not thinking.

For example, the guaranteed income supplement scandal was and still is inflicting serious financial harm on seniors.

I wonder, then, if we could not infer that the government is guilty. Under this legislation to establish the office of the ombudsman for older adult justice that the member wants passed, would not the Government of Canada be accountable, since this program was knowingly hidden from seniors entitled to the guaranteed income supplement?

Private Members' Business

Obviously, the government failed to provide information to ensure seniors could access the guaranteed income supplement. Obviously, this government did not take measures to locate these seniors, even if it meant going door to door or using the CLSCs and seniors' centres to find them. In looking at what happened, I think that such legislation will do nothing to help seniors.

I want to remind the House that 270,000 Canadians, including 68,000 Quebecers, were deprived of the guaranteed income supplement. My colleague, the member for Champagne, did an excellent job with regard to the awareness campaign we initiated to find all those adversely affected by the failure, voluntary in my opinion, of this government to provide the guaranteed income supplement.

Finally, people told us that they did not need legislation to protect them but that they did need information and our help in accessing these funds. We need social justice. I do not think that Quebec truly needs this legislation to establish an office at the ombudsman for older persons.

In Quebec, we found that the financial rights of these people had been adversely affected. Quebecers realized this. Some CLSCs focus on prevention and protection. There is also the office of the public curator in Quebec. So, Quebec does not need this legislation.

Although this bill is filled with good intentions, it is not acceptable to us, and we will be voting against it.

•(1115)

[English]

Mr. Roy Bailey (Souris—Moose Mountain, CPC): Mr. Speaker, I am pleased to say a few words to a bill that recognizes the fundamental fact that older adults are often vulnerable to exploitation, abuse and neglect. In each case, if it is just once it is too often.

With Canada's growing population and the growing percentage of older people, it is a good thing a bill such as this is before the House. I want to question some things in the bill but, in general, if it wakes up the public to the vulnerability of older people, our seniors, it is a good bill.

The principles of the bill include the prevention and treatment of the problems out there, and I know there are problems. Having looked after my own parents and members of my wife's family, I am very well aware of the problems. I am not talking about my age. I am talking about their age. I want to point out that we have to be very vigilant that older people are not being mistreated or are vulnerable to exploitation.

The bill also includes in sentencing the vulnerability of the adult victim as an aggravating circumstance under the Criminal Code. I like that very much. We often sidestep this issue mainly because people are older and they are not about to complain as much.

The principles in the bill are generally sound and generally worthy of support. We on this side, and particularly my colleague, the member for Wild Rose, have been very vociferous about the protection of children under the law.

We have the opposite ends of the spectrum here. How quickly we become worked up and emotional when children become victimized.

We should also be worked up and caring under the law when it is the other end of the spectrum, the seniors.

•(1120)

I have one concern about this, and I would like to look at it more. Would the new agency, which the bill would establish, mean another government bureaucracy? Would it infringe on provincial rights as they now are? However, the overall objective of the bill is certainly worth supporting.

Not too long ago, I think it was on CTV, we saw the treatment of our seniors in some of our homes. It was a terrible account to witness. That kind of treatment should have never have taken place. On the other hand, I have to admit that members in my family have been placed in institutions like that, and I have nothing but admiration for the care they have received. It goes to the opposite end of the spectrum.

I have been watching elections since 1948 and one of the worst cases of exploitations has been political. While no money is involved, I know it has happened. Even in recent elections an ordinary paper was pushed under the doors of senior saying that if they voted a certain way, their rent would go up or if they voted a certain way, they could lose a portion of their old age pension. There is no way of knowing who put that paper there.

That is pure political exploitation, and it comes under the Elections Act. Yet I have never seen or heard of anyone being charged. It is a terrible thing to go visit these people and have them show me what they received under their door. That should be punishable as a huge crime.

What about the ads on television? They are bordering on the vulnerability of older people. The one ad I see more often than any is the one on home real estate. That one I question because I do not think it is really necessary.

The other issue is the soft, sweet-talking charities that phone. We all have them call, and seniors are most vulnerable to it, particularly when it deals with children. We should take a look at the bill. Should charities be phoning people of this age, in particular when they are living by themselves with no help?

I do not object to charities because I think most of us in the House agree they need to be supplied with financial assistance. The question then becomes, how will we approach this? How will we set this up? What new agency will be there? Do we really need a new agency or do we need to work with the province to establish more federal support? I do not know the answer to that, but I do know this. The feeling we have in our hearts about people who have abused children should be taken with the same context as those who would deliberately abuse the vulnerability of age. There is no difference in my thinking, none whatsoever.

Private Members' Business

As I said, I have seen a great deal of this in my time. I have seen it even within families. It is the responsibility of every Canadian to be cognizant that this abuse occurs. If nothing else, if the bill were to alert Canadians from coast to coast to coast that older people, particularly those living alone, are the most vulnerable, then the bill in itself would be worthwhile. Each of us should take it upon ourselves to talk to these people about how they are approached and how they have too often become victims financially. That ought not to happen.

We on this side of the House like what we see in this bill. We like what we have proposed and hammered away about the protection of children, as they are vulnerable. We like how the bill addresses the issues of exploitation, abuse and neglect of our seniors, particularly when it comes to groups of people organizing to prey upon seniors. That happens in our larger cities.

In conclusion, we will support the bill, but we want to look further at what is the best way to move it forward and what is the best way to alert Canadians of this. Perhaps we could put a good ad on television. Most seniors are great television watchers. We could hit them at the right time, not too late in the evening. It would be great to come forward with this.

My colleagues on this side of the House will indeed support the bill.

Mr. Ken Epp (Elk Island, CPC): Mr. Speaker, I want to add a few very brief words. There was an incident in Edmonton not very many years ago in which someone broke into a senior's home, brutally attacked a senior woman, and actually left her for dead. I do not know how we can pass a law that could prevent this, but certainly if the person who did such a heinous crime is found, he—or she if that is the case—should be subject to the highest impact of the law.

We need to protect our seniors. In my one and a half minute intervention here I would just like to say that all the members in the House should support this bill and make sure that this private member's bill is enacted. I support it highly.

• (1125)

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, I want to make a brief intervention here to say that in my own community we have had headlines just this week about sentencing in a case that involved a young man abusing a senior with disabilities for sexual purposes. Frankly, the community is very outraged by this incident.

I think that making the abuse of seniors or targeting the vulnerable in the seniors' community an aggravated offence is something that will certainly receive broad support on this side of the House. It is a measure that needs to be considered so that courts take these events seriously and make sure that the offenders are adequately dealt with in a way that sends a message to the community that this is not acceptable and will not be tolerated.

I applaud the member for bringing forth this private member's bill and I encourage all members to stand with her and see it go to committee.

Hon. Diane Marleau (Sudbury, Lib.): Mr. Speaker, I would like to thank all the members who have offered to support the bill and to

ask those who have not to seriously give thought to the idea of supporting the bill so it can go to committee.

I have no doubt that the bill is not perfect in its present form, but I feel very strongly about the case of older adults and especially vulnerable people in our society. I think that if the bill goes to committee at that point we can adapt the bill to better suit what the members of the House of Commons would like to see in an older adult justice bill. I know that some of the members across the way do not support it, as well as some on this side.

[*Translation*]

I understand why members from Quebec feel that it may not be necessary to have such a bill. I must say that, in Quebec, there are very good programs in place and they work well. Unfortunately, this is not necessarily the case in all the provinces. We must ensure that there is a means to look after those seniors who are vulnerable. Of course, we must be very careful with jurisdictions.

In my life as a politician, I have often noticed that we have to think beyond what we normally do. Indeed, when we focus too much on issues of jurisdiction, there are often very vulnerable people who are left aside. I know there are problems with the bill and I am fully prepared to amend it to ensure that it is appropriate and that the House can unanimously support it.

[*English*]

There are some things in the bill which I understand are difficult. The House will understand that I am not a lawyer or a jurist, but I did work very hard in trying to put together a piece of legislation which I am prepared to see change in light of the real necessity to have an older adult justice act.

There are parts of this bill that are especially important. I do believe we should consider seriously the establishing of an ombudsman responsible for the protection of older adults at the national level, and the creating of the Canadian older adult justice agency, if necessary, to coordinate older adult justice policies and issues across the country.

Most significantly, I would like to see us amend the Criminal Code in two ways: by expanding the category of victims to include an offender's mother and father or any person that is under the care of an offender as well as by making it a criminal offence to knowingly target an older adult for criminal purposes.

I wish to thank all members. I do believe that we need to do much more than we have done in the past in dealing with those people who have helped build this country and have made it the great country it is. It is now our turn to ensure that those who are vulnerable are looked after properly.

• (1130)

The Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

The Budget

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

And more than five members having risen:

The Speaker: Pursuant to Standing Order 93 the recorded division stands deferred until Wednesday, March 31, immediately prior to the time provided for private members' business.

SUSPENSION OF SITTING

The Speaker: Having completed private members' business at the moment, I will suspend the sitting of the House until 12 o'clock when we will resume with government orders.

(The sitting of the House was suspended at 11:32 a.m.)

SITTING RESUMED

(The House resumed at 12 p.m.)

GOVERNMENT ORDERS

• (1200)

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 25, consideration of the motion that this House approves in general the budgetary policy of the government, and of the amendment.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, I rise today to speak to the 2004 budget. I will be splitting my time with my colleague from Red Deer.

More than three years ago I stood in the House and delivered my maiden speech which was a response to the Speech from the Throne. During that speech I promised the constituents of Crowfoot to respectfully and truthfully represent their views and concerns here in the House of Commons, a place that some realize is far removed from rural Alberta. I pledged to work hard with the same diligence and honesty that people in Crowfoot demonstrate daily as they go about their various activities and business, especially during this difficult time in this predominantly rural riding. The budget provides little to no relief for cattle ranchers and cattle producers and the farmers who have been hit so hard by successive, unprecedented droughts. I have done my best to uphold that promise to the constituents of Crowfoot and I sincerely hope they would agree.

Unfortunately, Liberal members cannot, given their government's track record and the recent budget, claim the same.

In regard to the 2004 budget, it was, as the *National Post* headlines screamed, "a farewell to tax cuts". Another headline read "In the spirit of prudent management of public money, we are not getting any".

The finance minister tried in the budget to convince Canadians that the Liberals can be trusted to manage their money. The budget

promises that they will try harder the next time, that they failed last time and the time before that, but that they will try harder next time. I would suggest, given the government's past record, the finance minister was not very convincing. I hope Canadians will remember and will let the government know in the next election that they did not buy the malarkey that the Liberal government was trying to sell.

Many millions of dollars have wrongfully been diverted or funnelled into the hands of Liberal friends. The government's track record speaks for itself. For the finance minister to think that he can stand in this place and convince voters otherwise is an insult to Canadians' intelligence.

The Auditor General's shocking revelation regarding the sponsorship program was a sorry indictment of the government's control of the public purse. The *National Post* characterized the Auditor General's findings as:

This is the mother of all Canadian political scandals. Yesterday's Auditor-General's report revealed a situation in Ottawa so serious, so shocking as to be without precedent in our country's history. Previous scandals—and we've had lots of them—pale by comparison.

I could stand here today reading headline after headline chastizing the government but, quite obviously, we would be here forever.

Basically, the Auditor General concluded that the sponsorship program broke every rule in the book. Millions of dollars were funnelled from crown corporations and other crown agencies through ad firms that collected lucrative commissions, in many cases for doing nothing other than forwarding the cheques. Notably, but not surprisingly, these ad agencies were all firms with strong ties to the Liberal Party of Canada.

The Prime Minister has unsuccessfully attempted to deflect criticism and refuses to accept any of the blame for this scandalous affair but the reality is that the buck must stop with him. As finance minister, he signed the cheques and red stamped the \$250 million of taxpayer dollars for the sponsorship program. If the former finance minister knew that taxpayer dollars were wrongfully used and if he refused to do anything about it, that makes him complicit with those types of actions. If, however, he knew nothing, as he claims, then in some ways it is even more worrisome. It shows a level of incompetence in that department and in the Prime Minister.

• (1205)

The Prime Minister naively believes that his announcement of a public inquiry will placate the opposition and other critics. We are not that naive. Canadians are not that naive. They know that this is nothing but a futile attempt to sweep this scandal under the carpet until after the widely anticipated spring federal election.

The Prime Minister has attempted to do the same thing with a number of other files. He has attempted to do the same thing with the Maher Arar case. The commission of inquiry into the actions of Canadian officials in relation to Maher Arar and his deportation and detention in Syria will certainly not be completed by the time voters are called to the polls.

Whether the election is called in weeks, months or even a year from now, Canadians will not forget the scandal and they will not forget this weak-kneed budget that tries to prepare Canadians for an election call.

The Budget

Canadians will not forget the many broken promises given by the government. They will not forget the budget of 2004 which purports to eliminate the \$40 million national unity fund, or secret slush fund for Liberal members of Parliament. The national unity reserve, dubbed the "honey pot" by one government official, was only exposed last week in the finance minister's budget speech.

Although the Prime Minister is defending the fund as normal government practice, the Auditor General in her remarks seems to be unaware of its existence. Both the Minister of Finance and the Minister of Health have said:

...it is being axed because it does not meet the new government's standard of transparency, financial management or its new approach to national unity.

Ms. Fraser said:

I was aware of the government's national unity strategy but I am not sure what they are referring to when they talk about this particular reserve."

Although I know the Auditor General has been extremely busy with an unprecedented workload as of late with the government, I would strongly suggest that the Auditor General audit this fund. I think Canadians deserve to know what specific programs or events this fund has been used for.

Tomorrow the Auditor General will release another report. This report reviews the efficiency of spending of \$7.7 billion on national security.

In a pre-emptive strike against the Auditor General's report, last week the Minister of Public Safety and Emergency Preparedness announced that she was creating a secure government-wide communications system.

The minister's speech last week to the Canadian Club in Ottawa, according to news reports, was arranged by one of her own officials who had been looking for a venue for the minister to give a speech on national security and government initiatives. This was a perfect illustration of an arsonist returning to try to put out a major fire.

In a 1996 review of the national security information systems and cooperation between agencies, the Auditor General discovered "a pattern of inadequate information to support front-line officials responsible for national security". The Auditor General found that there was a lack of coordination and communication between the 17 federal departments and agencies with national security responsibilities.

The government has had eight years to make a difference. Given September 11, there was a lot of justification to address the deficiencies that the auditors general in years gone by have come forward with, and yet it has done precious little.

The government has offered no solutions until now. Less than a week before the Auditor General brings out her new report and the minister finds herself scrambling to do damage control and trying to put out what she knows will be a fire.

Once again the Liberal government is trying to scam Canadians but I am glad to report that Canadians are not buying it.

• (1210)

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I want to question the hon. member on a couple of statements he made in his speech. I know he is trying to be fair,

honest and forthright in his comments and he is not being too political about his stance, and I say that with tongue in cheek of course.

In his speech the member repeated a factual myth. I am sure he was not trying to mislead Canadians but he very clearly said that as finance minister the current Prime Minister signed all the cheques. He knows that ministers in government do not sign cheques. He knows that hardly any public servant out there signs cheques. Perhaps he could correct that on the record for us.

Also, in quoting a publication the member indicated that there were no tax cuts or the end of tax cuts. Would he acknowledge the fact that this coming fiscal year we are entering into either the fourth or the fifth year of five years in sequence of tax cuts yielding the largest tax cut in Canadian history? He did not mention that.

I hope, just to set the record straight, that he could perhaps clarify that. Are we not entering the fifth year of tax cuts, the largest in Canadian history? Will he please acknowledge that the finance minister does not sign the cheques to which he referred?

Mr. Kevin Sorenson: Mr. Speaker, we need to change the system. We do not simply need a change of face of who sits behind the Prime Minister's chair. We need a change in the system.

I think all Canadians were greatly troubled last week when they heard Mr. Alfonso Gagliano at the committee saying that he was not in control of his department and that he did not know what was happening in his department.

One of the promises the Liberals made in their 1993 red book was that there would be more ministerial accountability. We have seen less and less accountability in the government than we have ever seen before.

How many ministers have ever been fired because of misconduct? We have seen misconduct. We have seen them being shuffled out of one role or another role and switched departments. Ministerial accountability has seen sorely lacking in the government.

The hon. member asks whether the Prime Minister really signed those cheques. He was the minister of finance. He was the minister who knew where the dollars would have to be spent for departments. We had the supplementary estimates and budgets were proposed. There were \$250 million marked for the sponsorship program. Did the finance minister not know that \$100 million was being sent off to ad agencies, many of which did precious little?

The bucks stops here. I will read from the *National Post* today:

The business leaders polled were looking for more from [the Prime Minister]. In the past, they could always blame [former Prime Minister] Jean Chrétien for any budgetary limitations. This time it all falls on [the Prime Minister].

The article goes on and talks about the scandal:

"...they also recognize that he was a big part of the government that is at the centre of the scandal", Mr. Winn said.

They went on to talk about what was happening in this budget.

The Budget

I do not buy into that. I agree with him. Certainly anyone who has been in business knows that not every CEO signs every little departmental cheque but they are still responsible for the spending of the money.

The finance minister, the current Prime Minister, has failed the Canadian taxpayers and, I believe, he has failed Parliament.

When the government has ministers who stand in the House and say that they do not know what is happening in their departments, it is time we moved this group out and prepared for a new party to take over. The government has no control on what is going on in the country.

• (1215)

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, it is my pleasure to speak on the budget today. Back at home, I attended banquets this weekend. I certainly heard an awful lot about the government, about the budget, and about what it is doing. People are disgusted. They said "Bob, you told us what Mr. Martin would be like. You compared him to John Turner and Kim Campbell, that he would be about the same, a huge disappointment". It has borne true.

If we go back to his budget statement of 1995, the then finance minister said that the government had just introduced a new and much tighter system to manage its spending. If we go to his 1996 budget, he said that if there was one area where we must never let up, it was to root out waste and inefficiency. Then in 1998 he said that the battle to root out waste and inefficiency could never end.

The Prime Minister has totally failed in rooting out much of anything. Obviously, the whole responsibility issue is just not there. We have Mr. Gagliano saying that he did not know anything. We have the Prime Minister saying that he did not know anything and did not know what was happening. David Dingwall, the former public works minister, knew nothing. Mr. Chrétien of course is not responsible.

Is this about going after little guys? What about these big guys who are supposed to be responsible? People in my riding say that they should be responsible and fess up to exactly what they knew and when they knew it.

The chief of staff for the former finance minister, Terrie O'Leary, and the minister's legislative assistant, Karl Littler, said that in 1996 the finance minister knew there were problems in some of these departments and programs. The buck should stop there. That is where the responsibility is and this budget does nothing to address that.

Let us look at the other areas that it does not address. First of all, health care. Yes, the government is giving \$2 billion, but does it have a vision? I suggest that it does not. It budgeted \$665 million for the Canadian public health agency. To me, that says bureaucracy. We are going to have another whole bureaucratic organization. Will that help the waiting lists? Will that help our medical students who are underfunded? Will it help the infrastructure and the universities? Will it help to train specialists? Will it help in the emergency rooms? I say it will not.

The government again has failed Canadians in what Canadians see as the most important issue to them, and that is health care for themselves and their families.

What about education? The students at Red Deer College tell me that they are going deeper and deeper into debt. Tuition fees are rising. Infrastructure is decaying. Professors are getting older. We lose 22,000 graduate students a year in the brain drain.

As the House has heard many times, my own family has been forced to teach at universities outside the country. That is what is happening here. The budget does not address that.

It does not address the problems of those students who are trying to get their education. As the infrastructure collapses around them, the government has no interest in that, even though it claims that it does.

What about the debt? The NDP says that we should not deal with the debt, that it is not a problem. The reality is that we will be spending \$12.7 billion in the next two years more than what we are spending now. How does that equate? Right now we spend \$97.8 million a day on interest payments. That breaks down to \$1,135.42 per second on interest payments for which we get no social programs, and for which we get absolutely nothing. The debt must be dealt with. This budget does little to do that.

On national defence, which is our pride, and the young men and women who are defending our country, what did we give them? Basically nothing. Do we as Canadians want them to do their job? Yes, we do.

• (1220)

We want them to be the very best and have the best equipment. We do not want them sent out there in the wrong coloured uniforms with 40 year old equipment. It is embarrassing. I have talked in the House about seeing them in Bosnia, Kosovo, and Haiti, and seeing that old equipment that they are forced to use. In many cases it has even become life threatening.

Getting back to education, I checked out the promises that were made. In 1998-99 the government promised an extra \$100 million in spending; it actually spent \$73 million. In 1999 it promised \$100 million and it spent \$83 million. In one of the government's poorest years, it promised \$120 million in 2001-02 and spent \$67 million. This is not dedication to our troops or dedication to our students. Basically, the government has failed on all counts.

Let us go on and look at the tax situation. Why are we losing companies? Why are we losing many of our best trained people? Imagine people right now writing their cheques to Revenue Canada at a time when they see this place as a culture of corruption, where their dollars are being wasted by every department. Obviously, it is not very conducive to sending one's cheque to the government.

The Budget

Agriculture received \$1 billion. The farmers in my constituency are asking where the government has been for the last year and a half. It is too little, too late. They needed to have those borders opened. Instead of going and talking about the case in Washington, the Prime Minister has been touring the country from city to city on the taxpayers' dough, trying to build up his election profile. The farmers in my region certainly do not believe that the Prime Minister really cares about them very much.

Let us get to environment. I looked for a lot of things there as the senior environment critic. I did not see anything on invasive species. The Americans have three pieces of legislation; we have none. I did not see anything on smog control. I saw nothing on the international clean air treaty, nothing on the Great Lakes, and nothing on aquifer mapping. These are the issues that the people out there care about and this budget did not deal with them.

There is no vision. If we want a vision for the environment, it has to be long term. It has to go for 50 years if we really want to take care of our environment. We have an environment minister who runs around like chicken little saying the sky is falling, but there is nothing in this budget about that either. We have 8 out of 10 provinces now having serious doubts about the targets. I met with industry on Thursday and they said nothing is happening on the Kyoto file. Industry cannot achieve its 55 megatonnes targets and the government is just blowing smoke and has no plan.

Regarding the one tonne challenge, we have a beautiful brochure and we have some boy scouts changing light bulbs. It is a lot more serious than that to deal with climate change. I am saying we should deal with it, but I question the way the minister is doing it.

The battle goes on in their own caucus, where we have one minister saying that he is going to go after the automobile companies because they will not increase their fuel efficiency, and another minister saying, "No way, that is mine". There is a turf war and nothing about the real environment.

The sale of Petro-Canada is a joke. We are going to get \$3 billion and \$1 billion will go to the whole environment package. We are only going to get \$200 million now, and that \$200 million is going to be at arm's length run by a Liberal friend. We were going to end all of that. And so it goes.

Yes, we should deal with contaminated sites, but we should prioritize them and come up with a plan.

Where is the support for alternate energy, transitional fuels, wind and solar power, and all of those things?

In conclusion, I am embarrassed by this budget. There is no vision, there is no enthusiasm, and there is no excitement. It is a tired old government, status quo. The public had such hope, but now that hope is gone because of the sponsorship scandal and all the other scandals.

•(1225)

The Prime Minister said he would help municipalities, the military, children, firemen, aboriginals, students and health care. He has done absolutely nothing. It is time for a change.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, as the hon. member knows, one of the

items in the budget is the income tax exemption for our armed forces personnel who serve in a theatre of conflict. Right now, it is confusing to our men and women in the military, including their civilian counterparts, of who exactly would receive this so-called benefit. France, Holland, England, and the United States have already extended this benefit to their armed forces personnel, but I am not quite sure who in those various countries qualifies.

We in the NDP are of the mind that all armed forces personnel and their civilian counterparts who serve in a theatre of conflict, for example the Arabian Gulf, Bosnia, Haiti, or Afghanistan, should be entitled to the same benefits as everyone else.

Would the hon. member from the Conservative Party agree with us that this is the way the government should be going with this particular item in the budget?

Mr. Bob Mills: Mr. Speaker, it is pretty obvious what has happened here. We have created more conflict within the military. We should be sending a message to these men and women that we care about them and want them to do their jobs as best they can. We should be telling them that they are our ambassadors to the world. What we are in effect doing by singling out one group over another group is simply creating conflict.

I agree with the member that we should be taking care of them. Let us show some commitment and some vision. Let us ask Canadians what they want our military to do so they can do it the best they can. Let us finance them the best that we can. Let us give them the best equipment. Let us take care of their tax situation as an incentive.

I have been with our troops in both Haiti and Bosnia. I have been with them in many of these conflict situations. It is a tough job. They are doing a wonderful job as they build schools and hospitals and so on. We need to reward them for doing that. I do agree with the member.

Mr. Roy Bailey (Souris—Moose Mountain, CPC): Mr. Speaker, last week a program was announced that would put some money into the cattle herds in western Canada, but it fell far short of what is required.

A person with 200 head of cattle who kept back 20 replacement heifers was paid \$56 for that exercise, and ended up getting \$1,120. I told the Chambers of Commerce where I live that no money was flowing down the street from this government. The announcement that was made was slightly less than what farmers anticipated. As far as the individual cattle producer was concerned, he got little, if anything. I would like my colleague to comment on this situation.

The Budget

Mr. Bob Mills: Mr. Speaker, a crisis occurred over a year ago and people in my constituency were affected as much or more than anyone else. Young farmers were trying to make a go of it, and they needed to know that a plan was in place. They needed encouragement. They did not need to hear bad mouthing of the Americans. They did not need to hear all of the stuff that went on in this place. They needed a plan so they could get their lives in order.

It is too late now. Many of the cow-calf operators sold their calves in November because the price was a little higher. They are not going to get anything. Many people have cows and bulls that are old and would normally have been replaced. They are not getting anything. Much of the money already budgeted never went out to farmers. Some did go out to some people, but much of it did not.

There is not much hope out in cattle country. Our only hope is our premier who has been to Washington and has talked to the Americans about opening the border in May. If that happens, Shirley McCLEllan, the Alberta agriculture minister, will deserve a lot of credit along with the premier.

• (1230)

Mr. Bryon Wilfert (Oak Ridges, Lib.): Mr. Speaker, it is a pleasure to speak on the budget.

First, after listening to our Conservative friends across the way, or our "Alliance lite" friends, I want to say they really demonstrate that they are high on rhetoric and very weak when it comes to substance. In fact, I think they demonstrate more than ever why they should never be trusted to form a government.

The Conservatives, the Alliance lite over there, continue on a daily basis to say "spend". They say to spend billions on this and billions on that with no accountability. Then there are days when they come in and say "cut". They say to cut this and cut that without really analyzing the impact of those cuts.

As you know, Mr. Speaker, this is a party, a group, that when it came into office in 1993 inherited a deficit of \$42.5 billion. That deficit was because of overspending and lack of accountability. This government came into office and said, "We are going to get the fiscal house of this nation in order". We know that over the years it took a lot of work, a lot of hard work from Canadians, supportive Canadians, in order to eliminate the national deficit.

We know that the Conservatives really have not improved much since then. Their kissing cousins in Ontario left the incoming government of Ontario with a \$5.6 billion deficit, this from a party that said it could in fact reduce taxes, spend less and deliver more. All it delivered in the end was a whopping deficit to Ontarians. The fact is, they could not manage the purse strings, and there is no indication from that party across the way that it has matured enough to be able to do it.

In fact, accountability is what this government has been all about. In fact, when the \$42.5 billion deficit was eliminated we said we would not spend and we would not reduce taxes until such time as the fiscal house was in order.

It has almost become routine now, but the finance minister announced last week that this is the seventh consecutive balanced budget or better. There were times, I am sure, when we would have

heard the opposition members telling us we were still in deficit. Now that we are at seven balanced budgets or better, we do not hear anything from them. In fact, the silence is deafening. Maybe it is because they do not have the words. They do not know what to say because they are dumbfounded that any government, the only government in the G-7, is able to balance seven years in a row. This is unprecedented in Canadian history. Again, the silence on the other side is deafening.

They are not deaf when it comes to saying spend in this area and cut in that area, but they have no fiscal plan. This government has a fiscal plan. We said we would get our house in order. We have done that with seven balanced budgets or better.

We have listened to Canadians. They said they wanted expenditure controls to make sure that when we spend a dollar we know where that dollar is going. They said to make sure we bring in smart investments. That in fact is what we have been all about.

Reducing the national debt used to be something that the Conservatives, the Alliance lite over there, used to talk about all the time. They do not talk about it anymore and again we hear great silence on the other side. Why? Because we are the only G-7 state paying off the national debt. In fact, we have now hit a target. We have now said we are going to go below 40% of the GDP. It was as high as 71.5% five years ago. Now we have said that the target in 10 years will be 25% of the GDP.

There were times when the other side used to say we did not have a target. Opposition members asked us why we did not have a target for debt reduction. Now we have announced a target for debt reduction and obviously it is too much for them to handle. There is no comment from the other side about the fact that we are now paying off over \$52 billion in debt.

What does that mean? Our friends in the NDP say debt reduction is not that important. The NDP believe, I think, that the saving of \$3.5 billion in interest payments is extremely important. Why is it important? It is important because social programs in this country can be and are funded because we are saving on interest.

• (1235)

To me, just those two areas alone demonstrate the fiscal management of the government: seven balanced budgets or better and the GDP going down to 25% in 10 years, something that could not even have been visualized 10 years ago and something that they still cannot grasp today, which only goes to prove that if one is a member of the opposition one's CV is very light. The opposition members clearly do not understand economics. They do not understand how to manage budgets. They are good at rhetoric but they are not good when it comes to the delivery of what Canadians want in terms of the fiscal management of Canada. We have delivered.

The Budget

In fact, they do not have to take my word for it. The Organization for Economic Cooperation and Development said that Canada will do again this year what no other state has done: balance the books or better and pay down the debt. Again, we did this last year, which was a very difficult year: SARS, forest fires in British Columbia, hurricanes in the Maritimes, and the mad cow crisis. Yet because of the prudent fiscal management of the government, we were able to deliver a balanced budget or better for the seventh year in a row.

The fact is that we practice what we preach. We do not go out and spend moneys that we do not have. We again have shown the importance of the contingency reserve, that cushion against unforeseen economic circumstances. That \$3 billion is important, and another \$1 billion, again so important in terms of being able to set those moneys aside in case there are unforeseen circumstances that buffet the Canadian economy. We were able to respond in spite of all of those challenges of last year and we are still able this year to deliver a balanced budget or better. I think that is an impressive record.

Also impressive, I think, are the prudent investments we have made. Again, we have a resilient economy. We have the support of the Canadian Institute of Chartered Accountants, which again this year has applauded us for the work we have done in terms of dealing with debt and in terms of balancing the books.

Also, our friends across the way talk about the fact that we did not do enough in this or that area. Simply let me say that having balanced the books and having again reduced the debt, if that is not enough, what else did we do? We made an accord with the provinces. In that accord, we invested over \$34 billion and another \$2 billion, for over \$36 billion, in health. This Prime Minister has said that in this particular case we are prepared to do more; in fact, we are prepared to give a 10 year commitment. But we cannot and will not continue to put in money without structural changes and, as we all know, it is up to the provinces, which administer the health care system, to make those changes.

The Prime Minister has said very clearly that this summer in a first ministers meeting he is prepared to go all the way in terms of making sure that we make those structural changes in cooperation with the provinces and provide the long term funding for 10 years, but the fact is we cannot continue to provide money to the provinces when the accountability is not there. Again, it is very important that there is accountability in terms of where those tax dollars are being spent. It is important to know that when it comes to the health care system the government supports a publicly funded health care system. We are going to continue to support it and we are going to continue to work with the provinces.

Of course our friends across the way, particularly the Conservatives, our Alliance lite friends, would like to see a two tier system. They of course are champions of Mr. Klein. In fact, that is not what Canadians want. They want to know that the system is there today and for the future.

In regard to the long term, we agree with Mr. Romanow, who has said not to put more money into it until there is a substantive agreement on the structural issues. That is what we are going to do. That what the Prime Minister has said he will do, and hopefully—

not over lunch, not over dinner, and if it takes three or four days, whatever it takes—it is going to be done and done right.

One of the most interesting attacks we have had from our friends across the way has been on the issue of the urban agenda on the municipal file. It is absolutely unconscionable that the Conservatives, the Alliance lite party, would have this audacity. In fact, I cannot believe that they would even mention this issue since they have never supported this issue. Being a former president of the Federation of Canadian Municipalities, I know what I am speaking about. I know that they used to say no all the time.

● (1240)

In fact, having been in the House over the last number of years, I remember Bill C-10. Bill C-10 was a bill in which we said we were going to deal with the issue of payments in lieu of taxes. What does that mean? In 1992, the Conservative government did a unilateral tax cut. It said that crown corporations would pay 10% less than private corporations. In theory, we could have had a CTV building and a CBC building in our city and the CBC would have paid 10% less. That was unacceptable. What did we do? The Liberal government worked with the FCM and municipal governments across the country and brought in Bill C-10.

Bill C-10 essentially said that we would pay our taxes on time, and that if there were a dispute it would go through the normal dispute mechanism available to the average taxpayer and we would pay interest if we were late. That party across the way voted against it and voted against it because that party was consistent in that it has never supported cities.

Lately, of course, that party goes on about the gasoline tax. It has discovered the gasoline tax, heaven forbid. These members are the champions of provincial rights and yet the party across the way, our Conservative, Alliance lite friends, ask why we did not bring in a rebate in this budget and assist the municipalities today. It is pretty obvious. Anybody who knows constitutional law knows that under section 92 the provinces are responsible for municipal governments, which are creatures of the provinces. Therefore, we need to get a tripartite agreement. We at least need to get the provinces on board, because we are not going to simply turn over money to the provinces and then say that hopefully it will go to the cities, towns and villages across the country. That will not work.

We have given a solid commitment. The Prime Minister gave a solid commitment that he will in fact work with municipal governments and the provinces in order to ensure that the moneys, either those from the gas tax or a similar amount of money, will go to our cities, towns and villages.

It was this government in 1993 that brought in the national infrastructure program. That party across the way opposed it. Those members are so shallow when it comes to the cities file. It is incredible to suggest for a moment that they are now the champions of the urban agenda in this country.

The Budget

When it comes to the government, we implemented the national infrastructure program in 1994. Since then, this has been a very important and successful program for cities, towns and villages, over \$25 billion of it. The fact is that it has helped the infrastructure in our cities, towns and villages across this country.

Going further, in 1991 when Brian Mulroney brought in the goods and services tax, he wanted municipal governments to pay 100%. The FCM, of which I was a part, said it did not believe that cities should be taxed, simply because the provincial and federal governments did not tax each other. In fact, we came up with an agreement, eventually and reluctantly, for a 57.14% rebate.

What has this government done? The government has now brought in a GST rebate of 100%, something for which municipal governments and municipal leaders have been asking for years. What does that mean? It means a \$7 billion saving over a period of 10 years. My own municipality of Richmond Hill is going to save between \$500,000 and \$1 million a year. That is a significant amount of money, money that Richmond Hill can use for other projects. Again the fact is that the GST rebate is a very important initiative and again we are in consultation with our municipal friends.

We have gone further. We have said we are going to work collaboratively with cities, towns and villages in this country to make sure that if federal legislation comes in that is going to have an impact on them, we are going to have them at the table. We would like to have them at the table with the provinces and with the territories, or we will do it separately if in fact the provinces and territories do not agree.

We are committed to working with our cities because of course they are where 80% of Canadians live. The fact is that on the infrastructure file we had a 10 year program. We now have speeded it up to 5 years. We put aside \$1 billion last year, spread out over 5 years instead of 10, because municipal governments of course have their capital works projects and devise 5 year and 10 year programs. This helps to assist them whether they are large or small.

• (1245)

A billion dollars has been invested in affordable housing, which is another important initiative. Even though some provinces have not picked up the ball on that, we will continue to work with our partners to ensure that needed housing is constructed. That is important.

To ensure that there is a strong voice, the Prime Minister has again said that he wants to start those discussions. He has been very open, as was the former prime minister with team Canada missions. Municipal representatives worked with business leaders and the federal government. We have continued to work in collaboration on this city file.

The former premier of British Columbia, a good friend of the NDP, Mr. Harcourt, has been brought on board on an external advisory committee on cities and communities to ensure that concerns of communities are heard. I know my NDP friends would be happy to see that. We do not talk about these issues; we deliver.

Contaminated sites is another important issue with which cities have been dealing. The government in the budget said that it would provide \$4 billion over 10 years to do just that. That is very important. There are 3,800 federally controlled contaminated sites.

We will respond to that, working in conjunction with municipalities, just as we did with the green enabling fund where we initially put \$250 million in, then doubled it because it worked so well, showing a leadership in that regard.

On the issue of immigration and settlement for cities, \$15 million annually was allocated there to deal with language training issues, another important incentive. Our friends across the way are silent on these issues because these are good initiatives. These are important things, but they are mired in the politics of cheap rebuttal. They want to talk about scandals. Yet they do not want to look at how this government has responded to expenditures and how we responded effectively.

The government has responded. The opposition is very weak when it comes to substance. It is high on the rhetoric. We are interested in ensuring, in listening to Canadians, that we provide not only a balanced approach, but also ensure that the investments made are made effectively for Canadians.

On taxes, our friends across the way complain. This is the \$100 billion tax cuts, the largest in Canadian history. It is the fifth year in a row, and is assistance for small business.

In any event, I know members opposite do not like to hear the truth. I know it bothers them, and I am sure they will all get up ready to make comments which will have very little bearing on the budget.

Mr. Ken Epp (Elk Island, CPC): Mr. Speaker, I do not know if this is parliamentary, and you will correct me if I am wrong, but that member and all the Liberal horde over there are full of hops. So much of what he has said about what we have stood for over the years is just totally false.

He talks about the urban agenda and the infrastructure program. He said that we were against it. What we are in favour of is an efficient application of taxpayer money in order to give the maximum amount of money to the people who are building the infrastructure instead of wasting it in this quagmire here in Ottawa.

He says that they will defend health care. The Liberals keep saying it. They hope Canadians will believe them. The fact of the matter is, they started out with 50%. They are down to 16%. One of my colleagues over here has said that they are now funding 14% of health care. That is a big deal. They say all the words, but there is no action. We do not believe them.

There is \$1 billion down the hole for the gun registry. Has it done anything? No. Meanwhile we have people like one of my friends whose daughter was brutally attacked by a guy on parole. How is that protecting our citizens. It is a total wipeout in terms of efficiency.

The hon. member has said that we are anti-Canadian. Does he remember that in 1993 we had a thing called zero in three? It was a plan where we said that the budget could be balanced in three years. The Liberals said that was un-Canadian, that we would cut everything, et cetera. The Liberals balanced the budget in three years. All we did was figure it out. We said that it could be done. They happened to win the election and they did it, but he was against it.

The Budget

Affordable housing is a joke. The Liberals have poured millions of dollars into it and there is very little more affordable housing for poor people right now.

Finally, every year in the budgets that I have heard in the last 10 years I have been here, the Liberals announced that they would clean up the Sydney tar ponds. I think they will never do it, because then they would not have anything to say in the budget.

• (1250)

Mr. Bryon Wilfert: Mr. Speaker, I did not hear a question, but I obviously hit a nerve over there. Let me respond to a couple of points.

First, on infrastructure, the Silverman report, the McGill University and U of T reports and the Auditor General all said that the infrastructure programs were well done, with 99.9% of the projects well funded and well thought out. Opposition members are fudging by saying that they want to ensure they get value for the dollar.

I want that member to go back to his riding and have the decency to talk to his mayors and ask any one of them if they do not think the program has not delivered important projects in their communities. Why is it important? A news flash for my friends across the way. They were not generated by this government. They were generated by the municipalities. They are the ones who made the proposals.

The party across the way, the Conservative, Alliance, has the audacity to stand in the House and mimic the provinces on the 14¢. It is utter nonsense. The party across the way should get it straight on how health care is funded. It is funded through cash and tax points.

If the members do not know, I can give them a little history lesson. The provinces wanted cash and tax points in 1977. Today, with cash and tax points, and if we throw in equalization except for Alberta and Ontario, it is between 30¢ and 40¢ on the dollar. Stop making those outrageous statements—

The Acting Speaker (Mr. Bélair): The hon. member for Sackville—Musquodoboit Valley—Eastern Shore.

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I can assure the House that I took great delight in hearing what I guess I could call stretching of the envelope by the hon. member over there. The reality is his entire speech originated from the south end of a north bound cow. He knows very well that NDP members are very concerned about debt and deficits as well, but we would like a balanced approach.

As an example, if my roof is leaking and it will cost \$2,000 to repair it, I will have to make a choice. Either I will repair it for \$2,000 or I will put \$2,000 on the mortgage. Those guys would put the \$2,000 on the mortgage. Meanwhile, the roof would leak which would cause great damage to the House. Now they would have a \$20,000 repair job. Was the \$2,000 an investment? Of course not.

We are asking for a balanced approach. The Auditor General said that the \$100 million purchase for the two Canadair jets was a complete breakage of all the rules and regulations. She mentioned that to the previous cabinet and to this cabinet. The cabinet response was the same. It did not break any rules. How does the government

spend \$100 million on two jets that its own Department of National Defence said it did not need? Would the member respond to that?

Mr. Bryon Wilfert: Mr. Speaker, when it comes to the leaky roof, the government has not only been able to pay down the debt, the mortgage on the house, it has been able to repair the roof. Why? Because of fiscal prudence and good management. We have not only been able to repair the roof, but we have been able to refurbish the house because we have saved money. We saved \$3.5 billion a year on interest because of debt repayment.

It is a fantasy of the NDP to suggest that somehow that by not paying down the debt we are in fact not doing the job and not helping Canadians. We are helping Canadians. Let us accept the leaky roof analogy, but let us accept the fact that by paying down the debt, the mortgage, we still are able to repair the roof. Why? Because of the interest savings.

Debt repayment is a most important aspect. I do not know about the hon. gentleman. I am sure he is a good fiscal manager in his own house, but I am sure that if he had a large debt, that is something that would concern him, and his family, and he would want to deal with that.

We are not saying we will pay it all off tomorrow. That is not realistic. What we are saying is that we have a plan, we are doing that and we consistently have shown that we are paying it off. We are also investing in many of the very important social programs that the member happens to support.

I am really a bit surprised to hear that somehow there is this issue dealing with that.

On the issue of the jets, I am not at the cabinet table. I can tell the hon. member that we need to ensure our expenditures are wise. That is what the Minister of Finance has said. The Minister of Finance has now re-established what the Conservatives eliminated, which is the comptroller general role. That comptroller general can flag expenditures early, or any issues needed. That is very important.

I very much believe we need to ensure, whether it is a dollar, or a million dollars or a hundred million dollars, that our dollars are spent wisely, that we invest wisely and that way respond effectively. I would think the hon. member would want to stand up, and I am sure he forgot to do this, and congratulate us for responding effectively with a comptroller general and all the other prudent things. It is very important, but I know he forgot to say that.

• (1255)

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, I listened to the member talked about the record of his government. He said that his government brought in these programs. Let me ask him some point blank questions. What about the sponsorship scandal? What about the gun registry scandal? What about the flag scandal? What about the HRDC boondoggle?

The Budget

Most important, he talked about the GST rebate. It was his government that said that it would eliminate the GST for all Canadians, not only for municipalities. What happened to that promise?

Mr. Bryon Wilfert: Mr. Speaker, I thank the hon. member for the beach balls he floated over here.

On HRDC, I wish the member would get it straight. There was never a billion dollar boondoggle. It was \$60,000 in total. There was a bad paper trail. We now have the Auditor General responding four times a year. For them to repeat that nonsense, is utter rubbish. The member knows that, but again that party is mired in scandal. That is all it is interested in. It is not interested in providing Canadians with the facts.

On the GST, the hon. member knows that the government said that it wanted to harmonize the GST with provincial sales taxes. That has been done. However, the member knows that the elimination now of the GST per se would have to be made up somewhere. Could that hon. member tell me where he would make it up?

On the gun control, over 80% of Canadians support the gun registry. The fact is it is used over 2,000 times a day by police forces across the country. That group clearly has these hot button issues. If it would get its facts straight, they are not that hot.

Let us get the facts straight on HRDC. Let us get the facts straight on gun control. Let us get the facts straight on a lot of things.

If that is what the party will do in an election, then the member's party is in serious trouble. Canadians want to hear the facts. They do not want to hear the rhetoric of a really papered old party, which really is Alliance like.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I will split my time with the friendly and attractive member for Québec.

As you know, the budget was a huge disappointment. All the media, both anglophone and francophone, took a very realistic and relevant look at it. This budget confirms three major patterns of the government, including interference in provincial jurisdictions—and I will explain later what will happen in health. This is, of course, a budget that will allow the federal government to continue to generate surplus after surplus, but will not give the provinces any chance to fulfill their responsibilities. With this budget, the government is true to itself in that it does not respect the main priorities of Canadians and Quebeckers.

Why is it not respectful of Canadians and Quebeckers? Because, according to all the polls, health is the top priority for our fellow citizens, but this budget does very little in that respect.

To begin at the beginning, as we all know, there has been a campaign in the print media for several weeks now. It is not being carried out by either the Parti Québécois or the Bloc Québécois, but by all the premiers. This means the Liberal government in Ontario, the Conservative government in Newfoundland and the Liberals in B.C., among others. All of the premiers are urging the federal government to shoulder its responsibilities and to reinvest massively in the health care system.

As hon. members are aware, in the mid 1950s, when hospital insurance and the major components of the public health care system were put into place, the federal government committed to a 50% contribution to health programs.

Federal-provincial committees and senior public servants have carried out a non-partisan analysis to find out what the federal contribution was and came to the conclusion that the federal government's contribution was no more than 16¢.

Imagine, the government, which was meant to invest 50¢, is investing a mere 16¢ into health care. This is why the Quebec Minister of Health and MNA for Mont-Royal, Philippe Couillard, not a Bloc Québécois supporter and most certainly not a card-carrying Parti Québécois member, said the federal government was trying to set the priorities, even if it only funds 16¢ of every health dollar.

This is, in fact, the main danger for us in the years to come. The federal government's intent is to make use of health in its nation building exercise. It wants to construct a vision of Canada. It wants to encourage a feeling of allegiance. It wants to develop partisan networks around health, because it wants to be the one to set the priorities, without putting in the funding for them.

I will give an example that will surely please the members for Québec and Rimouski—Neigette-et-la-Mitis. It concerns the Canada public health agency. We need only examine its designation, or name, the Canada Public Health Agency.

Mr. Speaker, erudite as you are, can you explain the federal government's interest in health, outside of epidemics and veteran and aboriginal health, all areas for which everyone understands it has responsibility? Outside of these three areas, how can the federal government claim any expertise whatsoever in public health? Yet, it is now engaged in building a Canadian agency for public health. Already \$660 million has been set aside for this.

• (1300)

Finally, the federal government has come up with \$1 billion in new initiatives that are completely outside its field of jurisdiction. What the provinces have asked for, many times, was for it to increase its contribution.

I would also like to talk about another scandalous matter on which the Liberals have been cruelly silent. We know that in the big cities, there is poverty. It is true in Quebec City, Montreal, Vancouver and Toronto. Our fellow citizens, the poorest among us, have become poorer while the rich have got richer. There has been no effort in recent years to establish ways to redistribute the wealth in a more adequate, fair or generous way. The opposite is true, in fact: the rich got richer and the poor got poorer.

The Budget

We know that in the big cities, the phenomenon of poverty is even more visible. What is the first variable that affects poverty? Access to affordable housing. First of all—and the hon. member for Terrebonne—Blainville can give us details—the federal government completely withdrew from the funding of social housing. There was a joint program under which the provinces and the federal government constructed social housing. The visible aspect of this is the presence in our communities of low cost housing. Those living in this housing pay 25% of their income.

Just imagine—this government has been so heartless, unfeeling and inflexible as to completely withdraw from the field of social housing. If the federal government had maintained its contributions at the same level as in 1993-94, are the members aware how many new social housing units would be available in our communities? With regret, I must inform the House that some 45,000 social housing units have not been constructed because the federal government has not lived up to its responsibilities and acted as a partner in this sector.

The Quebec government—if I am not mistaken, it was under Mr. Chevrette or Mr. Rémi Trudel—set up a special housing fund. It was known as the affordable housing fund and was available to the Quebec government. Without the Quebec government's contribution, social housing would have seen some serious setbacks.

More troubling still, Louise Harel—one of the most brilliant people in Quebec today—signed an agreement with Alfonso Gagliano. I do not want to comment on his contribution to public life, but Alfonso Gagliano, as the public works minister, signed this agreement with Louise Harel to implement phase one of the affordable housing program, for which \$680 million was allocated. But, to date, only 24% of that amount has been spent.

Quebec implemented a program with the municipalities to spend this money. Quebec spent its share, but the rest of Canada did not. Phase two of the affordable housing agreement was signed and \$320 million was allocated. Despite the fact that there will have been two July 1 crises since parliamentarians voted to approve those funds, not one province has received a dime.

How is it possible that there is a significant need for social housing in our communities, such as Montreal, Vancouver and Toronto, yet this money has not been made available? It is a true scandal with a human face.

•(1305)

[English]

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, I would like my colleague to elaborate a bit more on the fact that the budget was lacking with regard to social housing in Canada.

Social housing is a growing concern in Canada. It was this government and the Prime Minister when he was finance minister that cut federal funding to social housing. The government is not even at the front door of discussions in a serious way.

I would like my colleague to give the Quebec perspective on the social housing crisis in areas like Montreal, Quebec City and others.

[Translation]

Mr. Réal Ménard: Mr. Speaker, that is a very good question. As you know, social housing is what provides our fellow citizens with accommodation for a reasonable portion of their income.

The federal government stopped funding this in 1993-94, when the first Liberal budget was presented in this House. There was no longer one red cent for social housing.

In the good years, 8,000 social housing units were built in Quebec with 50-50 federal and Quebec funding.

As hon. members are aware, Montreal has a 1% vacancy rate. Only 1% of rental housing is available for rent. If we look just at housing renting for \$600 or less, the percentage is 0.4%. The housing crisis is more acute in Quebec than anywhere else.

Things are not much better in Quebec City. I am sure the hon. member for Québec will also speak of this, but the vacancy rate is not much different there, nor is it any better in Sherbrooke or Trois-Rivières. Nevertheless, the government manages to hang on to funds rather than passing them along to the provinces.

I have referred to phase two of affordable housing. Quebec has invested money in this, and as a result people can rent a two-bedroom apartment for between \$350 and \$500.

But I will leave an opportunity for the hon. member for Rimouski—Neigette-et-la Mitis to ask me a question.

•(1310)

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, I am pleased to speak today since the budget that was presented to us has consequences for ridings that are dealing with the problem of poverty.

Choices were made that will not help the poorest communities in Quebec. In my riding in particular, there are some areas that are quite disadvantaged and as my colleague, the member for Hochelaga—Maisonnette, was saying, need social housing in order to have affordable housing.

It is a little disappointing because what the government is telling us is that it did not have enough flexibility or a large enough surplus to support certain community projects.

Do we believe that there was no flexibility? Does the public believe it? No, we do not. We know full well that this government had the necessary means to meet other urgent needs. I will talk about this later.

The Budget

There is talk of a hidden surplus in Ottawa. We know that this government is a master at hiding the surplus. According to the government, the surplus will be \$9.9 billion in 2006. We know full well that other calculations have been made and other studies conducted. Among others, the Conference Board of Canada, in its 2004 projection of the fiscal balance for the federal, provincial, and territorial governments, estimates the budgetary surplus for the same period, 2005-06, at \$24 billion. That is far from the \$9.9 billion the government says the surplus will be in 2006.

The Bloc Québécois received comments along the same lines as the Conference Board study, saying that we were right in previous years about this government's estimates. According to the Bloc Québécois, according to our finance critic, the member for Joliette, in 2005-06 some \$28.5 billion will be sitting in this government's coffers.

Often our estimates are taken seriously. In reality, year after year this government has raked in surpluses that are much greater than they claim. The result is that they are unable to bring down a budget that takes into account the true realities. We know that the provinces have realities. I will name a few.

As regards the Canada social transfer, the new Prime Minister told us about his intention to do things differently. We tried to see if, in the budget, this Prime Minister had met public expectations, and also if he had followed up on his statement to the effect that the budget would take the provinces into account and would be respectful of their jurisdictions.

The first thing that he should have done is to restore the Canada social transfer, which provides money for education, health and social programs. These transfers respect the Constitution.

Instead of doing that, the government decided, in a very underhanded way, to continue to interfere in provincial jurisdictions. As regards health, the government says that it wanted to comply with the Romanow report, but that it would have had to contribute 25% of the budget for health. This could have been achieved through the Canada social transfer.

The amount of \$2 billion is not an investment made by the Prime Minister, it is an amount pledged by the former Prime Minister of Canada, Jean Chrétien. I cannot count the number of times I have heard the government say that it was investing \$2 billion in health. We know very well that this amount is totally inadequate. The provinces were unanimously very disappointed with the federal government's contribution to health.

The government should have gone back to the drawing board and looked at what the provinces require to meet public needs.

• (1315)

Instead of that, they decided to put Canadian public health agencies into certain bureaucracies, instead of looking at the provinces' real needs.

We can also look at the level of funding for social programs. It is zero. It is the same thing in education. They are giving 12%. That is not the fair share to which Quebec is entitled nor to which the provinces are entitled, so that they can increase the quality of educational services.

We know that they were trying to flirt with a number of client groups. The federal government has a habit of trying to flirt with certain client groups to gain their trust and keep them on the government's side. We know a thing or two about that.

Thus, I think this is a very manipulative budget, that does not meet the expectations of the provinces and the premiers. We know that Quebec has a new premier. No one can claim that he is a sovereignist or from the Parti Québécois. His is a Liberal government that has said this budget is humiliating for Quebec; it was called "a humiliating defeat for Quebec".

In certain economic sectors it is a budget that stirs the anger of unions and does nothing to solve problems. It is a great disappointment all over Quebec, particularly in Quebec City where it has also been criticized. It has received a lukewarm welcome in the business community.

There is another issue, that of social housing. On this topic, FRAPRU met with the Prime Minister. They believed he was going to be generous in terms of social housing expectations, but that was not the case. The Prime Minister said he was concerned about social housing for low-income people, and that he would set up a five-year program.

But there has been nothing. In its press conference, FRAPRU spoke of this Prime Minister's awareness of and concern for the disadvantaged, and there has been nothing for social housing. Moreover, as my colleague from Hochelaga—Maisonneuve mentioned earlier, they have not put one new penny into building social housing.

Then there is the national affordable housing agreement. Here, too, Quebec must wait until all the provinces have spent their money in the first phase, because there are two phases to social housing. In the first phase, no one in Canada, except Quebec, has spent the first amount allowed.

Phase two has begun and, once again, all the money from phase one must be spent before Quebec can access the funds for phase two. So we feel ripped off. The needs are urgent. There are projects waiting.

The other day, I saw the Minister of Canadian Heritage break ground in my riding and brag about affordable housing being built. However, what she did not say is that there would be a lot more already built if the money for phase two had been freed up, thereby allowing faster access to it.

Obviously, projects are on the table and on hold. Furthermore, the industry knows that the minute construction starts, the money has to be there for the building to go up. This is yet another area with disappointing results that needs our consideration.

There is the whole issue of the fiscal imbalance. What did the government decide to do? It closed its eyes. It is not the one responsible for providing services to the public.

The Budget

For example, when things are bad in the provinces, when the provinces and Quebec have trouble meeting the needs of the public—be it in health or other services—who do the public go to? They go to the government responsible for providing those services. I am talking about the provincial governments. So, the Quebec government has to justify itself to the public.

In the meantime, the federal government will have stockpiled \$28 billion between now and 2006, and it says in all seriousness that it does not have the financial leeway to respect provincial jurisdictions.

We shall see in the next election. We hope that those listening today to the opposition will tell this government, “You did not do your homework, you did not understand and that is not how the federal government is supposed to work”.

● (1320)

[English]

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am very happy to enter the debate on the budget. This is a historic budget because for the seventh consecutive year the government has balanced the budget. This is the first time that this has happened since Confederation. The government is predicting, projecting and committing to balanced budgets or better in the next two years as well.

The budget implements the new agenda for achievement that was enunciated in the recent throne speech. This is a time when we are preparing to act with a new government and a new leader. It is an exciting time as change is in the wind.

As the newly elected chair of the House of Commons Standing Committee on Finance, I can say categorically that the budget reflects what our committee heard when we travelled across the country last fall on our prebudget consultation tour. Canadians told us categorically that we should not under any circumstances give way to a budgetary deficit, that we had to stay in surplus. The Minister of Finance certainly listened to that message and implemented this key feature in budget 2004.

Because of recent problems with the discredited sponsorship program and the financial management of programs such as the gun registry, the government is acting on a number of fronts. Before I speak to that, what the government is talking about is greater accountability and greater transparency. We saw on Friday living proof that the government is acting on that agenda.

I have a private member's bill, Bill C-212, on user fees. The bill was passed by the House of Commons after receiving some amendments from the other place. The bill will now pass into law with the Governor General giving royal assent hopefully in the not too distant future.

The bill demands that the departments and agencies of the Government of Canada be more accountable and more transparent when they bring in new user fees or increase user fees across a broad spectrum of Canadians. These user fees bring in about \$4 billion annually. They could be for anything, a fee to get a passport, a fee to enter a federal park, a fee to get a new drug approved in Canada, a

fee to get ice breaking services from the Coast Guard, or a fee to access the government procurement system, the MERX.

I am happy to see the Minister of Public Works enter the chamber. I understand that the cost of entering the MERX system is going to be reduced significantly. I am very happy to hear that, and I congratulate the minister for that action. Small businesses use that system to find out what procurement opportunities there are within the federal government and in other levels of government as well. Magically, mysteriously and suddenly last year the fee went from \$5 a month to \$30 a month. Had my Bill C-212 been around at the time, there may have been a different result. However, I am very happy that the government is moving on that unilaterally.

This is a sign of the times. The President of the Treasury Board, the member for Winnipeg South, supported my private member's bill. The Senate made amendments to the bill. Then the government supported my private member's bill, which will demand more accountability and more transparency from government departments and agencies. That is what this government is all about.

The problems we have experienced more recently with the sponsorship program and the gun registry really call for an action plan by the government to deal with these particular circumstances. That is what our Prime Minister and our government are doing. Our government has called for a special inquiry. Our government has referred the matter completely and openly to the public accounts committee. We will get to the bottom of this particular problem. In fact the Prime Minister and his ministers have already acted decisively with respect to some of the actions and involvement by various crown corporations.

● (1325)

It is quite interesting because there are many Canadians who say to themselves, and maybe to their friends, how is it that our current Prime Minister when he was finance minister did not know about the sponsorship program? It is a very legitimate question that many Canadians are asking themselves. I would like to give a certain perspective on that.

I had the great honour and privilege to serve as the parliamentary secretary to the then finance minister, the member for LaSalle—Émard, our current Prime Minister, for a period of two years. I had the great honour to attend many of the meetings when the minister would meet with the departments. I can say that this type of matter did not really get on the agenda, nor should it, nor could it.

The Minister of Finance is preoccupied with a broad range of macroeconomic policy questions. The Minister of Finance is involved almost on a continuous basis in building a budget. The Minister of Finance is involved in a whole range of issues that would not lead him to the micromanagement of a certain department of the Government of Canada.

The Budget

Having said that, I am glad to see that our government is acting to centralize and tighten up some of the comptrollership functions and internal audit functions across all of government. However, when the Prime Minister was finance minister, a reasonable presumption was that once resources were allocated to a federal government department or agency, the minister, the deputy minister and all the officials would manage those resources within the mandates given to them, within the rules of the Treasury Board, within the rules that are available and are mandatory for the expenditure of public funds.

It is unreasonable, in my judgment, for people to expect that the then finance minister would have been cognizant of all the various internal audits that go on within departments on an ongoing basis.

We need to understand as well that the government is not to excuse the mismanagement of government funds on behalf of taxpayers, not in the least. Every single dollar that is spent that comes in from taxpayers has to be managed in the wisest and best way. The Government of Canada is a very large organization, \$180 billion a year, and problems are bound to emerge.

Canadians are rightly saying that the limits have been reached and maybe exceeded. That is why our government is acting decisively. That is why there is going to be more centralized comptrollership and a greater emphasis on internal audit. I am very happy to see that.

While it is also important that the government be proactive on that particular front, budget 2004 is a good opportunity for us to review the overall fiscal performance of the government over the last 10 years. We often get into the details of the sponsorship program or some mismanaged programs. Those are very unfortunate and need to be dealt with, but if we look at the last 10 years, Canada is considered an economic miracle around the world. When our Prime Minister, our finance minister and the various ministers travel, people pull them aside and ask how we accomplished what we have accomplished in Canada.

Our government inherited a \$42 billion deficit when we took office. That \$42 billion deficit was eliminated in four short years under the leadership of the then finance minister, our current Prime Minister, the hon. member for LaSalle—Émard.

With the sponsorship program, various numbers have been thrown around, such as \$100 million. Of course time will show that it is nowhere even near that amount but the opposition parties like to throw out this big number.

The difficulty in HRDC some years ago was called the billion dollar boondoggle. That is what the opposition talked about. Well guess what? In the final analysis it was some \$65,000 that was problematic. It is still a problem, as \$65,000 is \$65,000, but let us get somewhat real.

• (1330)

What did that \$42 billion deficit translate into? Every single calendar day \$115 million was leaving the federal treasury. Now we are in a position of surplus and now it is the opposite. Something like \$10 million every single day comes into the treasury on a net basis. From \$115 million flowing out every day, we are bringing in \$10 million every day. That is the sort of context I am hoping Canadians will put this whole matter in as we move to the polls and a general election.

During the same period, from 1993 until today, Canada has experienced economic growth second to none in the industrialized world. Perhaps the United States has shown some stronger economic growth, but when it comes to jobs, the United States on a per capita basis is not even close to the jobs that our economy has generated. Two million more Canadians are employed than there were in 1993. That is an amazing record of job creation.

In that same period our government has wisely paid \$52 billion against the national debt. That action is saving all of us as taxpayers every year \$3 billion in interest charges and costs associated with servicing the debt. That is \$3 billion each and every year moving forward in perpetuity.

That \$3 billion this year, next year, the year after can be redeployed. That money is being redeployed as we speak for health care, education, and the environment. That is the benefit of paying down the national debt. It is not an end in itself. It is a matter of giving the federal government more flexibility in the way we can manage our programs and the way we can meet the needs, aspirations and priorities of all Canadians.

Let me add to that something the opposition parties forget from time to time. We have had stable pricing. We have had a cap on inflation over the last 10 years. What does that mean? It means we have had low interest rates. What does that mean? It means that there is more investment in the private sector. That means more jobs. Also, it means that more Canadians are able to buy a home.

We have all heard about it. I know that here in Ottawa and in Toronto vacancy rates are up in the rental market. The reason is low interest rates. First home buyers are able to get a mortgage at a low rate. What does that do? That causes more construction. What does that do? That creates more economic activity. It is very important to have stable prices and low interest rates. Our government has been able to achieve that with the help of all Canadians.

As I said, \$52 billion has been paid against the debt. Where is that leading to? Right at the peak in 1995 Canada's debt to GDP ratio was around 71%. That is the size of the debt in relation to the size of our national economy.

At the homemaker level that would mean the kind of mortgage or debt the family could take on given the family's income. It is the very same question. When people sit around the kitchen table they often ask themselves how much debt they can take on. Can they afford to take on the mortgage for that new home? Can they afford to take that trip and put it on their MasterCard? This is not rocket science.

In Canada we went from a high debt in relation to the GDP and the size of the economy of 71% down to 42% and it is going down to 25%.

The NDP came out with some numbers that this will cost \$200 billion. This is why Canadians will not elect an NDP government to power. It is because the NDP does not get the numbers. I will tell hon. members the reason the NDP does not get it. To get down to a debt to GDP ratio of 25% over the next 10 years, two elements are required.

The Budget

•(1335)

One element is that we have to grow our economy by about 3% per year over the next 10 years. That is roughly what we have been achieving since we took office in 1993.

The second element is that every year the government sets up a \$3 billion contingency reserve to look after things like SARS, the BSE crisis and a whole host of other things. If we do not need it, that money automatically goes to pay down the debt. With that \$3 billion each and every year over the next 10 years, which amounted to \$30 billion when I went to school, and a growth of 3% in the economy each year, we are going to get down to 25% debt to GDP.

Is that such an onerous thing? Is that not putting us in a straitjacket? The NDP should take another course in arithmetic. That covers that particular front.

Another often forgotten fact by the members opposite is that in the year 2000 our government implemented the largest tax cut in Canadian history. That tax cut is flowing through today as we speak. We are in the last year of that implemented tax cut. In budget 2004 there is not a lot more in the way of tax cuts, but there are some and I will come back to that in a moment.

The largest tax cut in Canadian history of \$100 billion was not for big business, as the NDP would point out. Of the \$100 billion, I think \$4 billion to \$5 billion was for business. The tax cut was not for high income Canadians, as some would argue. The vast bulk of the tax cut went to middle and low income Canadians. In fact, typical middle income families in Canada as a result of that \$100 billion tax cut had their taxes cut by 27%. I repeat, 27%. When I went to school, that was a pretty big number. What are families able to do with that? It helps them to pay for their children's education, to buy better accommodation and a whole host of things.

Our economic record since the Liberal government came to power in 1993 has been absolutely amazing, by even the most objective standard. In fact, people do not have to listen to me. They can listen to the OECD, to the IMF or to any leader in the world who, as I said, have pulled ministers of our government aside and asked how we are doing it in Canada. Although we need to deal with the sponsorship issue, and we are, we need to understand that the government has shown the absolute maximum level of creativity and responsibility in helping us to achieve our fiscal goals.

Budget 2004 does a whole bunch of other things. It starts the program on the cities agenda. It offers up the first down payment on the cities agenda, or as some would prefer to call it, the communities agenda. That first down payment is exempting municipalities from the GST, not effective next year or the year following, but effective immediately.

What does that mean for a city like Toronto where I come from? For the city of Toronto that means \$50 million more in its treasury each and every year, starting a month or so ago. It means there is \$50 million to be used to fight crime, to deal with public transit, to deal with affordable housing or any other priorities. Is that enough? Of course it is not enough. That is why it is a down payment. There will be discussions with the provinces and the cities over the next while to see what can be done with the gas tax or some similar instrument so that the cities can receive more dedicated and consistent revenues.

There is the 2003 health accord. What about health care? In 2003 we signed a health accord with the provinces for \$35 billion and an additional \$2 billion this fiscal year. That is \$37 billion in health care. That is an 8% increase each and every year moving forward. In public health there also has been a large investment of almost half a billion dollars.

•(1340)

The budget contains initiatives with respect to the environment; \$3.5 billion to help clean up brown fields or environmentally degraded sites; faster write-offs for computer equipment for small businesses; a faster approach to the lower tax rate for small business.

More has to be done and more will be done but budget 2004 is an excellent start, and I am sure the members of the House will support it.

Mr. Grant McNally (Dewdney—Alouette, CPC): Mr. Speaker, I have a few questions for my friend across the way who has some credibility on finance issues. He was on the finance committee for a number of years and I believe he was the chair as well.

The government has done some things in the right direction, although I am sure it has been pushed, pulled and dragged screaming to move toward debt reduction and the kinds of things that my friend mentioned.

He said that we needed the flexibility to manage our programs. He also talked about the debt contingency of \$3 billion, which, if it is not needed, will go to debt pay down. He mentioned that \$52 billion has been paid down on the national debt. What he did not mention is that we still pay \$40 billion a year in interest on the national debt. If debt repayment was a priority during the 10 years when the economy was rolling along quite nicely, we would see that number decreased. In many ways the government has failed on that missed opportunity.

My friend mentioned gas taxes. The former finance minister, current Prime Minister, talked quite a bit about giving gas taxes back to the provinces. The provinces are now paying \$7 billion a year and getting back \$700 million. Over 10 years that would be the equivalent of taking \$49 billion from Canadians and putting only \$7 billion back. That is quite a cash windfall for the government, raking in tax dollars and not putting them back into infrastructure. I believe that is also a missed opportunity, in the way that the government is gouging Canadians through gas taxes.

My friend alluded to what he calls the sponsorship issue, which I think is a redefinition of the term sponsorship scandal, but I would like to ask him about the missing \$100,000 million. We do not know where it is. Another \$160 million missing through—

The Acting Speaker (Mr. Bélair): The hon. member for Etobicoke North.

The Budget

Mr. Roy Cullen: Mr. Speaker, the member for Dewdney—Alouette is right. If we had paid more down on the debt there would be less interest costs. The number is around \$40 billion a year. However one of the challenges the government has is to deal with competing priorities.

If we look at the trade-offs the government made, a lot of the trade-offs were putting money into health care and education. In fact, 80%, or thereabouts, of the new money this government spent as opposed to paying down the debt went into health care and education.

On the gas taxes, I should say that hopefully we will cede some gas taxes to municipalities. However on the gas tax burden, if we were to go anywhere else in the world we would pay perhaps 10 times more at the pump than we pay here in Canada. Although we need to deal with that, I do not think it is the burden that the member described.

On the sponsorship issue, yes, the government is dealing with it. The Prime Minister set up a special inquiry. The public accounts committee is dealing with it. We will get to the bottom of it. As I say, the Prime Minister has taken some decisive action with respect to the crown corporations that were involved.

As I said earlier, not to make excuses, it is a \$180 billion a year organization. It was our government that invited the Auditor General to report quarterly. It is our government that did the internal audit on the sponsorship program and put the results on the website.

Are we taking some heat now? Absolutely. Should we? Yes we should. Are we dealing with it? Yes we are.

● (1345)

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, when I was listening to the hon. member's speech, who I must say is a pretty good bridge player, I almost thought for a second that he actually believed what he was saying. I would encourage the hon. member to come to my riding for just a day and I will introduce him to farmers, fishermen, forestry personnel, veterans, seniors and students. He can bring his budget and sit down and explain to these people why herbal alternatives were taxed a couple of years ago through the GST when they never were before.

He can explain to people why veterans and seniors are losing their homes because they cannot afford the cost of living any more; why farmers are losing their farms; why fishermen are having their communities closed, such as the town of Canso, Nova Scotia; and why the budget is offering students more debt instead of lower tuition fees.

The Liberals say that the NDP is not fiscally accountable or responsible. We were not the ones who bought two Challenger jets from Bombardier for \$100 million, which the people at DND said were not needed and that the Auditor General has said to two cabinet departments that they broke every rule and bypassed the rules.

Why did the Liberals purchase those jets when their own people in DND said that they were not required? Is that being fiscally accountable to the Canadian people?

Mr. Roy Cullen: Mr. Speaker, I would like to take the member up on his offer to visit his riding. I am not exactly sure when, given the exigencies of the time, but I would happily go into his area as I go into my riding and defend this budget because my riding is fairly blue collar as well, with maybe \$55,000 family incomes and people struggling to pay their rents.

I was very happy when our government signed an agreement with the Ontario government on affordable housing. In fact, it was under the Harris and Eves government that we had an agreement but we could not get them to move on it. It is unconscionable that people pay 40% to 50% of their income on rent. We are holding workshops and we are meeting with the local people, the agencies and the developers to talk about an Canada-Ontario affordable housing agreement and how we can get some action on that.

On the question of the Challengers, at the time of purchase of those jets our then minister of finance was not consulted. I know that for a fact, and he has stated so publicly. I know that if he had been consulted he would have wanted to know how we could do that when we have the armed forces with helicopter contracts waiting to be implemented.

On the issue of student debt, I agree with the member that it is a challenge but the last time I checked, the provinces are responsible for post-secondary education.

The new health council that will be set up will create greater accountability in health care and we have segregated those funds. The Prime Minister this summer will insist that we have a sustainable health care system and that we have accountability.

We are moving to a point where we need to perhaps do the same with post-secondary education. We know that some students are getting beat up badly on student debt. We keep putting money in. We have done some modest things. We want to do more and I am sure we will do more, but the provinces have to fund the post-secondary education system, and not like they did in Ontario, put it into tax cuts. We need to set those up as priorities.

● (1350)

Mr. Roy Bailey (Souris—Moose Mountain, CPC): Mr. Speaker, it is about time somebody opposite gave a little credit to the people in Canada. Let us take a look at the workers and the employers who have been overtaxed through EI by \$48 billion. No question about it, but no thanks.

Is that the way the government keeps its house in order? When health care has dropped from 50% down to 14%, is that the way a government keeps its fiscal house in order?

The Budget

Finally, we have a military that is the laughing stock of the world, not the military itself, but the funding for it and their equipment is the laughing stock of the world? How can anyone possibly stand and say that the government has done a great job financially when it has done it on the backs of Canadians and our military forces?

Mr. Roy Cullen: Mr. Speaker, the member knows full well that there is no surplus in EI. We have made reductions year in and year out in EI, which is something I did not highlight in my earlier remarks, to a point now where EI premiums will be on par roughly with the kind of risks it is exposed to. While I would agree with him that the surplus did build up to a high level, it is now down, because of the reduction in the premiums, to a point where there is basically equilibrium.

With respect to the military, perhaps members are forgetting that it is this government that is exempting income tax for members of our armed services who are in dangerous areas like Afghanistan and Haiti. We are accelerating the capital program. We are doing a number of things. We need to make sure that we have a defence policy and a foreign affairs policy that makes sense for Canadians because we cannot be all things to all people.

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, I stand before you having heard what the Liberal government has to offer to Canadians in the form of its 2004 budget. It is quite obvious that Canadians have had to listen to the Liberals' so-called plans for a better Canada, but the Prime Minister, the Minister of Finance and this Liberal government have not listened to the taxpayers of this country. They have not listened.

I recently toured my riding of Yorkton—Melville, an area in eastern Saskatchewan that includes both urban and rural settings, and I can tell the House that Canadians are sick and tired of being jeopardized because of the Liberal agenda. If there is any question as to whether the Liberals' billion dollar scandals like the sponsorship program or the gun registry are fading from the minds of our taxpayers, members can just ask any of my constituents: they are not.

Canadians feel sheer resentment and frustration toward the Liberals for misusing and mishandling their money, and uttering words like accountability and transparency in the budget speech is not going to regain the trust that this government has lost.

Canadians are outraged over the loss of their tax dollars, yet the Liberal government chooses to ignore their cries to scrap programs like the gun registry, which is estimated to balloon to \$2 billion before it is even fully implemented. We are hearing that there may be changes to the gun control program, but that is not what we need to hear. Canadians were waiting to hear that no more money would be wasted on the useless registry. Instead, they were lied to with words like "better money management".

How is their money being better managed with a program that the Liberals said would cost \$2 million but is instead heading toward the \$2 billion mark? That is one thousand times over budget. How can the government justify continuing spending on a program aimed to keep duck hunters on the edge and further outrage the very people who are funding it, the Canadian taxpayers? How much longer will our taxpayers have to pay for a useless program that continues to exist only as a Liberal propaganda program?

My riding is home to one of Saskatchewan's major health care facilities, the Yorkton Regional Health Centre. It helps serve 60,000 people in the Sunrise health district, plus a good number of western Manitoba residents. The health districts in Saskatchewan share a number of services, requiring people to travel to Regina or Saskatoon for major surgeries, tests or specialized treatment.

While the drive to one of these centres on a weekly or sometimes even daily basis can be very tedious, the grave concern is with the amount of time people have to wait to receive treatment or in some cases even to be diagnosed. It is an unconscionable length of time that they have to wait. People are walking around with cancers spreading through their bodies and some do not even know it. Men previously diagnosed with prostate cancer are waiting months for treatment while the cancer spreads. For some, necessary surgeries come too late and the spreading cancer cannot be stopped.

It is absolutely unconscionable. These people have no hope. The treatment they are getting makes them feel more hopeless. The health and quality of life of Canadians are suffering because this government cannot get its priorities straight. The \$2 billion band-aid the government announced is incomparable to the \$25 billion wound that was opened by the finance minister when he slashed health care spending.

Young people in their forties and fifties are being forced into wheelchairs because they are waiting for hip replacement surgeries. They have to put their dignity on the line as they ask for help in bathing, dressing and using the washroom. These people have to rely on others to care not only for them but for their own families as well. All they want is a chance to live life again.

These people understand the need to wait their turn for surgery such as a hip replacement, but there is no answer as to how long that wait will be. The waiting lists in Saskatchewan are so long that necessary surgeries are not even being scheduled. People are living in agony. For some, that means placing even more of a load on overworked doctors, nurses and other health care employees. There is no light at the end of the tunnel for these people because this Liberal government refuses to hear what is really happening out there. The Liberals have placed a huge burden on the health care system, yet they will not take responsibility.

My constituents are very perceptive. They already see the pattern formed by the Prime Minister and his Liberal government. They see that the government cannot control taxpayers' dollars. Nor do they believe any of the promises made by the Prime Minister. Time and time again our people have been let down by the government and they simply will not fall for false hopes anymore.

S. O. 31

•(1355)

The Prime Minister says health care is a priority, yet that clearly has not been the case in this or any of his past budgets.

He says more resources need to be devoted to the military, yet our servicemen and servicewomen are risking their lives flying in ancient Sea King helicopters and there is not even a plan to replace them.

There was the promise to scrap the GST, which was broken.

There were promises to lower taxes. They were broken.

And just where does the fuel tax go? Certainly not to the broken down highways connecting my constituents to their hospitals.

By offering very little in the budget, maybe the Prime Minister thinks he can make good on very little promises. They are baby steps, I guess.

My constituents, like others in agriculture based ridings, resent the government for holding its farmers and cattle producers hostage. The very reason that communities in my riding exist is the agriculture industry. They exist thanks to it. International farm machinery manufacturing facilities like Morris Industries in Yorkton and even the town of Esterhazy, home to IMC Kalium Canada, the world's largest potash mines, know how vital farmers are to the country.

Our farmers and ranchers have suffered through droughts and poor markets, and now BSE, virtually alone. The Liberals have repeatedly ignored pleas from our food providers all while millions have gone to fund this government's latest scam.

I will have to finish later, Mr. Speaker.

The Acting Speaker (Mr. Bélair): I thank you for your cooperation. You will have three more minutes for your speech after question period.

STATEMENTS BY MEMBERS

[*English*]

RESEARCH AND DEVELOPMENT

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, it is the ultimate example of an ideal partnership, combining the best knowledge, expertise and collaborative efforts from the public and private sectors throughout the region: the Peterborough DNA cluster project. It is a superb example of an ideal partnership.

Project partners include Trent University, Fleming College, Industry Canada, the Peterborough Partnership Group, the Ontario Ministry of Natural Resources and the Greater Peterborough Economic Development Corporation.

Initial projects include automation of DNA sample collection, wildlife and commercial stock management through DNA profiling, potential for improved DNA forensic applications for criminal justice, and disease prevention, management and control.

With a prime location, skilled workforce and a reputation as a major centre for innovative research and development, Peterborough was the ideal choice for a project of this importance.

* * *

WHISTLEBLOWER PROTECTION

Mr. Darrel Stinson (Okanagan—Shuswap, CPC): Mr. Speaker, on March 27, *W5* exposed corruption and cover-up at Canada's High Commission in Hong Kong.

One of those trying to protect Canada's interests was immigration control officer Brian McAdam, who discovered that known Chinese criminals were being admitted into our country. After filing many reports with many superiors, Brian McAdam was drummed out of Canada's foreign service, his career and his health destroyed.

Another whistleblower was RCMP corporal Robert Read, a 24 year veteran of the force. After getting no results through internal channels, he went public with his concerns and was fired. Although Corporal Read was cleared and actually commended by the RCMP internal review committee, he still does not have his job back.

The facts about Brian McAdam and Robert Read show why Bill C-25, the new whistleblower protection law, is inadequate and should have no time limit. The government should be protecting Canada, not the old boys' network.

* * *

•(1400)

VINCE RYAN MEMORIAL TOURNAMENT

Mr. Rodger Cuzner (Bras d'Or—Cape Breton, Lib.): Mr. Speaker, today I wish to express thanks to the organizers of the Vince Ryan oldtimers hockey tournament. From its humble beginnings 15 years ago with 12 teams to this year's incredible 152 teams, the Vince Ryan has become the most significant winter tourism event on Cape Breton Island.

Hosting teams from across Atlantic Canada, Ontario and Alberta, this year's event was highlighted by the participation of the L.A. Chill women's team from Los Angeles, California.

The economic impact of the event on our local economy is tremendous, dumping in over \$3 million over the four day competition.

To tournament organizer Richie Warren, his board of directors and the huge army of volunteers, I wish to offer my thanks and congratulations. The host communities should take great pride in the incredible hospitality shown their guests.

The continued efforts of these committed people have been the catalyst that has allowed the Vince Ryan oldtimers tournament to become one of the best adult hockey events not only in Atlantic Canada but in the entire country.

[Translation]

HEALTH

Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.): Mr. Speaker, the former premier of Saskatchewan, Roy Romanow, says he agrees with Ottawa's decision not to increase funding for health in the federal budget brought down on March 23. He said:

Adding \$2 billion to medicare without first agreeing on the reforms would be an unwise use of taxpayer dollars.

Money injected into an unreformed system would be swallowed up and the provinces would only demand more.

If Ottawa simply added to the base, as the provinces want...it would probably not be a very good idea.

Mr. Romanow said he agreed with the provincial premiers that there needs to be an increase in federal funding, but the provincial governments forget to mention that he recommended starting by introducing changes so that the health care system is able to meet the current needs of Canadians.

The Prime Minister of Canada said that a reformed system could improve the health of Canadians.

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MONTRÉAL GAMES

Mrs. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I would like my colleagues to join me in wishing good luck to the 5,000 children between the ages of 6 and 12 who are participating in the 27th edition of the Montréal Games.

Since yesterday, these sports enthusiasts have been competing with one another in 24 sport disciplines, from track and field to water polo. The competitions are being held mainly at the Complexe sportif Claude-Robillard and will end on Sunday.

In addition to instilling healthy living habits in all these children, this event helps them to discover the rewards of setting personal goals.

On behalf of all the members of this House, I would like to congratulate these young athletes. Bravo.

* * *

[English]

GOVERNMENT OF CANADA

Mr. Chuck Strahl (Fraser Valley, CPC): Mr. Speaker, there are currently three big federal issues in my riding. The first of which are the efforts to control the avian flu in the local poultry industry. On this front, I want to thank the agriculture minister for keeping me and my constituents informed about developments in this unfortunate saga, and also for intervening in an appropriate way when I have raised concerns on behalf of people affected by this poultry disease.

However, such cooperation is not evident in the transfer of the old CFB Chilliwack lands, a move that would permit the building of an impressive new education park. This would not cost the federal government a dollar, but holding up the paperwork could kill the project. Several universities are ready to start construction, and the provincial and local governments are ready to go.

S. O. 31

We have been promised this transfer for years now. I urge the Treasury Board President and the Minister of National Defence to personally intervene to make this possible.

Finally, I urge the minister to start allocating funds under the softwood adjustment initiative, so that suffering communities and individuals in places like Boston Bar, Lillooet, Pemberton and Hope can plan and move ahead. Let us not wait until an election call to make it right. Let us do the right things, for the right reasons, right now.

* * *

● (1405)

[Translation]

UNION DES CULTIVATEURS FRANCO-ONTARIENS

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, this past Saturday, March 27, the franco-ontarian farm community was in a celebratory mood.

The Union des cultivateurs franco-ontariens was celebrating 75 years of existence. The UCFO began life as the Union catholique des fermiers de l'Ontario in 1929. Concerned about the future of agriculture, these farmers held meetings, provided training for fellow farmers, and worked generally to improve their industry, making every effort to preserve their language.

Seventy-five years later, UCFO is as dynamic as ever. It publishes a newsletter, *Agricom*, and continues to provide services to its membership.

On the occasion of this 75th anniversary, we extend congratulations to the UCFO, and President Pierre Bercier, CEO Nadia Carrier, and *Agricom* Editor Pierre Glaude. Long may it continue to serve the francophone agricultural community of Ontario.

* * *

FRANÇOIS BOURQUE

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, I would like to pay tribute to a young man from Gaspé by the name of François Bourque, who recently won the world junior downhill combined championship in Maribor, Slovenia.

His performance was one of the best at these championships, an additional honour on top of his previous two bronze medals plus a gold in the World Junior Super G in 2003. Quebec's hopes are pinned on this young downhill ski ace.

He has, moreover, been given the honour of having a run named after him at New Richmond's Pin Rouge ski resort.

François Bourque is Quebec's alpine skier of the future, and we feel it is a sure bet that he will have many more medals to his credit as the years go by. Congratulations to our Quebec champion; may he have many more equally great years ahead of him.

S. O. 31

RAI INTERNATIONAL

Ms. Carole-Marie Allard (Laval East, Lib.): Mr. Speaker, today, I would like to reaffirm my support for the Italian-Canadian communities of Laval East and of other regions of Canada that are asking to have access to RAI International, the Italian digital television broadcasting network.

On Tuesday, along with other Liberal members, I met officials from RAI International to discuss the application submitted on September 15, 2003 to the CRTC.

RAI International is accessible in 215 countries in the world, but not here in Canada. The Italian-Canadian community is getting impatient. It has already presented a petition signed by over 106,000 people and over 330 letters to the CRTC, urging the commission to approve the application to add RAI International to the list of eligible services.

I strongly support this application for RAI International in Canada, because I believe that the Italian-Canadian community in Quebec and Canada should enjoy the same rights as other Italian communities around the world.

* * *

[English]

GOVERNMENT OF CANADA

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, it is the Liberal version of *Fear Factor* for soldiers. First, they fly in a 40 year old Hercules, followed by a hair-raising flight in a 40 year old Sea King. The final challenge is a trip to Afghanistan where they ride in a rusted out Iltis through minefields, while engaging Taliban and al-Qaeda fighters. Then it is back home again for six months before doing the same thing all over again in Haiti. Survive it all and they do not have to pay on their danger pay.

That is how the Liberals treat our soldiers in their flak jackets. However, if they are a Liberal flack their *Fear Factor* is that they might get left off the gravy train. In Liberal gravy train *Fear Factor* watch Earnscliffe, Groupaction and Groupe Everest go to a PMO dinner where the contestants will dine on fine French cuisine. Next comes a PMO wine tasting where contestants will consume \$100 bottles of wine. Finally, it is the cash scramble where contestants grab millions in phony advertising contracts and untendered commissions.

The only losers in this orgy are the taxpayers of Canada. That is exactly why this reality show needs to be cancelled right now.

* * *

[Translation]

THE ENVIRONMENT

Hon. Serge Marcil (Beauharnois—Salaberry, Lib.): Mr. Speaker, the One Tonne Challenge announced on March 26 by the Minister of the Environment is very important if we want to achieve Canada's goals regarding climate change.

Every one of us produces greenhouse gas emissions that contribute to climate change. In fact, every Canadian produces, on average, about five tonnes of greenhouse gas per year.

Even though climate change is one of the most serious problems confronting our country and our planet, the good news is that each one of us can help by personally reducing our greenhouse gas emissions. Such initiatives will also provide numerous benefits locally, including cleaner air and more thriving and sustainable communities.

Canadians are proud of the role that they can play to protect the environment, whether it is through recycling, waste reduction or more energy efficient habits. The One Tonne Challenge is an invitation to all of us to take these next steps to achieve the national goal of reducing emissions by one tonne per person, or about 20%.

* * *

• (1410)

[English]

SOFTWOOD LUMBER

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, Canada's small and medium sized independent lumber producers are being driven out of business while the Liberal government dilly-dallies on the softwood lumber dispute. The situation grows worse with each passing day and the federal government does not care about the economic carnage being inflicted on the small operators.

A recent independent study confirmed that shipments from Canada's small and medium sized lumber operations dropped last year, while Canada's largest lumber producers were at record highs. The big are getting bigger and the small are being driven out of business.

What does the tired, old Liberal government do about the asymmetrical impact of the dispute and the disproportionate injury it is inflicting on Canada's small and medium sized independent lumber operations? It has proposed to make this permanent. That is right. Officials are proposing to take away market share from the little producers and give it to the big guys, under a poorly designed quota proposal based on a faulty reference period, the very reference period where the small operators exports are down while the big guys are up.

The Prime Minister says that he wants to end cronyism. Well, it must begin with the lumber file, and that begins with fair treatment of Canada's small and medium sized producers. We say to Canada's small producers, do not vote Liberal or Conservative, vote NDP—

The Speaker: The hon. member for Terrebonne—Blainville.

* * *

[Translation]

SOCIAL HOUSING

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, although there is a serious crisis in rental housing in Quebec, the federal budget provides nothing for the social housing units the Bloc Quebecois has been asking for, for a number of years.

This has terrible consequences for many families on modest incomes who—once again this year—will not be able to house themselves properly because the federal government has put no money into social housing between 1994 and 2003.

Oral Questions

Thousands of families, including many single-parent families, are currently looking for affordable housing. The Bloc Québécois has submitted a plan providing for a gradual reinvestment that would reach an annual investment of about \$2 billion after three years, in addition to freeing up the \$320 million over five years already announced in the 2003 budget.

Social housing is a need, a right, and an emergency.

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[English]

RECREATIONAL FISHING AWARDS

Hon. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, this morning the 2004 presentation ceremony of Canada's Recreational Fishing Awards were held here on Parliament Hill. These awards honour the achievements of individuals and groups who work to enhance the country's recreational fishing industry.

This year's award recipients are: Kingfisher Interpretive Centre; Tributary Rehabilitation and Erosion Control Program of the Severn Sound Environmental Association; Salmon Association of Eastern Newfoundland; Yukon Fish and Game Association; and the late Rick Amsbury.

I would ask all members of the House to join me in congratulating this year's recipients on their tremendous contributions.

* * *

CURLING

Mr. Gerald Keddy (South Shore, CPC): Mr. Speaker, on Saturday the best junior curlers in the world competed for gold. Today I would like to offer my congratulations, through you, Mr. Speaker, to the ladies junior curling team of Liverpool's Jill Mouzar.

The 2004 Canadian junior ladies curling champions won silver this weekend at the world juniors in Trois-Rivières, Quebec. Their unbeaten streak was only stopped by Norway in the gold medal game. A win by Canada would have been our ninth junior women's championship since 1987.

The Mayflower rink's performance was Canada's best finish for a Nova Scotia rink since the 1997 world championship in Japan. Jill's teammates, Paige Mattie of Tracadie, and sisters Bliss and Chloe Comstock of Lunenburg had an extremely impressive season.

One does not get to the world championship unless one has the ability to stand on the podium, and I am sure the Mouzar team will be back for the gold medal next season.

* * *

NATURAL RESOURCES

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, it stands to reason that we should do our utmost in ensuring that Canada's oil and gas reserves last as long as possible for the benefit of future generations.

In the absence of a national energy plan, we do not know with precision the answer to the following questions. How much oil and gas reserve do we have in Canada? For how long will we be able to rely on the supply of oil and gas before exhaustion? How long under

the NAFTA agreement will we be able to supply the U.S. at the present rate? When will we reach the half-way depletion point? When we reach this point, the price of oil and gas is likely to rise because of decreasing supply.

Finding answers to these questions may partially offset the absence of an energy plan. One fact is clear. To act wisely on behalf of future generations of Canadians, we need an energy plan.

* * *

• (1415)

STUDENT LOANS

Mr. Rex Barnes (Gander—Grand Falls, CPC): Mr. Speaker, the recent budget did not fully address all issues affecting post-secondary student loans.

The budget failed to eliminate parental income from the formula used to determine the amount of the loan. The budget also has failed to allow living expenses incurred by students who work away from home during the pre-study period as a deduction from pre-study period income. Both of these failures reduce the maximum amount of loans students are eligible to receive.

Furthermore, the budget has not provided assistance to those students whose loans are defaulted and placed with a collection agency. Students are hounded and harassed by collection agencies in a very unprofessional manner.

Student groups have indicated that the government has failed to address all concerns regarding student loan issues. When will the government get it right?

ORAL QUESTION PERIOD

[English]

SPONSORSHIP PROGRAM

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, there is growing evidence that Alfonso Gagliano's testimony before the public accounts committee was at variance with the facts, whether it is on his full knowledge of the sponsorship affair, his meetings with Lafleur Communications or his regular meetings with Chuck Guité. It is increasingly obvious that we need to have all of the former public works ministers' documents released.

Why is the Prime Minister continuing to block the release of the Gagliano papers to the public accounts committee?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I have given no instructions to the members of the committee. The committee is master of its own future.

The question is quite simple. If the committee wants to see Mr. Alfonso Gagliano again, all it has to do is call him before the committee.

Oral Questions

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the Prime Minister said in February, in regard to this scandal, "I take personal responsibility for dealing with this matter". Rather than now hiding behind the committee, will he instruct the Liberal committee members to release those documents to the full committee?

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the committee has full authority to call anyone it wishes before it who has relevant information with respect to its inquiry and to ask witnesses to bring whatever documentation is relevant to its questions.

That opportunity is open to the public accounts committee. It is also open to the public inquiry, which will commence hearings in the next couple of months.

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, hiding behind a minister of cabinet is not personal responsibility.

The Prime Minister said he would release all pertinent information going back to the Korean war, if necessary. Now he has an opportunity to make good on those statements. Instead, he refuses to answer questions and blocks information.

Will the Prime Minister stand in his place and explain to Canadians why he will not send all of Gagliano's documents to the public accounts committee?

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I do not know how it could be any more plain to members of the opposition. The public accounts committee has full authority to bring whoever it wishes before it and to ask those people to bring documentation that is relevant to its inquiry.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, Norman Steinberg, the director general responsible for the audit and ethics branch of public works directly contradicted and dismissed the evidence of Alfonso Gagliano in testimony today.

This falls on the heels of Huguette Tremblay, another senior civil servant, who similarly called into question the veracity of the former minister's evidence. Two public servants have directly contradicted a disgraced former civil servant.

Will the Prime Minister admit that he is involved in this cover-up? Will he directly instruct his committee members to ensure all pertinent evidence is before the public accounts committee?

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, what could be more illogical than the hon. member's suggestion?

Evidence has been given of different views of the facts in this case. If the public accounts committee considers itself a fact-finding body, then it will be finding out the facts and reporting to the House at the earliest opportunity on its determination of the facts. That is its job. That is what we are waiting to hear.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, CPC): Mr. Speaker, here is a fact for the Prime Minister's mouthpiece. There is \$100 million missing and nobody over there has taken responsibility for it.

The government has a history of cover-up going back 10 years. Today the Federal Court of Canada determined that the agendas of the former Prime Minister should be released, yet the government persists in covering up the documents of a former minister directly involved in the sponsorship scandal. The presiding judge in that ruling said rules of disclosure are to be limited and specific.

Why does the Prime Minister not release these documents?

• (1420)

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am quite disappointed with the former prosecutor, who does not seem to know the difference between third-hand hearsay and evidence tested under cross-examination with a finding of fact. We have heard different accounts of different aspects of this case.

That is why the public accounts committee is sitting. That is why the judicial inquiry is going to, in a very disciplined way, come to some conclusions of fact, not wild accusations.

Let us bring the evidence together, let us have the fact-finders determine it, and then let us make a decision in the House.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, this morning in committee, Norman Steinberg made the following comment in connection with the fall 2000 internal audit: "I am deeply disturbed by the fact that some people's impression was that we had characterized the problems as administrative in nature. I believe that serious, unacceptable errors were made".

I am asking the Prime Minister, who was finance minister and vice-president of the Treasury Board at the time, whether he took the trouble to read this internal audit report, which was available to the Treasury Board and included what Mr. Steinberg described as serious, unacceptable errors.

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the hon. member must be aware that the deputy minister himself, when before the public accounts committee two or three weeks ago, was the one who used the words "administrative problems" in relation to the report. Those are the very words of the deputy minister.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, that was not the question. I know the Prime Minister did not want to answer it, since he claims to have known nothing. But we are talking about the Public Works auditor who, this morning, contradicted what Alfonso Gagliano had said, as well as the federal government's contention, here in this House in the early days of the debates on the scandal, in 2004, that these were administrative errors. This morning, the internal auditor said otherwise.

How can the Prime Minister and his government make the same contention as Alfonso Gagliano, unless it is because they are defending the same interests and want to conceal the same things?

Oral Questions

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, not in the least. It has been admitted on several occasions by the deputy minister himself that administrative errors were made at the time, and that is what we based our interpretation on.

I find it very interesting that the Bloc is constantly peppering us with all manner of questions on this. I can say one thing: we want to get to the bottom of this. More than any other government, we are going to get to the bottom of things with this public inquiry.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the auditor said, "I am deeply disturbed by the fact that some people's impression was that we had characterized the problems as administrative in nature. I believe that serious, unacceptable errors were made".

How can the Prime Minister justify resting his government's entire defence on Alfonso Gagliano's argument without even reading the report, since Alfonso Gagliano did not read it either? How can he explain that?

[English]

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, Mr. Steinberg said, before the public accounts committee this morning, that he believed that proper control, accountability and transparency were essential to the functioning of good government. He went on to say, in answer to a question from a member opposite, that the sponsorship program was clearly the exception to the general rule of good governance which applied.

[Translation]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the auditor is very clear: he is shocked to see that his report could have been interpreted as "administrative problems". My question is for the Prime Minister.

How can he justify that, in his first solemn declaration to the people of Quebec and Canada, he did not even bother to read the internal audit report? Does he realize that his entire defence is falling apart and that his credibility is taking a hit?

• (1425)

[English]

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, in addition to the internal auditor of public works and government services, the former deputy minister, Ranald Quail, said on March 1 to the public accounts committee that they were not minor administrative errors. With respect to the same audit, he thought they were serious administrative errors and that there was a strong action plan in place to fix them.

* * *

HEALTH

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, Canadians want to know exactly where the Prime Minister stands on privatizing our health care system. There has been no mention of the Romanow report in the throne speech and no mention of it in the

budget. All of a sudden there is a change of tactic when secret plans for Liberal privatization are divulged and now we cannot stop talking about Romanow.

The Liberal record is very clear. The government opened up the act once before to allow more privatization. So the question is, why should Canadians believe that the Liberals will not do this again and bring in more privatization?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I am delighted to hear the hon. member quote Commissioner Romanow. The fact is that Commissioner Romanow's report provides the basis for the kind of 10 year plan that we need to ensure that our health care system is sustainable.

It is on that basis that the government is prepared to put in more money to ensure that the health care system is as strong as it can possibly be.

We agree with Commissioner Romanow that what we require is a transformative change. We look forward to meeting with the premiers this summer to attain just that.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, if that is the case, why was there not any new money in the budget for health care? Why was there no mention of the Romanow report? Why has the Prime Minister appointed a minister for privatization?

He knows that the premiers of B.C. and Ontario are privatizing health care. He knows that his top adviser was a corporate lobbyist for private health care. He knows that the Liberals opened up the act once before to allow privatization.

Why not be clear with Canadians? Where does the Prime Minister stand?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, only an NDP member could possibly say that \$2 billion on health care and \$665 million on public health is not money. Only that party could possibly say that this is not money.

Mr. Speaker, I would like to call your attention to the fact that Roy Romanow, on the very day following the budget, absolutely supported the government's position on financing for the future of the health care system.

* * *

SPONSORSHIP PROGRAM

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, there is more Liberal interference with the parliamentary committee investigating the sponsorship debacle.

The committee decided to do up a summary of the evidence so far that would help in questioning some of the other big players still to appear. Suddenly, the Liberal communication spin has this little summary of evidence morphing into a full-blown committee report.

Is this shameless Liberal spin because the government is desperate to say there has been a report so that it can call a spring election?

Oral Questions

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, it is all fine and dandy to accuse the government of wrongdoings. The point of the matter is very simple. The committee is master of its own destiny.

The committee will decide what it wants to do. What the opposition is asking us to do is to not respect the rules of the House by respecting the autonomy of committees.

Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC): Mr. Speaker, the Liberal whip knows very well that he is master of the Liberals on the committee and they are being directed to block evidence.

They are being directed to call a summary of evidence a full-blown report. At the same time, they are being directed to keep this thing going until an election can be called.

Is it not true that the real agenda of the Liberals is to interfere in the committee that is investigating political interference?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, this is total nonsense. I remind the House that up until last week those members were the ones who were delaying the work of the committee.

They were taking more time than they were required to do so and it took a resolution at the end of last week in order to meet next week. They are talking from both sides of their mouths and they are not very credible either.

Mr. Jason Kenney (Calgary Southeast, CPC): Mr. Speaker, the Prime Minister claimed that the 2000 internal public works audit showed merely administrative problems in the sponsorship program. Today, his view, and that of Alfonso Gagliano, was directly contradicted by the man who did that audit. He said that he never claimed they were merely administrative problems, that there were much more serious problems.

I want to ask the Prime Minister, why did he claim they were merely administrative problems when clearly, according to auditor himself, that was not the case?

• (1430)

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, as I have said, the deputy minister at the time gave evidence before the public accounts committee. He said, "I thought they were serious administrative errors and that there was a strong action plan to fix those".

In the mind of the most senior public servant with respect to public works at the time of the 2000 audit, they were serious administrative problems and there was a strong action plan to fix them.

Mr. Jason Kenney (Calgary Southeast, CPC): In other words, Mr. Speaker, the Prime Minister is just using the Gagliano defence which has proven to be fibbing to the public accounts committee over and again.

We know that the public inquiry is not going to start until next fall. We know the public accounts committee has not even begun to scratch the surface of Liberal corruption in this matter.

Why is the Prime Minister trying to force the committee to jam through a so-called interim report to whitewash this Liberal corruption before he calls an election?

Hon. Reg Alcock (President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.): Mr. Speaker, we also know that the chairman of the public accounts committee has already made up his mind as to the guilt and sentencing of people, as reported in today's *Hill Times*.

I think it is an outrageous position for a committee that is supposed to be inquiring into the matter.

* * *

[Translation]

HEALTH

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, the Prime Minister confirmed his intention to invest new funds in health in the future, but only if changes are made to the health care system and if he agrees with those changes.

How can the Prime Minister justify not taking advantage of the federal budget to increase health care funding, when the needs are urgent and the premiers had advised him of the urgency of investing in this area, and to do so with no strings attached?

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, the premiers agreed with the Prime Minister of Canada to hold a new federal-provincial meeting this summer, preceded by serious work by the health and finance ministers. Everyone agrees that ensuring the long term sustainability of the health care system will certainly require additional funding, but also a serious effort at reform and restructuring, which we want to discuss with all the provinces in the spirit of cooperation.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, by demanding that Quebec and the provinces allow the federal government to interfere in the management of health care as a condition for getting back a share of our own money, which we need to sustain quality services, is the Prime Minister not engaging in despicable blackmail? The more things change, the more they stay the same.

Hon. Pierre Pettigrew (Minister of Health, Minister of Intergovernmental Affairs and Minister responsible for Official Languages, Lib.): Mr. Speaker, everyone is well aware that health is obviously our government's top priority. We are determined to work with the provinces. I know that the Bloc does not like it when we say we want to work with the provinces, but that is what our government wants to do and will do.

Everyone agrees, and Canadians are fully aware of this, that money alone will not solve the problems. We need to develop a plan together with the provinces to ensure the long term sustainability of the system.

*Oral Questions***OLDER WORKERS**

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, the pilot project to assist older workers will end on March 31—two days from now—and no replacement or extension measures have yet been announced. Among the numerous people who lose their jobs, many are older workers, for whom finding another job is very difficult.

Can the government tell us what its intentions are with respect to this pilot project, and, among other possible solutions, does it plan on making it permanent?

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, as the hon. member opposite knows very well, the government is investing nearly \$3 billion per year to help seasonal workers. For example, with the recent changes in the Employment Insurance Act, over the last three years, the government has invested nearly \$500 million per year.

We are aware of the problems being experienced by seasonal workers. We are ready to find long-term solutions to better manage the challenges facing seasonal workers.

• (1435)

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, the government can tell us that it will take care of things all it wants, but the time for action is now. I did not ask him about seasonal workers, but about older workers.

If the government wanted to show its real concern for the older workers who are victims of job cuts, why did it not include the extension of this pilot project in its recent budget? I am talking about seniors, Mr. Minister.

Hon. Joseph Volpe (Minister of Human Resources and Skills Development, Lib.): Mr. Speaker, we are now going into the facts rather than into rhetoric. There are solutions, but there are no effective short-term solutions. We are working to find long-term solutions. In order to find these solutions, we must work with the provincial and regional jurisdictions.

I am now working to finalize a package of measures that will, in the coming weeks, help both seasonal workers and older workers.

* * *

[English]

SPONSORSHIP PROGRAM

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, Canadians are fed up with the Liberals parsing their words regarding the sponsorship scandal. The Prime Minister has carefully denied any connection between the ministers in his cabinet and the sponsorship issue, but we know that is simply not correct.

Was the Prime Minister ever advised of the sponsorship relationship between Pierre Tremblay and his current President of the Privy Council Office?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, we have been hearing for weeks now questions from the opposition without any regard for facts, without any regard for concern for the honesty and integrity of the process, casting aspersions on a minister of this government without any proof

whatsoever, notwithstanding the hurt that it creates for the minister, for his family, for his children, totally irrelevant of any concern for the human dimension of the problem. It is not acceptable, not acceptable.

Mr. Monte Solberg (Medicine Hat, CPC): Mr. Speaker, we are looking for facts and the truth. The Privy Council president has already admitted meeting with Pierre Tremblay.

My question was actually directed to the Prime Minister. If he wants to be a spectator, there is lots of room in the gallery. I invite him to actually stand up and answer a question.

The question I am posing to the Prime Minister is, why is he covering up the nature of the relationship between Pierre Tremblay and the Privy Council president? Why did he not come clean when he was asked about this before?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, there is one common point in the statement I just heard by the opposition which is, we want to have the truth. Why do we simply not do away with all the politicking that is going on and get to the facts? If they want to summon the witness, they can call him. They have the authority to do it.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, Alfonso Gagliano said that he believed there was no political interference with the sponsorship program, but the Prime Minister contradicted him and said that there was political direction given. Did that interference come from the President of the Privy Council?

Hon. Stephen Owen (Minister of Public Works and Government Services, Lib.): Mr. Speaker, the role of the public accounts committee is to get to some findings of fact on the issues before it. Where it gets discrepancies between one witness and another, then it should test it, ask questions, come to a conclusion and then report it to the House.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, the current Prime Minister stated that all cabinet ministers interviewed were asked to come clean with any potential conflicts before they were given their cabinet postings.

The current President of the Privy Council once failed a polygraph test in regard to Groupe Everest and his stay at chateau Boulay. The court said that the President of the Privy Council misled Parliament and Canadians about immigration backlogs.

My question is for the Prime Minister. Did the President of the Privy Council tell the Prime Minister or his officials about his involvement with Pierre Tremblay?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, it seems quite clear to me that the minister did say that he spoke with Mr. Tremblay when he was responsible for amateur sports. What is wrong with that?

We are witnessing at the present time the witch hunt of Salem revisited. It is machiavellianism at its worst. It is enough.

Oral Questions

●(1440)

JUSTICE

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, my question is for the Minister of Justice.

Tragically last week an innocent young woman in Brampton, Ms. Amretta Singh, died after she was gunned down on her doorstep. Unfortunately, crimes committed with firearms are increasing all over the GTA.

The use of a firearm in the commission of a crime is a serious offence. Can the minister tell the House what steps are being taken by the department to ensure that the incidence of gun crimes will be reduced and punished accordingly?

Hon. Sue Barnes (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I know that the member and his colleagues are not only very conscious of the crimes in their city, but they are working actively with the minister and the department for change and better work in this area.

Our response to crimes with guns has to be comprehensive, including not only crime prevention, social interventions, efficient and responsive police work, but also effective gun control, even those gun controls included at the U.S.-Canada border, and targeted enhancements to our sentencing regime for these types of crimes.

There are 10 serious firearm—

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

* * *

INTERNATIONAL AID

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, my question is for the finance minister.

From Kyoto to Romanow to Bono, if there was a good idea out there, the minister found a way to ignore it in the budget. The Liberal budget did not include one cent for the global fund. So much for change; the Liberal budget simply repeated Jean Chrétien's old promise on foreign aid which will mean we are giving less in foreign aid in 2010 than we did when the Liberals took power.

What is the point of singing with Bono if the Liberal budget is going to dance to a completely different tune?

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, we have in fact honoured the commitments that we have made. There are more commitments outstanding. We stand with the poor countries of the world as our record shows and will continue to do so. That is a commitment we fully intend to keep over the course of this coming decade.

* * *

THE ENVIRONMENT

Mr. Joe Comartin (Windsor—St. Clair, NDP): Mr. Speaker, my question is for the environment minister.

After 11 years of endless Liberal rhetoric, let us look at the results. One, greenhouse gas emissions are up 18%. Two, there is no renewable energy plan. Three, there is no mandatory plan for vehicle

fuel efficiency. Four, there is no energy retrofit plan of any consequence for federal buildings. Five, Kyoto was not even mentioned in the budget or throne speech.

Can the minister tell the House why the Liberals are abandoning the Kyoto protocol?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the essence of those many statements made by the hon. member is that there was not money in the budget for Kyoto. What he forgets is that the Kyoto financing cycle is about every two years, the 2001 budget and the 2003 budget.

There remains some \$690 million unspent from the 2003 budget. We will deal with that in due course. I am quite sure the Minister of Finance in due course will make sure that we have enough to continue the programs.

* * *

SPONSORSHIP PROGRAM

Mr. Leon Benoit (Lakeland, CPC): Mr. Speaker, the Prime Minister carefully denied any relationship between his cabinet ministers and the sponsorship issue. We know this is not correct.

Was the Prime Minister ever advised of the sponsorship relationship between Pierre Tremblay and the current President of the Privy Council?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, if for once members opposite would prepare the questions after listening to the answers, they might avoid having a second time in a row the same question to which the answer is still the same.

Mr. Leon Benoit (Lakeland, CPC): Mr. Speaker, the Prime Minister is hiding from this question. Why is he hiding from this question?

He said clearly that there is no connection between ministers of his cabinet and the sponsorship issue. Yet when I ask a straightforward question regarding that relationship, he refuses to answer.

I will ask the question again. Was the Prime Minister ever advised of a sponsorship relationship between Pierre Tremblay and the current Privy Council president?

[Translation]

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, just in case there was a language problem, I want to repeat in French something I only said twice in English. The minister did speak with Mr. Tremblay—he said so himself—when he was responsible for amateur sport. He was doing his job. What is wrong with that?

Oral Questions

I will tell you what is wrong with that. It is all in the minds of those who think that constantly repeating falsehoods will somehow make them true. This is not true; these are still falsehoods.

• (1445)

[*English*]

Mr. Charlie Penson (Peace River, CPC): Mr. Speaker, it is painfully obvious that the Prime Minister needs to stand in his place today and answer one question. The question is, when the Prime Minister shuffled the President of the Privy Council into cabinet, was he informed of the relationship between the President of the Privy Council and Pierre Tremblay?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, I am sure if the opposition cared to put questions on the budget, on the issue of globalization, on matters of health, the Prime Minister would be glad to answer. However in this kind of questioning, nobody has got to go that low.

Mr. Charlie Penson (Peace River, CPC): Mr. Speaker, the Prime Minister seems to have lost his voice at very convenient times today. He needs to stand up and answer the question. There is \$100 million of Canadian taxpayers' dollars missing out of the budget.

When the Prime Minister shuffled the President of the Privy Council into cabinet, was he informed of the relationship between the President of the Privy Council and Pierre Tremblay?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, there is no news in the hon. member misinterpreting what was said. The fact is I interviewed all of the ministers. I asked them at the cabinet table altogether whether in fact they had any knowledge of wrongdoing. They all said no.

The minister himself, as has been repeated by the House leader, stood up in the House and said that as minister of sport he had dealings with the public servant who was involved in matters involving his portfolio. Opposition members can ask the question 25 times, but that happens to be the fact.

* * *

[*Translation*]

ST. LAWRENCE SEAWAY

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, the president of the St. Lawrence Seaway Management Corporation, Richard Corfe, is publicly stating that the government is seriously considering enlarging the St. Lawrence Seaway, although the Minister of Transport says otherwise.

Can the government tell us whose version is the right one, that of the minister or that of the president of the St. Lawrence Seaway Management Corporation?

[*English*]

Hon. Tony Valeri (Minister of Transport, Lib.): Mr. Speaker, I responded to the hon. member's question in committee.

I can reiterate in the House that the government has no intention of expanding or deepening the seaway. We are participating in a study that has to do with the future of the seaway, including environmental engineering and economic aspects that deal with the ongoing

maintenance needs of the seaway, not the expansion nor the deepening of the seaway.

[*Translation*]

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, the president of the St. Lawrence Seaway Management Corporation is basing his version on, among other things, a study by the US Army Corps of Engineers, which is in favour of enlarging the St. Lawrence Seaway.

If Richard Corfe's version is incorrect, what is the minister waiting for to set him straight?

[*English*]

Hon. Tony Valeri (Minister of Transport, Lib.): Mr. Speaker, as I have just said, we have no intention of deepening or widening the seaway.

Two studies are ongoing. We are participating in one study which deals with the ongoing maintenance of the seaway. We are participating in that study because the seaway is an integral component of the transportation system that deals with trade, which is critical to the future economic prosperity of the country.

* * *

SPONSORSHIP PROGRAM

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, the evidence is mounting in the public accounts committee. The Prime Minister says that he screened the ministers before he put them into their cabinet position.

I would like to know this from the Prime Minister. When was he advised of the connection between the President of the Privy Council and Pierre Tremblay?

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, the next time I come into the House I will bring with me a tape recorder to record my answers and repeat them exactly.

When a member is a minister of the crown, the minister has a responsibility to assume. The minister in question was secretary of state for amateur sport, supported by the way by all those people who came to him to ask for help. He did his job. He did what he had to do as a minister.

Are they saying that as a minister he should abdicate his responsibility?

Mr. Gerry Ritz (Battlefords—Lloydminster, CPC): Mr. Speaker, that is a nice sidebar argument. However, it goes a long way from the actual question. We found out that the President of the Privy Council in his former role was not above stretching the truth a bit when talking about staying with Claude Boulay.

The Prime Minister said that he screened all those ministers before he put them into place. I guess that screen had some pretty big holes in it.

Will the Prime Minister now take a second look at this President of the Privy Council and maybe bring him down a peg or two?

Oral Questions

●(1450)

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, in French we would say “idem”. In English I suppose there is an expression similar to this which means exactly the same answer as before.

* * *

[Translation]

AIRLINE INDUSTRY

Mr. Christian Jobin (Lévis-et-Chutes-de-la-Chaudière, Lib.): Mr. Speaker, over the past few months, many members of this House and I have been approached by lobby groups about merging pilot seniority lists from Air Canada and Canadian Airlines International.

Will the Minister of Labour explain to this House what stage the merger process has reached and what her role is in this merger?

Hon. Claudette Bradshaw (Minister of Labour and Minister responsible for Homelessness, Lib.): Mr. Speaker, since 2000, six decisions have been made on the issue of pilot seniority by two arbitrators, the Canadian Industrial Relations Board and the Federal Court.

There is currently another application for reconsideration before the board. I cannot comment further because the Canadian Industrial Relations Board is an independent administrative tribunal.

* * *

[English]

SPONSORSHIP PROGRAM

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, the Prime Minister has said repeatedly that he asked all his cabinet ministers if they had done anything bad, anything wrong. They said, “No, cross our hearts, we have not done anything wrong, and that is the truth.”

We want the Prime Minister to answer the question. When was he informed about this relationship between the President of the Privy Council and Mr. Tremblay? Just tell us, and he should tell us.

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, is there anything wrong with a minister doing his job?

The first line of questioning we heard a few days ago from these people was to allege that the minister of the Privy Council was in touch with Mr. Guité. That was denied. There was no evidence, so they are stuck.

Then they turn around and say that he talked with Mr. Tremblay. Of course he did. It was his job.

Mr. Stockwell Day (Okanagan—Coquihalla, CPC): Mr. Speaker, I am sorry, they are just not answering the question. I know we are supposed to be used to that here in question period, but Canadians are not used to not having their questions answered by the government.

Will the Prime Minister please stand up and answer this very important. He said that he interviewed all his cabinet ministers and they all said everything was fine.

When precisely was the Prime Minister informed about the relationship between the President of the Privy Council and Mr. Pierre Tremblay? Just tell us when.

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, my colleague is not really in the best position to talk about what Canadians feel on this issue, because when Canadians see the kind of witch hunt on which those people have launched themselves, I think people in Canada will be sorry for what they hear on that side of the House.

The minister was in touch with Mr. Tremblay because he was doing his job, period.

* * *

[Translation]

NATIONAL DEFENCE

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, for the past few years, the Department of National Defence has attempted repeatedly to privatize various functions within the department. This time, the housekeeping services at three garrisons in Quebec are targeted, putting at risk the jobs of more than 90 employees.

Will the Minister of National Defence admit that, with his plans to privatize the housekeeping services, he is creating difficult working conditions for these employees and being penny wise and pound foolish on the backs of civilians earning low incomes? Indeed, \$13 an hour is not a fortune.

[English]

Hon. David Pratt (Minister of National Defence, Lib.): Mr. Speaker, I would like to thank the hon. member for the question. The Department of National Defence is always looking at ways to become more efficient and more effective. That is what responsible governments do. It is also important to recognize the very critical role that is played by our civilian employees. They do invaluable work for the department, and we do appreciate their efforts.

* * *

THE BUDGET

Mr. Rodger Cuzner (Bras d'Or—Cape Breton, Lib.): Mr. Speaker, as most Canadians know, small and medium sized business has been the backbone of our economy over the past years, fueling economic growth by creating jobs in record numbers. These business owners have been calling and e-mailing my office since the tabling of the government's budget.

Could the Minister of Finance tell me what steps he has taken in the budget to recognize the competitive edge these enterprises need to keep driving our economy?

Oral Questions

•(1455)

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, in the budget we are accelerating for one year the planned increase in the small business deduction limit. We are moving the impediment to the scientific research and experimental development tax credit. We are extending the non-capital loss carry forward period to 10 years. We are providing better access to the government electronic tendering system. We are improving capital cost allowances on computer equipment.

We have made a commitment to work specifically with small business groups, like the Canadian Federation of Independent Business, to reduce the paper burden facing small businesses.

* * *

[Translation]

MICROBREWERIES

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, excise tax accounts for a large portion of the tax burden on Canada's small breweries. It hampers their growth and competitiveness, and the expansion of their export markets.

While 10 countries, the U.S. among them, as well as the majority of Canadian provinces and Quebec have adopted a discriminatory tax policy for the microbreweries, what is the government waiting for before it helps our microbreweries by reducing the excise tax?

[English]

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, during the course of the budget consultations, I received many representations about tax changes with respect to all sorts of business enterprises in Canada, including small breweries.

I have decided that there is such a collection of these recommendations affecting the overall question of business taxation that I would like to seek the views of members of the House of Commons in terms of the details of these recommendations and their relative ordering of priority. Therefore, I intend to ask the finance committee of the House of Commons to conduct an examination with respect to these various recommendations.

* * *

NATIONAL DEFENCE

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, our bravest Canadians are those members who serve in our armed forces. However, with the recent budget, there is great confusion among the service personnel and their civilian counterparts about who, when they serve overseas, gets a tax break and who does not.

My question is for the Minister of National Defence. Will he now clear up this confusion and state once and for all that all military personnel and their civilian counterparts who serve in a theatre of conflict, like Bosnia, Haiti, the Arabian gulf and Afghanistan, will be entitled to that tax exemption?

Hon. David Pratt (Minister of National Defence, Lib.): Mr. Speaker, the Government of Canada is obviously very committed to the men and women of the Canadian Forces and this is certainly a measure that has been very well received by the forces.

As I indicated last week, we are looking very carefully at expanding this benefit to those serving in places like Bosnia and Haiti, and we should have information on that in the not too distant future.

It is the intention of the government to have it apply in this taxation year, and I want to assure the hon. member as well that it will apply to all members of the army, navy and the air force.

* * *

SPONSORSHIP PROGRAM

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, the Prime Minister quizzed all his cabinet about their connection to the sponsorship program. Did the President of the Privy Council tell the Prime Minister of his relationship between himself and Pierre Tremblay?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, the President of the Privy Council has answered the question about why he spoke to Mr. Tremblay and in what capacity. I am not quite sure what the hon. member's definition of a relationship is. If he would like to perhaps elaborate on it, one might be able to answer the question.

What I would suggest to him is that he ask the committee to call the minister. The minister has volunteered to testify. He is quite prepared to do that. Why will they not call him in front of the committee to give him the opportunity to do so?

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister has a lot to say about the democratic deficit. I feel that he is an excellent poster boy for that deficit. This is question period, I realize, not answer period.

I would, however, like to ask him to exercise his memory a little and tell me whether, looking back from today, March 29, 2004 to the fall of 2000, he ever made the effort to read the Public Works internal audit report, either as finance minister, vice-president of the Treasury Board, or Prime Minister, all positions he has held? Since that is their defence, has he at least made the effort to read this report, as it was his duty to do?

Right Hon. Paul Martin (Prime Minister, Lib.): Mr. Speaker, I have read the deputy minister's testimony before the committee in which he referred to administrative problems. As well, I read the executive summary.

[English]

Mr. Stephen Harper (Leader of the Opposition, CPC): Mr. Speaker, the Prime Minister just failed to answer the question put. I would really like the Prime Minister to stop embarrassing himself by just getting up and answering questions put about his own conduct.

The question is this. When the Prime Minister interviewed for the cabinet, did the Prime Minister ask the President of the Privy Council and was he told about that minister's relationship with Pierre Tremblay? Was he told, yes or no?

Routine Proceedings

●(1500)

Hon. Jacques Saada (Leader of the Government in the House of Commons and Minister responsible for Democratic Reform, Lib.): Mr. Speaker, the question the Prime Minister asked all of us was to say if we knew anything about any wrongdoing, and the answer was no. We were not asked if anybody had done a good job. We suppose that each of us does a good job and takes responsibility for the work we do.

* * *

WAYS AND MEANS

NOTICE OF MOTION

Hon. Ralph Goodale (Minister of Finance, Lib.): Mr. Speaker, pursuant to Standing 83(1) I wish to table a notice of a ways and means motion respecting an act to implement certain provisions of the budget tabled in Parliament on March 23, and I would ask that an order of the day be designated for consideration of the motion.

If hon. members would like, I would be happy to run over the budget speech yet once again.

ROUTINE PROCEEDINGS

[English]

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 am pleased to table, in both official languages, the government's response to 15 petitions.

* * *

CRIMINAL CODE

Hon. Irwin Cotler (Minister of Justice, Lib.) moved for leave to introduce Bill C-29, an act to amend the Criminal Code (mental disorder) and to make consequential amendments to other acts.

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

* * *

INCOME TAX ACT

Hon. Wayne Easter (Malpeque, Lib.) moved for leave to introduce Bill C-505, an act to amend the Income Tax Act (deduction for volunteer emergency service).

He said: Mr. Speaker, I rise to introduce an act to amend the Income Tax Act to make possible a deduction for volunteer emergency services.

I thank the member for Bras d'Or—Cape Breton for seconding the motion and the member for Beauséjour—Petitcodiac for such strong support.

The bill would amend the Income Tax Act to allow volunteer emergency workers to deduct from their taxable income the amount of \$500 if they performed at least 50 hours of volunteer service and \$1,000 if they performed at least 100 hours of volunteer service.

The bill would recognize the tremendous work of volunteer emergency service workers who are not paid an honorarium for their services but give of their time, take time away from their fields, their farms and the fisheries to do this work for the good of society.

I encourage everyone to support the bill.

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

* * *

●(1505)

[Translation]

COPYRIGHT ACT

Mr. Marcel Proulx (Hull—Aylmer, Lib.) moved for leave to introduce Bill C-506, an act to amend the Copyright Act.

He said: Mr. Speaker, I would like to thank the hon. member for Kitchener Centre for seconding this bill.

This bill amends the Copyright Act in order to give programming undertakings more time to destroy ephemeral recordings of a work. It also requires broadcasting undertakings to destroy reproductions of an ephemeral recording as soon as they no longer possess the sound recording or the performance or work fixed by means of a sound recording.

Repealing subsections 30.8(8) and 30.9(6) will allow programming and broadcasting undertakings to benefit from the application of sections 30.8 and 30.9 even if a licence to copy the work is available from a collective society.

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

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[English]

BREAST IMPLANT REGISTRY ACT

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP) moved for leave to introduce Bill C-507, an act to establish and maintain a national breast implant registry.

She said: Mr. Speaker, I am pleased to introduce this bill to establish a national breast implant registry.

The legislation before the House seeks to establish a registry to monitor implant procedures and to further scientific research. It fills a critical gap in women's health protection by collecting currently unavailable data about implant procedures and data that is needed as a base for informed health based decisions by women and physicians. It would protect individual privacy while providing an effective means of notifying women of threats to their health.

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

* * *

PETITIONS

MARRIAGE

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have three petitions to present today. The first petition is on the subject of marriage.

The petitioners would like to draw to the attention of the House that marriage is the best foundation for families and for the raising of children and that marriage is the exclusive jurisdiction of Parliament. The petitioners therefore call upon Parliament 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.

• (1510)

FREEDOM OF RELIGION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the second petition relates to Bill C-250.

The petitioners would like to draw to the attention of the House that all Canadians are appalled by hate motivated attacks and believe that promoting hatred toward any person or group is wrong. They also point out that they are concerned about the impact of the proposed amendments to section 318 of the Criminal Code on freedom of religion and freedom of expression.

The petitioners therefore call upon Parliament to take all measures necessary to protect the rights of Canadians to freely share their religious and moral beliefs without fear of prosecution.

STEM CELL RESEARCH

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the final petition is on a subject matter dear to my heart, stem cells.

The petitioners would like to draw to the attention of the House that Canadians do support ethical stem cell research which has already shown very encouraging potential to provide cures and therapies for Canadians. They also want to point out that non-embryonic stem cells, also known as adult stem cells, have shown significant research progress without the immune rejection or ethical problems associated with embryonic stem cells.

The petitioners therefore call upon Parliament to focus its legislative support on adult stem cell research for those cures and therapies and also that the regulations, yet to be forthcoming on Bill C-6, will reflect their concerns.

MARRIAGE

Mr. Darrel Stinson (Okanagan—Shuswap, CPC): Mr. Speaker, I am pleased to present a petition from my constituents in Okanagan—Shuswap.

The petitioners state that marriage is the best foundation for families and the raising of children. They want to remind the House that a motion was passed in June 1999 that called for marriage to continue to be defined as the union of one man and one woman and that Parliament therefore 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.

OTTAWA CENTRE BYELECTION

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am pleased to rise in the House today to present three petitions.

The first petition is from residents of Ottawa Centre who have not had a member of Parliament since September 8, 2003, thus causing the longest vacancy in a constituency in the history of Canada.

Routine Proceedings

The petitioners call upon Parliament to enact legislation that would replace the current writ of election in Ottawa Centre with a writ of election making the byelection day as soon as possible.

CITIZENSHIP AND IMMIGRATION

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the second petition recognizes that family reunification has long been and remains a cornerstone of Canada's immigration policy and that the current regulations are very narrow, excluding many family members, and that these concerns can be addressed by the swift passage of Bill C-436.

MARRIAGE

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the last petition is from Canadians who point out that the Canadian Charter of Rights and Freedoms guarantees equality to all Canadians; and the Supreme Court of Canada has held that this requires the equal treatment of same sex couples; and that denying same sex couples the equal right to marry reinforces attitudes of intolerance and discrimination and is inconsistent with Canadian values.

The petition calls upon Parliament to enact legislation providing same sex couples with the equal right to marry.

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to present another petition for National Kidney Month on behalf all those in Canada and around the world who suffer from kidney disease, for the people who support them and, in particular, for the researchers who do research into kidney diseases.

I have presented a series of these petitions, some of the petitions supporting research into bio-artificial kidney and others supporting a national kidney institute. These were all initiated by Ken Sharp of my riding. He has enormously increased awareness of kidney disease. He and the petitioners call upon Parliament to encourage the Canadian Institutes of Health Research to explicitly include kidney research as one of the institutions in its system to be named the institute of kidney and urinary tract diseases.

AGRICULTURE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I rise to present another petition on the ongoing tragedy of BSE. The petition is signed by representatives and supporters of the Canadian beef cattle, dairy, goat and sheep industries which are all in a crisis as a result of the BSE problem. The entire industry in fact, not just the farmers, are in crises. In my riding 1,000 families are directly affected.

These citizens call upon Parliament to open the U.S.-Canadian border as soon as possible and to develop a long term solution and economic relief that is fair and reflects the importance of these industries to Canada.

Routine Proceedings

LIBRARY BOOK RATE

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, I rise to present a petition to the House of Commons on behalf of the Vancouver Island Regional Library and 400,000 people living on the west coast of Canada. It has to do with proposed changes to the Canada Post library book rate.

The petitioners are asking that the agreement be renegotiated to continue to allow books to be transported between libraries. If that fails to be renewed, it will cost about \$250,000 for many remote communities to make up for this book rate that has been subsidized. They are therefore asking that this be renegotiated to continue to supply the books to remote communities.

Also they are asking that there be an expansion to include all materials loaned by public libraries. It has been signed by about 1,900 constituents.

• (1515)

MARRIAGE

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, I have two more petitions on the subject of the definition of marriage. About 500 petitioners are calling upon Parliament to recognize the defence of traditional marriage as the bond between one man and one woman as a serious, moral good, and that marriage as the lasting union of a man and a woman to the exclusion of all others cannot and should not be modified by a legislative act or by a court of law.

They are calling upon Parliament to take whatever action necessary to maintain the current definition of marriage in law in perpetuity and to prevent any court from overturning or amending that definition.

LABELLING OF ALCOHOLIC BEVERAGES

Ms. Judy Wasylcia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, I have four petitions all on the matter of alcohol warning labels. Today I have 2,000 names of Canadians to add to the thousands of Canadians who have already called on the government to ensure that the motion adopted by the House on affixing labels on all alcohol beverage containers that state “Warning: Drinking alcohol during pregnancy can cause birth defects”, be enacted.

Canadians are concerned about the impact of alcohol on the fetus and the incidence of fetal alcohol syndrome and call upon the government to do what this place has asked it to do and what Canadians want it to do.

JUSTICE

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I have two petitions.

The first petition comes from in excess of 400 petitioners in the greater Toronto area, including my own constituency of Scarborough—Rouge River.

The petitioners are calling upon Parliament to enact legislation to protect against child exploitation and to raise the age of sexual consent from 14 to 18 years of age.

MARRIAGE

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, the second petition contains approximately 450 signatures.

It comes from petitioners in my own constituency and in the greater Toronto area.

It calls upon Parliament to recall that it passed a motion in June 1999 and they ask Parliament to recognize its own jurisdiction in the definition of marriage. They call upon Parliament to enact legislation to recognize marriage as being a union of one man and one woman to the exclusion of all others.

Mr. Ken Epp (Elk Island, CPC): Mr. Speaker, today I have two petitions to present. The first is a list of names of 462 people, mostly in Sherwood Park in my riding but also in the outlying areas. This is a petition which basically states that the duty of Parliament is to exercise its supremacy. The petitioners urge us to practise that supremacy to make the laws with respect to marriage and not have an unelected court do it. The petitioners urge us to do everything possible, legislatively and administratively, to protect the definition of marriage as being that between one man and one woman exclusively.

Mr. Speaker, the second petition I am presenting is worded somewhat differently but it is on the same topic. This petition comes from most of my constituents in the Fort Saskatchewan, Gibbons, Lamont and Bruderheim areas, as well as St. Michael and Star, Alberta, two towns in my riding that I do not know if members have heard of. The petitioners are very frustrated with what is happening in Ottawa with respect to marriage.

At great effort they had many people sign this petition, which basically calls upon Parliament to immediately hold a renewed debate on the definition of marriage and to reaffirm, as it did in 1999, its commitment to take all necessary steps to preserve marriage as the union of one man and one woman to the exclusion of all others.

I am delighted to represent the people of my riding in presenting these petitions and urge the government to listen carefully to what these and thousands of other Canadians are saying on this very important topic.

[Translation]

EMPLOYMENT INSURANCE

Mr. Michel Guimond (Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans, BQ): Mr. Speaker, I am pleased to table a petition from the Abitibi-Témiscamingue region, specifically from the federal riding of Témiscamingue, in which the petitioners ask Parliament to put pressure on the federal government so that it ends the transitional measures, raises benefits for workers and adopts a real, universal employment insurance plan.

We must be particularly sensitive to workers in the softwood lumber industry, who have been seriously affected by the measures imposed by the Americans, and also workers in seasonal industries.

Routine Proceedings

[English]

MARRIAGE

Mr. Rex Barnes (Gander—Grand Falls, CPC): Mr. Speaker, I have two petitions. The first petition calls upon Parliament to take whatever steps are necessary and required to preserve marriage as the union of one man and one woman to the exclusion of all others.

• (1520)

PERSONS WITH DISABILITIES

Mr. Rex Barnes (Gander—Grand Falls, CPC): Mr. Speaker, the second petition I present calls on the Government of Canada to have provision of affordable disability supports such as an adaptive devices program for all Canadians who are blind, visually impaired and/or deaf and blind.

The Speaker: It is my duty pursuant to Standing Order 36(8)(b) to inform the House that the matter of the failure of the ministry to respond to the following petitions presented in the House is deemed referred to several standing committees of the House as follows: Petition No. 3730183 presented by the hon. member for Red Deer to the Standing Committee on National Defence and Veterans Affairs.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 45 will be answered today.

[Text]

Question No. 45—**Mr. Keddy (South Shore):**

With regard to the way that shipyards of the South Shore—St. Margaret's constituency are barred from the pursuit of maintenance and structural repair contracts due to the United States Jones Act, chapter 46 United States code USCS, appendix 688, which stipulates that no more than 20% of structural work on U.S. vessels can be done outside the United States, what avenues are being pursued by the government to rectify this situation and bring substantial economic gain to Nova Scotia and other Canadian shipyards?

Hon. Jim Peterson (Minister of International Trade, Lib.): The Jones Act, a collection of U.S. maritime laws, and other marine legislation, imposes a variety of limitations on foreign participation in the U.S. domestic maritime industry. These restrictions, coupled with the national security, defence-related prohibitions of the Byrnes-Tollefson amendment, which precludes the acquisition and repair of ship hull structures by non-U.S. entities, effectively limit Canadian participation in U.S. shipping activities.

Despite continued calls, both within the U.S. and internationally, for reform of its maritime laws, the United States continues to maintain the U.S. Jones Act and its cabotage and cargo preference restrictions. Canada has been particularly vocal in seeking the liberalization of these restrictions in the context of trade negotiations, such as the NAFTA and the WTO.

Although in the past the U.S. allowed for two exceptions to its Jones Act provisions, there is no indication it intends to alleviate further the current restrictions in its maritime laws. Under the first exception, Canadian yacht producers benefited from a waiver, exemption, for foreign passenger vessels carrying fewer than 12 people. Second, following NAFTA negotiations, the U.S. undertook to clarify interpretation of allowable ship repair levels done outside

the U.S., an action which benefits Canadian shipyards by allowing the replacement in Canada of up to 7.5% of the hull and superstructure of a vessel and up to 10% with pre-authorization.

Canada participates in various international bodies which provide regular opportunities to raise concerns regarding the Jones Act. The most recent example was at an informal meeting at the World Trade Organization in November 2003 where members had the opportunity to question U.S. officials on the Jones Act in advance of the WTO's 2003 review of the act. The U.S. responded that neither congress nor the administration was prepared to consider changes to the legislation, and no amending action was likely in either the short or long term.

Issues relating to the Jones Act are discussed regularly at shipbuilding and industrial marine advisory committee, SIMAC, meetings. Industry stakeholders have recommended that the Government of Canada take stronger measures to gain an exemption for Canadian shipyards under the Jones Act. The Government of Canada continues to be ready to explore any bilateral or multilateral route to reduce or eliminate this barrier to market access.

The Canadian shipbuilding and industrial marine industry must be able to compete globally if it is to achieve growth. Accordingly, the government has developed the structured financing facility (SFF) to encourage shipowners to commission new building projects in Canada. Upon qualification and project approval, the SFF provides financing cost support of up to 15 % of the cost of the project to shipowners who commission new buildings or overhaul existing vessels at Canadian shipyards. This support is applied in a manner that is consistent with the guidelines established by the Organization for Economic Cooperation and Development, OECD, understanding on export credits for ships.

It is recognized that there are systemic subsidization and overcapacity issues in the global market that inhibit the ability of Canadian shipbuilders to compete on a "level playing field". The Government of Canada is participating in the OECD shipbuilding negotiations in an effort to achieve an international agreement prohibiting government subsidization of the shipbuilding industry. Such an agreement would enhance the competitive position of Canadian shipbuilders over the medium to long term by reducing trade distortions in the global shipbuilding market.

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Hon. Roger Gallaway (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No. 36 could be made an order for return, the return would be tabled immediately.

The Speaker: Is that agreed?

The Budget

Some hon. members: Agreed.

[Text]

Question No. 36—**Mr. Merrifield (Yellowhead):**

With regard to all contracts (including amendments) awarded by Health Canada in each fiscal year since 1993-1994, what was: (a) the value of all contracts for communications, polling, speech-writing and strategic analysis; and (b) the name of the vendor, the amount, the purpose, the deliverables, and the names of other firms competing for the procurement of each?

Return tabled.

(Return tabled)

[English]

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

The Speaker: It is my duty pursuant to Standing Order 39(5) to inform the House that the matter of the failure of the ministry to respond to the following questions on the Order Paper is deemed referred to the several standing committees of the House as follows: Question No. 42, standing in the name of the hon. member for Vancouver Island North, to the Standing Committee on Aboriginal Affairs, Northern Development and Natural Resources.

[Translation]

a family for 100 years. These are some of the decisions they have to make.

Every day another auction is being held in my riding, selling off whole herds and in some cases entire farms, all because Liberal aid came too late. For some who are selling their farms, they are also selling the only home that they have known and a family heritage piece. The tragedy is not only in witnessing the loss of a livelihood, it is in knowing that the livelihood is lost because this Liberal government could not get its act together quickly enough to deal with the crisis.

Tragedy is seeing farmers sell their homes because this Liberal government made them wait for compensation just so it could have a photo opportunity to announce aid to the agriculture sector. Tragedy is seeing the resentment on the faces of those people abandoned by this Liberal government. What does the government have to offer those who already have had to leave behind 100 years of family tradition and heritage? Members can believe that the picture-perfect press conference last Monday in southern Alberta did nothing for those farmers who have already gone broke.

With the death of our farms, we are also seeing the death of our rural communities. As the population ages, more and more people are moving to the cities. My riding has seen the migration of people to the city. Farms are being abandoned and with that comes the closure of businesses and schools.

Since 1997, one school division in the Yorkton—Melville riding saw four of its eight schools close before the division amalgamated with the city division. One community fought so hard to save its school that in the end it formed its own school division in order to remain open. Another school in the division has been granted one more year before its closure. Parents are struggling to keep even elementary schools open so that children as young as five do not have to sit on a bus for an hour each morning and again each afternoon.

While cities are seeing population explosions so great infrastructure projects cannot keep up, the rural communities are fighting to survive. A half hour drive one way for a jug of milk or the mail is a common event for rural people. As our agriculture industry continues to slump under Liberal rule, rural communities will continue to disappear. That half hour drive will become 45 minutes and then it will become an hour. There is resentment toward this government and how it has abandoned our rural population.

Just like the rest of Canada, my constituents are well aware of the little surplus game that the Prime Minister likes to play. They know the Liberal way: underplay the surplus only to see the surprise and delight on the faces of the Liberal bigwigs when they reward Canadians with supposedly unexpected money. Nobody is falling for it. Canadians do not want to pay into a surplus so that the Liberals can play the role of hero and suddenly hand out money just before election time.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government, and of the amendment.

The Speaker: When the House broke for question period, the hon. member for Yorkton—Melville had the floor and there remained to him three minutes in the time allotted for his remarks.

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, I would like to complete my remarks. I was describing the hardships borne by the people of my riding because of the fiscal mismanagement of this government.

The recent financial injection is very welcome for farmers, but it only helps those who are left in the agricultural sector. Even for most of them, it is rather ineffective.

It took the government 10 long months to finally come up with something to offer our cattle producers. However, in those 10 months ranchers have lost so much money that they have had to choose whether to feed their animals or feed their families, whether to waste fuel transporting an older cow to auction or waste a bullet to eliminate one more cull cow, and whether to trust this government will come through with some help or sell a farm that has belonged to

The Budget

No matter how we look at it, the Prime Minister is not suddenly coming up with more money for health care or the cities. It is still our money, but the Liberals just hoard it and that suits their purpose. In this case, the purpose will be an early election call and an attempt to buy votes with taxpayers' money. I am sorry, Mr. Prime Minister, but my constituents and voters across the country cannot be bought off. In fact—

● (1525)

The Speaker: I hesitate to interrupt the hon. member, but I have tried my best to accommodate him on his three minutes. He has gone a little over. The hon. member for Athabasca.

Mr. David Chatters (Athabasca, CPC): Mr. Speaker, I am pleased to be back in the House today to participate in this budget debate, having been away for a while contesting a nomination back in Alberta. Of course that process gave me a great opportunity to connect with hundreds of people in my riding and get a sense of how they are feeling these days about the government and its budget. It is a real opportunity to be able to bring those thoughts back to the House.

Of course there is a huge amount of distrust out there among the public concerning the government and this budget, particularly when we look at the budget and see that really there is nothing new to speak of in it. With a few exceptions, it is simply recycled promises from the last 10 budgets of the government. We could not believe in the government following through on those promises in the last 10 years, so I do not know why anyone would believe that it will be any different this time.

The Liberal government claims that it is new and changed, but besides the facelift that the front bench has been given, the Liberals have not created any new initiatives. The budget just gives more proof to Canadians that the government is stagnating and has nothing new to offer.

For instance, we see no return of tax dollars to overtaxed Canadians and Canadian families. There is no reduction in individual tax levels, and the promise to reduce them seems to be absolutely empty. Do members know why it is empty? It is empty because the government and the Prime Minister had 10 years to do better and did nothing. Why should Canadians believe any of these promises in the new budget when the Prime Minister, as finance minister, had 10 years to make them happen? He had his chance and that chance is past.

The budget tries to make the claim that the government can be trusted to manage public funds, but clearly it cannot. We have continued record levels of spending. The government has been exposed as ripping off taxpayers in scandal after scandal. The government has been exposed as wasting taxpayers' dollars in program after program. This budget will change none of those things.

What reason has this government given Canadians to trust it? For a decade, the Liberal government has refused to create a genuinely independent ethics counsellor, failed to allow Parliament to review its appointments, failed to prudently spend Canadian tax dollars, failed to deliver on municipal infrastructure programs that adequately meet the needs of our communities, and failed to clean up contaminated sites such as the Sydney tar ponds.

These do not seem to be promises that were followed through on and, more so, they are failed attempts to pull the proverbial wool over Canadians' eyes.

I am my party's critic for natural resources. The budget has promised \$70 million for mapping purposes in the Arctic as well as on the east coast. The government should have used this opportunity to start mapping the west coast, where there has been a moratorium in place for the past 32 years. The area off the Queen Charlotte Islands on Canada's west coast is believed to contain some 26 trillion cubic feet of natural gas and nearly 10 billion barrels of oil. With the moratorium lifted and the go-ahead to begin development, the west coast offshore drilling project could be one that brings British Columbia back to being a have province.

It would have a positive effect, not only on the local community and the province of British Columbia but also on Canada's oil and gas supply as a whole. With the technology available today, it is possible to develop energy resources without destroying the environment. As well, the record of offshore drilling in Canada is an exceptional one, as we have never had any major oil spill due to offshore drilling.

The government's involvement in Petro-Canada is a relic of the old national energy policy. The Conservative Party has long held that it should sell its stake. The free market is the best mechanism to determine prices at the pump. The government should get out of the business of selling gas.

● (1530)

The revenues from the sale of our \$2.25 billion stake in Petro-Canada should not and must not disappear into the black hole of general revenues of the government. The profits should be used for fixing environmental problems that affect Canadians day to day in the prevention and elimination of air and water pollution.

The money from the sale needs to go to programs that are well defined and managed as well as having the ability to be measured. Gone should be the days when money is just thrown into programs that are more dreams and less reality.

The reduction of smog in cities such as Toronto, Vancouver and Calgary is an environmental priority that is a reality. If it is not used for this purpose, then the profits should be used to pay down the federal debt which is a result of the creation of Petro-Canada and should not be used to pay for more Liberal boondoggles.

Like everything the Liberals do, their timing is off. The government has waited too long. A month ago Canada's share of Petro-Canada stocks was worth \$3.3 billion. Who knows what it will be by the time it finally gets around to actually selling the shares.

The Budget

I, along with millions of Canadians, thought that in 1993 the Liberal government's plan was to eliminate the GST. It is now 2004 and this tax, which created endless surplus dollars for the government, seems nowhere near being eliminated. This money could be better used by returning the massive surpluses to taxpayers' pockets instead of ripping them off and taking it out.

The EI surplus, or EI ripoff, is sure to continue with an increase of \$4.3 billion. The surplus will go from \$43.8 billion last year to \$48.1 billion.

The overspending on the ridiculous gun registry will continue. As well, the government has created an incredible amount of room for spending scandals in the future. The government's spending is rising, but the outcome for Canadians is not changing.

We have seen tragically in the past few months that our soldiers are dangerously ill-equipped. When will the government start making decisions for the betterment of Canadians, not for the betterment of its individual luxuries?

This new budget also promises an aid package for farmers hit by BSE. This aid is long overdue and much needed in this torn industry. Canada's case of BSE was detected 10 months ago and our beef industry has been suffering since. I have a hard time believing that the announcement came in a genuine act of support and concern. I believe it came more as an act preceding a federal election campaign. Sadly, it does nothing to address the issue of surplus cattle on farms, nor what to do if the U.S. border does not open soon. This aid package did not include any solutions for that situation and therefore is left wanting.

The budget reannounced a \$2 billion Canada health and social transfer supplement promised in the previous budget. I think it has been announced five times now. The government announced \$665 million over three years for the new public health agency that does not exist yet. Both measures were promised in the throne speech.

When the current Prime Minister was finance minister, he cut \$25 billion in purchasing power from transfers to the provinces for health and education. Without this money, provinces were forced to double tuition fees in the 1990s and put more of the burden on students. I must point out that the government has made more promises to assist students, but its track record has been less than stellar for the past 10 years.

For instance, the government has not met any of the education targets it set out in the 1998 budget. If a budget from four years ago which the Prime Minister himself presented failed, why then would we believe that this one would work?

The millennium scholarship program has been so unsuccessful that even the government's own review has realized that it was flawed. Like this program, most of the other programs announced in the 1998 budget have failed to deliver even half of the money promised to our students. Our students are buried in debt.

The government has attempted to do something positive in terms of education, such as the Canada learning bond which would allow an RESP contribution of up to \$2,000 for low income families. It is a good effort but quite frankly, who can predict what tuition fees and

education costs will be 18 years from now? To help students in the first year and abandon them in the following years is unforgivable.

I could go on and on, but obviously I am out of time. I will save the rest for another opportunity.

● (1535)

Hon. Paul Bonwick (Parliamentary Secretary to the Minister of Human Resources and Skills Development (Student Loans), Lib.): Mr. Speaker, it is certainly a pleasure and an honour to address the budget delivered last week, and on behalf of the residents of Simcoe—Grey and I believe on behalf of the majority of Canadians, to indicate how they feel about this budget and how this budget has impacted them.

In Simcoe—Grey the budget will have widespread positive impact. Certainly it will provide excellent footing for me to continue to work closely with municipalities, to continue to work closely with student groups, to continue to work closely with all those in my riding who are truly interested in providing a brighter future for many generations to come. The budget, in some of the things that I will articulate, does that very thing.

We have to put into context how this budget was delivered and compare it to other G-7 countries as well. It is important that Canadians do not simply listen to the opposition, or for that matter listen to the government, but clearly look across the board, look at our competitors, look at the industrialized nations of this world and see what their economic track records are compared to our economic track record. The results are stunning. The results are not only stunning simply because of our track record as compared to theirs, but also because of the impact it is having on Canadian society. That is the true measurement.

We can sit here today and we can reflect back over the last few years. Not that long ago, for example when I ran, we were dealing with an unemployment rate that was almost 12%. In many regions it was far beyond that. As members well know, it was not that long ago when we were sitting here looking at youth unemployment rates of 15% to 20% in this country. The unemployment rates were even higher than that in some areas, such as in northern Ontario.

We have to have some measuring sticks. We have to look at where we were, where we are, and most important, where we are going. I would propose to members and to all Canadians that there is only one party in this House that is focused on where we are going and how to get there for the betterment of all Canadians.

It is no secret that this government has run seven consecutive balanced budgets. Under the stewardship of the former finance minister who is now the Prime Minister, this government has turned around the country's economic situation, the likes of which no other country in the world has accommodated.

The Budget

Not that long ago one of the major financial daily newspapers in New York called Canada a developing third world nation. It talked about us in terms of moving toward a developing nation by way of our finances, by way of our debt, and by way of our \$43 billion deficit. The rest of the world looked at our country not as a ripe environment for investment, not as a ripe environment for business expansion or to maintain existing business. Double digit interest rates, families paying huge amounts of money on relatively small mortgages, the car market, the auto sector, people trying to finance cars with double digit interest rates; these things were all having a catastrophic impact on the economy.

Under the stewardship of the former finance minister who is now the Prime Minister, that changed. It did not change simply because of the people on this side of the House. It changed because Canadians bought into that vision. It was done on the backs of hardworking Canadians and we were able to change the economic status of this country.

Then all of a sudden in 1997-98, in that same financial newspaper out of New York we read of the G-7 economic miracle. Imagine that, a country like the United States with all its wealth and all its power, recognizing Canada out of the OECD or out of the G-7, saying that we are the economic miracle, that we were able to turn our economy around. That is where we were and this is where we are.

We now flutter around a 7% unemployment rate. It is important to recognize that 93% of this population's workforce is working. Is that not an incredible thing? When unemployment rates are rising in the U.K., rising in Germany, rising in France, rising in the United States, and we compare Canada as an investment opportunity for foreign and domestic businesses to keep their dollars here, what better than to sing the praises of what Canadians have accomplished over the last seven years? They have accomplished a lot.

● (1540)

I commented earlier about the \$43 billion deficit, the \$586 billion debt that had accumulated over a period of 30 some years. What a thing to leave to our children, that kind of debt to GDP ratio. It is unacceptable. It is not unacceptable simply from my vantage point, the Prime Minister's vantage point or the finance minister's vantage point. It is unacceptable to the next generation. We owe them more than that.

I cannot speak highly enough about the commitment the finance minister has made with regard to keeping our debt to GDP ratio on a downward track. What that means to Canadians is almost difficult to comprehend. Ten years from now we very well may be at a 25% debt to GDP ratio.

We are already in tremendous shape and moving in the right direction. These accomplishments cannot go unnoticed, because when we notice these accomplishments, we do a couple of things. We establish consumer confidence in this country. People have a sense of confidence that this is a good economy and a strong economy. When we are able to do that, they feel comfortable investing their money in retail. They feel comfortable putting their money into investments. They feel comfortable with a stable political and economic environment. That is exactly what we have created.

My constituents have been loud and clear in the numerous town hall meetings that I have held over the last number of years that we need to focus on debt reduction. The debt to GDP ratio is very important.

It is also important to recognize that we are saving \$3 billion each and every year in carrying costs because we have reduced the hard debt as well. That \$3 billion allowed us to do some pretty exciting things in this past budget.

There is \$2 billion for health care, which is new money. Not only was the \$2 billion there, but there was also a commitment by the Minister of Finance, the Minister of Health and certainly the Prime Minister to continue to work with the provinces on tackling the major issue we call health care to make sure that the country has a sustainable medicare system, a universal health care system that is enjoyed by all. I do not think we can put a price on that. That is one of the cornerstones of Canadian society.

This government has invested over the last three years over \$30 billion more in new health care spending. What are the results of that? We are seeing a new era in federal-provincial relationships.

When the Prime Minister came to office in December last year, he made some fairly significant commitments. He had been speaking about them throughout his tenure as finance minister. He certainly spoke about them leading up to the Liberal Party leadership convention in the fall of 2003.

He talked about the dawn of a new era when federal, provincial and municipal governments would work together. At the end of the day the taxpayers do not care whether it is at the provincial, municipal or federal level. What they care about is services. What they care about is three levels of government working together to achieve a better Canada and that is what is happening. We are witnessing things the likes of which we could not have dreamed about, other than on this side, 10 years ago.

I remember when people were renewing their mortgages at 11%, 12% and 13%. The carrying costs on those mortgages were astronomical. For a moderate middle income family in my riding, the difference in four or five basis points is huge. It is absolutely significant. We have to understand the positive impact that a difference of 4% or 5% has on our economy. It cannot go unsung. It is not about singing the praises of the Liberal government. It is not simply about singing the praises of the former finance minister, the present finance minister or the Prime Minister. It is about instilling a sense of confidence, a sense of recognition in the hard work in which Canadians have participated to right a wrong, to create an economy that is an absolute leader. Canadians know that. They need the opposition and government to buy into this kind of promising new future.

● (1545)

Clearly, I come from a rural riding, the riding of Simcoe—Grey. The largest municipality in my riding of about 25,000 is New Tecumseh. A number of the smaller communities within my riding need the support of the federal government.

The Budget

I was the chair of the southwestern Ontario caucus for two years in 1997 and 1998. You were there, Mr. Speaker, when our caucus pushed so aggressively for a sustainable long term commitment for infrastructure in the country, to recognize that the government had an obligation to work with municipalities because of their limited tax base and to partner with them to see some of the very critical things moves forward within their respective jurisdictions.

We yelled loudly in the House. We yelled loudly in caucus. At the time we told the finance minister, the industry minister, the prime minister and cabinet that we had to do this, not for our political fortunes. We had to do it for the fortunes of the young people in our riding and to provide opportunities for them. If we are supposed to grow in rural Canada, ridings like my own need help. We need help from the provincial government and we need help from the federal government.

When I saw the GST announcement come forward in the budget that had a widespread and positive impact in my riding, I thought once again what a great step in the right direction. However, I have to emphasize it is only a step. There are many more to go.

We hear about an infrastructure deficit that could be as high as \$60 billion. We require a strategic approach, partnering with provincial and municipal governments and, quite frankly, the private sector in many areas as well to address that deficit. As we begin to address that deficit in a more aggressive fashion, what will we see? We will see opportunity for our youth.

For years, certainly my generation and ones before me, in the rural communities of Wasaga Beach, Town of the Blue Mountains, Collingwood, Essa and Clearview, saw a mass exodus of young people once they finished high school. They moved on to post-secondary education or employment opportunities in larger urban centres. Why did they do that? Because these larger urban centres were experiencing growth and development.

As a result of those budgets in 1995, 1996, 1997 and 1998, which were significant infrastructure budgets of over \$12 billion federally, we are starting to see rural areas like mine expanding. We are starting to see investment. We are starting to see expansion to the tune of several billions of dollars even in my own riding.

I think of Honda. Honda has done an incredible job of providing a massive industrial employment base within my riding, with good paying jobs and hard-working associates. It is on the map not simply in Ontario and in Canada, but all around the world as a world leader in automotive production. That comes by way of partnership. That comes by way of instilling a sense of confidence in what was effectively a Japanese based auto manufacturer. It says that this is the place to do business, that this is a place to provide opportunities for young people.

We now have a Honda employer in our riding that employs over 4,500 people in good paying jobs. It is not simply the 4,500 who are employed at Honda. Let us take that a step further and talk about the seven or nine to one job ratio that comes from an auto assembly plant. There are auto parts manufacturers throughout my riding. Gas stations, builders, plumbers, electricians are all reaping the rewards of such significant economic investment.

Why did Honda decide to invest in Canada when it had the choice of Mexico or the United States? Why did it decide to become a Canadian corporation as well? It is very proud of that, and it considers itself every bit as much a Canadian manufacturer as anyone else in this country. It decided to do that because of a right, sustainable, economic environment. It knew the potential was there to grow, and grow it has. The opportunities that it has provided goes beyond words, particularly when I think of the employment opportunities provided in my riding over the course of the last 10 years.

It is also important to recognize this giant investment that came by way of Honda, and so many others came by way of a number of different things, was not simply because of the economic environment across the country or in Ontario. It came by way of things we were able to do federally.

• (1550)

We partnered with the town of Alliston over a term to the tune of \$8.3 million federally on infrastructure to service that plant. Not only does it service that plant, it services satellite plants and small businesses in the downtown core as well. It did things that the town of Alliston, now township of New Tecumseh, simply did not have the financial wherewithal to do itself.

When I hear the Minister of Finance and the Prime Minister saying that we have not seen anything yet, that these steps have been positive and that they are prepared to do more as our finances permit, I get quite excited about those opportunities, especially in rural Canada. When we look at the makeup of the House, where else should we be investing our dollars and providing support than rural Canada? That is a critical element within my riding. We have measured the successes and we will continue to measure them. It is absolutely critical that we continue to invest in that which is our most precious asset and resource, our young people.

How do we do that? We do it in a number of different ways. We do that through creating this economic environment that allows the kind of expansion and investment. We do it by creating opportunities and partnerships with municipalities. We do it by supporting learning. I do not think we have witnessed a budget in the House for some time, which has focused in on learning opportunities for young people, like this one.

As the Parliamentary Secretary to the Minister of Human Resources and Skills Development, with a special emphasis on the Canada student loan program, I could not have been more proud when I sat here and listened to the budget as it focused in on the access and financial aid issues surrounding post-secondary education and lifelong learning.

The Budget

Since the Minister of Human Resources and Skills Development has come to office, he has been an absolute champion in this regard. I have met with him on many occasions and he has but one agenda and one focus in his mandate in dealing with this and in supporting me in dealing with it. That is to ensure that the environment is better tomorrow, that is better 5 years from tomorrow and that it is better 10 years from tomorrow than it was yesterday.

Yes, we have seen some very measurable steps come out of the recent budget. It was not invented in the House. Nor was it invented in the caucus chambers or in my office. The solutions that were presented as a vision within the Speech from the Throne and that were articulated by way of numbers within the budget came from people in the lifelong learning sectors and in the post-secondary education sectors.

When I stand and recognize the Canadian Federation of Students today, it did not go far enough. I am the first to recognize that. We have to take other steps, but the steps we have taken are good, long and are in the right direction. We have had countless meetings with the Canadian Alliance of Student Associations, not only here in Ottawa, or in Ontario or by visiting universities and post-secondary education centres. Keep in mind that post-secondary education and lifelong learning is not simply about universities. It is about trades, it is about technical schools, it is about community colleges and about many of the things that provide opportunity for young people in ridings like mine in Simcoe—Grey.

It is imperative for the government to remain focused and buy into the vision in the Speech from the Throne by providing access to post-secondary education and lifelong learning. That is the exact responsibility with which the Prime Minister and the Minister for HRSD have charged me.

I have been a very busy person over the course of the last number of months. We have met with over 20 different organizations, from Minister Ottenheimer in Newfoundland to UBC in British Columbia. We have met with universities and colleges, their faculties and student groups across the country. One thing can be said and said clearly: we listened, we acted and we included it in the budget. That is the kind of vision Canadians want. That is the kind of government Canadians want. I could not, as I stand here today, be more proud of the Minister of Finance, the Prime Minister and my caucus colleagues for creating this kind of bold vision and a budget that supports it.

I extend my thanks for the opportunity to espouse my beliefs on the budget on behalf of the residents of Simcoe—Grey.

• (1555)

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, I will split my time with the hon. member for Rimouski—Neigette-et-la Mitis.

First, this year, unlike in previous years, very few people in my riding of Saint-Jean have told me, “Claude, I have something to tell you about the budget”. No one told me, “Claude, I would like you to tell me about the budget”. No one talked to me about the budget. In fact, I would call this budget a non-budget.

Earlier, my colleague commented that 93% of Canadian workforce is working. The hon. member should also think that these 93% of those who get a paycheque must pay taxes. When a budget is presented, they wonder what is in it for them. Many are forgotten in the budget; in fact, just about everybody is forgotten. That is why I call this a non-budget.

Let us begin with employment insurance. A few months ago, the Canadian Labour Congress did an excellent study that showed us how much money each riding in Quebec and Canada is losing because eligibility to that program is restricted. For example, my riding of Saint-Jean would receive an additional \$34.4 million annually if more people qualified for the program, and this has been going on for several years.

Workers and employers know that they are contributing to the program. They can see this on every pay stub. They know that, whereas 7 people out of 10 used to qualify, there are only 4 out of 10 now. And the situation is worse for women, because they hold precarious jobs, often on a part-time basis. Only 3 women out of 10 qualify for employment insurance.

People realize that this is an indirect tax. The government takes between \$7 billion and \$9 billion annually from the employment insurance fund to pay off the debt. It is workers and employers who are paying off the debt. Yet, that debt was not incurred by them alone, but by society as a whole.

People think that their contributions will not decrease, and they also realize that if they lose their job, they will have three or four chances out of ten to qualify for and receive benefits. When workers are entitled to benefits, there are restrictive conditions: they get benefits for fewer weeks at a lower percentage. This means that a \$7 billion to \$9 billion fund is created each year, which goes to paying down the debt and not to helping the workers.

I am thinking in particular of seasonal workers in the fishing and forestry industries. At any moment, they might find themselves unemployed, in the middle of winter. They are told that they have not accumulated enough weeks to qualify for employment insurance. They can qualify for benefits but will be entitled only to a certain number of weeks or else only to a certain percentage of their salary. People can see what is happening.

The government should not be surprised, today, to see that no one in Quebec likes this budget. We were the first to condemn it.

Employment insurance was not the only thing they forgot. What about seniors? My colleague for Champlain did an excellent job in this area. There were 68,000 people in Quebec, including 1,000 people in the riding of Saint-Jean, who were entitled to the guaranteed income supplement, and the federal government failed to tell them.

As a member, I undertook an advertising campaign in the riding of Saint-Jean. It cost me a great deal of money, but it was worth it, in my opinion. Already, 300 out of 1,000 people have been found. Members should have seen the reaction of these individuals, who are not often able to treat themselves to a meal out or a movie. Grandparents called me to say, “Mr. Bachand, I want to thank you. I will be able to give my grandchildren presents this year. I could never afford to do so in the past”.

The Budget

We want to move on to the next step. We have to make this adjustment retroactive. We discovered the error last year, but it dates back to when the Liberals came into power. What are we told about this? That they will go back 11 months. When tax authorities go after someone, they go back more than 11 months.

•(1600)

Why not do the same thing for the elderly? They are the ones who built our society. We should ensure that they get an adequate old age pension so they can enjoy a comfortable retirement.

That is not the case today. We still have 700 individuals in Saint-Jean who did not receive the guaranteed income supplement, so we must launch another campaign to try to locate them. Once again, these people were forgotten. Nothing in this budget recognizes the work done by the elderly, all the work the previous generation did. Yet they are the ones who built our society. It is because of them that we enjoy the quality of life we do today. It is thanks to them.

What kind of recognition do we bestow upon them? None at all. We give them the barest minimum. We know that some of them are eligible for more, but God forbid we should tell them. People from their generation are sometimes not strong in reading skills, as evidenced by statistics on literacy. I am not the one saying this, and I do not mean to be negative. That generation did not stay in school as long as we did.

My father took pride in telling me “Claude, I did not go to school for long, myself, but I want you to stay in school”. He himself realized he had trouble with school. Sometimes people like him are unable to read, or can barely read, and they get no help at all from the federal government. Instead, it takes advantage of them in order to keep money from them, once again helping solve the whole national debt problem with money that ought to have gone to seniors as the guaranteed income supplement.

If retroactivity were paid, these people should get \$3.2 billion. We often lose sight of the regional economic impact of such a measure. I have already referred to the figure of \$34 million in EI for the riding of Saint-Jean. What do hon. members think people will do with their guaranteed income supplement? Certainly not invest it in Barbados, unlike some who have the means to do so and do not pay any taxes. Everyone realizes I am referring to the Prime Minister in saying this.

They instead hurry out to buy something for the grandchildren, or take their wife out for a meal once in a while, something they could never afford to do before. They will see a movie, or perhaps spend a little more on clothes. They will provide themselves with a reasonable lifestyle. Like it or not, the reality is this: money gets injected into the regional economy. Once again, the government does not care, and is completely forgetting these people.

Now, what about social housing? Not a week goes by that I do not hear from people in my riding wanting to get into social housing because they can no longer afford their apartment rent. Not only is this government short of ideas, it is also short of budget investments in the communities. These are also job creation measures, and measures that will enhance regional wealth.

This is all completely normal. If new housing is built, using federal investment combined with provincial investment, the people who will then be paying less for housing will have more to put into

their local economy. Then there is the whole matter of the jobs directly or indirectly related to the construction of this social housing, on top of that.

Health is also a big loser. We know it is a provincial jurisdiction. We know that the government used to give 50¢ for every dollar invested in health and that today it is giving 16¢. This is with strings attached from coast to coast.

Once again, the Bloc Québécois has always denounced this. We often say that we in Quebec have a better way of doing things. Often, obstacles are put in our way and we are told we have to do things as they are done everywhere else.

I have many other examples. Social housing, employment insurance, and seniors were all forgotten and that is starting to hurt quite a few people in society. It is no wonder people are not taken with the budget. Rest assured, they are not taken with the sponsorship scandal either. If anything, they might want to take this government to task.

With respect to the sponsorship scandal, in defence of the forgotten and against this budget, I think that dark days await the government in Canada, but especially in Quebec, where people see that money comes off their paycheques, but they never get anything in return.

•(1605)

That is what I wanted to say about the budget. Incidentally, I would like to say hello to my constituents in Saint-Jean. It is always a pleasure for me to speak on their behalf. At home people talk about those who were forgotten in the budget. Nonetheless, during the next federal election they will not forget which side has their best interests at heart, and that is the Bloc Québécois.

Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ): Mr. Speaker, I am really pleased to have the privilege of rising today to address the budget. Perhaps it might be more accurate to talk about a non-budget.

I have been listening to hon. members since this morning. We almost always get back to the same issues, because these are the most obvious. I would like to raise a very interesting point about health.

As regards the \$2 billion promised by Jean Chrétien, the government confirmed in the budget that it would pay this amount. That money has already been spent. Therefore, it is not very beneficial to those who have to prepare provincial budgets. Their situation will not improve very much with \$2 billion that are slow to come and that, in fact, have already been spent.

This investment of \$2 billion raised the federal government's contribution to 16%. But since these \$2 billion have been taken out, this means that the federal government's participation is 14.5%.

The Budget

Mr. Speaker, I want to submit something interesting to you, because you are probably good in math. The Romanow commission said that in order to make sense, in order to make things work properly in health and to improve the situation of the provinces, the federal government's contribution should go from 14.5% to 25%. This is from Mr. Romanow, who was hired by Jean Chrétien and paid by the federal government to produce a report and make recommendations on how to improve the health system.

I am concerned about the fact that the Liberal government claims that its contribution to health is 40%. If this is the case, we should expect huge cuts in health, since the government is claiming to be already contributing 40% when in fact its contribution is only 14% when it should be 25%.

It does not make sense to lie to the public like this. It does not make any sense at all. This has become so common that we no longer believe anything that comes from this government. It is very unfortunate, but the public is firmly convinced of that. Either we should expect cuts in health, or else the government lied when it reacted to the advertising campaign run by the provinces to point out that the federal government's contribution is 16%.

There is another thing that concerns me. The government did not find new money for infrastructure. Now it is saying: "We had \$1 billion over 10 years; we will spend it over five years". Do you know something? There is not one cent more. This is not new money, and the \$1 billion has already been fully allocated. Thus, if there are people and municipalities in Canada that think they can come up with projects, they are wasting their time. There is not one cent left in the fund. The \$1 billion has already been allocated.

Of course, the government will spend it over five years, so it does not look too bad in its budget, so it can put more in its pockets and have more in the surplus, because it will get to spend it over five years instead of 10.

However, it is making promises, and I would almost be tempted to say that they are promises from drunkards, but it would not be very polite. With regard to highway 185, it could not care less; every week, someone dies on that highway. As for highways 20, 30, 35, 50 and 175, they were all promised to Quebec. Imagine what it may have promised to Canada. I did not look into this, but I did go to New Brunswick. They have nice highways. All highways in Canada should look like the ones in New Brunswick, where highways are very nice. I do not know what New Brunswickers did for that. They do not all vote for the Liberals.

There is another thing. In the budget, there is nothing about poverty. In 1995, the Chrétien government allowed the finance minister at the time, the current Prime Minister—as it says in a book entitled *Paul Martin, CEO for Canada?*, that I recommend to all Canadian citizens, we understand quite well who the Prime Minister is after reading this book—to make a huge change in public administration.

•(1610)

He decided that it would be the end of social programs in Quebec. Moreover, he arranged that it would never again be possible to return to social democracy in Canada. In fact, it was better to be on the right with the neo-Liberals than to arrange—as my hon. colleague from

Hochelaga—Maisonneuve said earlier—that the rich get richer and the poor get poorer.

What has happened is that we are no longer able to offer social programs. What does that mean, when we no longer want to share the wealth? It has two very serious consequences. It increases poverty instead of decreasing it, which leads to an increase in crime. These three things go together. The best social programs decrease poverty and criminal activity; a decrease in social programs increases poverty and crime.

Is that the sort of country this government is leading us into? That gives us one more reason to leave this country and be even more thoroughly sovereignist than before, when we discover how much this government is impoverishing us.

As for any surplus, it has been hidden. Representatives of this government have no memories. They do not recall. They do not know. They are not up to date. They do not comment on the issue. They have no opinion. But they do know how to hide a surplus.

The Prime Minister has taught the new finance minister how to hide a surplus. Why hide a surplus? So that, in 10 years, the debt will stand at 25% of the GDP. This is excellent news for Canada, and Canada will pile up another surplus. During those 10 years, some \$450 billion in surplus could be accumulated, while the provinces will all be impoverished, go further into debt and have enormous interest charges to pay, since it will be difficult for them to borrow money. That is another reason to leave.

If I had the time, as before, when we had unlimited time to talk, I would take this 450-page text—its weight signifies nothing—and, on each of these pages, I could say that it is written between the lines, "One more reason to leave this country". On every page we find that we would be better organized if we paid all our taxes to Quebec and then decided ourselves what kinds of programs to create.

There is nothing for employment insurance. There is nothing for seasonal workers. The minister may rise every day and tell me: "We are taking care of this. We are looking at the problem. We have identified that—It is possible that—" , there is nothing happening, absolutely nothing. This makes no sense.

Once again, these are promises. I said it last week: "While the shirtless, the Sans-chemise, are out on the street, the heartless are across from us in this House". They cannot understand that this is a problem for people who are currently living through the spring gap. They have no money. When someone comes to your office and tells you that he has \$1,000 less in his monthly income to support his four children, this is serious. It is a huge problem to be confronted with: you are a little too rich to receive social assistance benefits, and ineligible for employment insurance benefits.

Unfortunately, the time that was allocated to me is already over. I had so many interesting things to point out that it flew by. I hope that, no matter when we go to the polls, the people will remember that this government needs to spend some time thinking in the opposition benches.

The Budget

•(1615)

[English]

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I am pleased to have the opportunity today to speak in support of the proposed federal budget.

I will be splitting my time with my colleague from Scarborough Centre.

This budget is exactly what Canada needs today. It is responsible and it is prudent in its spending. It develops a new plan for spending management and oversight. Budget 2004 presents a program of focused investments that will have an enduring impact on the lives of Canadians.

This is a budget that works hard for Canadians, Canadians who work very hard for their money. With the Canadian learning bond, budget 2004 helps young families who are working hard to enable their children to obtain an education that offers them greater opportunities.

The proposed budget works for cash-starved municipalities with GST-HST relief.

Proposals in budget 2004 work for Canadian Forces personnel and police on high risk missions by providing them with income tax exemptions for the periods when they are away performing these missions.

Budget 2004, an agenda for achievement, reaches out to Canadians, reaches into their homes and provides the tools with which they can build a better future, a future filled with opportunity.

On this side of the House we believe that every Canadian has the right for a better tomorrow. No responsible government can be all things to all people, but clearly every government has a responsibility to empower its citizens with the tools to brighten their own future.

A responsible government makes commitments to citizens' priorities. When Canada's Minister of Finance consulted with Canadians on this budget, they reflected priorities in a very clear manner: balance the budget, reduce the debt and invest in health care.

Canada's universal public health care system is the backbone of the Canadian identity. Budget 2004 reaffirms the government's commitment to work with our provincial and territorial partners, not only to reform but to reform with an eye to sustaining Canada's health care system.

With an additional \$2 billion in transfers to the provinces and territories, federal funding through the 2003 health accord will reach \$36.8 billion. That is an incredible figure. This brings the federal contribution to public health care spending in Canada to about 40% of the total moneys spent on health care.

The Speech from the Throne presented an agenda that reflects Canadian values, those of fairness, generosity, respect and caring, while enabling citizens to take charge of their own lives. Our goal is the success of Canadians in every region of Canada. To achieve this, we must strengthen our social foundation, we must build a 21st century economy and we must ensure Canada's role is one of pride

and influence throughout the world. The proposals in budget 2004 move forward with this new vision.

There is no dispute that Canada is a nation that is blessed. Budget 2004 recognizes that we have a responsibility to share with our children and our grandchildren an even better life in an even better land. Budget 2004 institutes investments to ensure Canada's communities provide a quality of life that is second to none, and to put knowledge in the hands of all Canadians.

Kitchener Centre is part of the Waterloo region. It is an area that is rich with innovation, research and education. Canada is creating an environment in which ideas flowing from scientific discovery are being generated at an unprecedented rate. The innovations stemming from these ideas are essential to our future economic success. We simply must support our researchers.

Since balancing the budget in the year 1997-98, the Government of Canada has made significant investments in research and innovation. Funding for research and innovation has increased each year, and by 2004-05 we will have reached an investment of \$13 billion.

•(1620)

While budget 2004 continues to support new research initiatives, we will also focus on bringing these research discoveries to the marketplace. In addition, the budget will enhance the availability of early stage capital financing to provide Canadian entrepreneurs with the opportunity to bring their innovative ideas to the market.

Our government's commitment to funding research and innovation has moved Canada to 4th from 13th place in the Organisation for Economic Co-operation and Development, and to number one among our G-7 counterparts in terms of publicly performed research.

A passion for research and innovation is often cultivated in Canada's post-secondary institutions. Investing in people is an important economic investment. Learning is key to securing a higher standard of living and a better quality of life for all Canadians.

To meet the challenges of the new economy, all Canadians must be given the same tools to succeed. We want everyone to be able to contribute and to benefit from the knowledge economy. That is why the future education of Canadians now is so very important.

A post-secondary education is an imperative in today's society. Do members know that post-secondary education is required for about 70% of all new jobs created in Canada? That is why in budget 2004 our government introduces targeted measures to help low and middle income families save for their children's education.

The new Canada learning bond will provide low income families with a new incentive to encourage savings for post-secondary education. The Canadian education savings grant was introduced in 1998 and was created to encourage Canadians to save for their children's education. Budget 2004 proposes doubling the contribution rate for this program for families with incomes below \$35,000.

The Budget

Early learning and child care play a important role in the development of young children. Over the years our government, in partnership with our provincial and territorial governments, has developed a strong agenda in support of Canada's children.

Budget 2004 proposes to accelerate the implementation of the multilateral framework on early learning and child care by providing an additional \$75 million in the year 2004-05 and another \$75 million in the year 2005-06 to improve access to affordable, quality and provincially regulated early learning and child care programs. This is an incredible step forward and something that is key for many women who find themselves in the workforce. More important than it being a tool for earning income, which is something the task force of women entrepreneurs heard from the female entrepreneurs with whom it spoke over the last year, it was also key to giving families choices on what is the best role for them as parents and their children in society.

Further, over the next two years our government will commit \$375 million to early learning and child care. This will create 48,000 new child care spaces, or up to 70,000 fully subsidized spaces for children from low income families.

The government wants all Canadians to have an opportunity to learn and we will provide 20,000 students from low income families with new grants worth up to \$3,000 to cover a portion of their first year tuition.

Each year the Canada student loans program provides financial support for half of all full time students in post-secondary education. However students across Canada have told us that the program needs to be updated to reflect the changing realities of students and what they face today, and we agree.

We will improve the Canada student loans program to help students overcome financial barriers by increasing the loans from \$165 a week to \$210 a week.

This budget is built to create opportunities for Canadians to reflect their priorities and to empower their ambition. That is why budget 2004 focuses on health care, learning, communities and the economy. Each and every Canadian wants a better life than we have today. The proposals in budget 2004 lay a foundation for a nation where individuals can achieve as never before.

Budget 2004 is good news for Canadians.

• (1625)

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, I am glad to hear the member's enthusiastic support for budget 2004. Sadly, I do not share her enthusiasm. I want to raise a few concerns.

She talked about promises to help students with education and the nice language in the budget about helping students get an education. However the promise in 1998 was to help 12,000 students with their massive debts accumulated from the Canada student loans. In the first year how many were delivered? Forty-four students actually received help when they were targeting 12,000. By 2001, approximately 600 students were helped when the government had promised 12,000. By 2003, 1,300 students were helped when the government had targeted 12,000.

How can Canadians have confidence in promises such as this when the 1998 promises have not been delivered beyond a maximum of 10%?

My final point has to do with the students and this education grant for low income families. Low income families making less than \$30,000 are only surviving and yet the government puts this great program forward to put up \$500 and then \$100 a year so that in 15 years they will have \$2,000. Student tuition is increasing by almost 40% a year. Students are on survival. This is a cynical joke that it will help—

The Acting Speaker (Mr. Bélair): The hon. member for Kitchener Centre.

Mrs. Karen Redman: Mr. Speaker, I would point out to my hon. colleague that one million students will receive millennium scholarship moneys, which is a concrete action that we are taking.

I sit on the post-secondary caucus and I hear these concerns from students and, yes, they are legitimate, but surely the member opposite must recognize provincial jurisdiction in setting tuition fees. That is not something that is under federal control.

We are making substantive strides. They may not be as far as students would like us to go but we have listened to the students and we have responded.

• (1630)

[*Translation*]

Mr. Roger Gaudet (Berthier—Montcalm, BQ): Mr. Speaker, my question does not come with as long a preamble as my colleague's question, but here it is.

While it is true that there is money in the budget for research and innovation, for the knowledge economy, for assistance to business, and for the learning bonds, all these investments are geared to people who are typically well-to-do or rich.

I would like to know what is in the budget for employment insurance and the guaranteed income supplement. If it is called that, it means it is for people who are not rich. I would like to hear the hon. member's comments.

[*English*]

Mrs. Karen Redman: Mr. Speaker, there is no doubt that we need to be attentive to the concerns of our seniors.

It was this government that made the Canada pension plan sustainable over the long term. In this budget we have reintroduced a program based similarly on the criteria of the former new horizons program. While we are still investigating how to roll that out, \$8 million dollars is in the program this year and an additional \$10 million will go in next year. This was one request that we heard right across Canada, that the Canadian people wanted to see that program reinstated.

We heard what the people dealing with seniors' issues were saying and we responded.

Mrs. Bev Desjarlais (Churchill, NDP): Mr. Speaker, I have a couple of fairly straightforward questions for my colleague.

The Budget

She indicated that the federal government was paying 40% of the health care costs in the country. I wonder if she could respond to the fact that all the premiers, as well as New Democrats, know that figure is really only 16%. Perhaps she could acknowledge for the Canadian public that if she is using a figure of 40% that she might be including other social transfers to the provinces in with the health care spending, which is, I believe, a bit misleading for Canadians.

As well, on the income tax exemption for soldiers in conflict areas, would the member care to answer a question, which the minister refused to answer today, as to whether the exemption will apply to all members of the armed forces, the air force, the civilian units or whatever, who are fighting in conflict areas, or if it will only apply—

The Acting Speaker (Mr. Bélair): Order, please. There is no time left.

The hon. member for Kitchener Centre.

Mrs. Karen Redman: Mr. Speaker, I am very happy to respond to my hon. colleague's questions because I know she is very concerned about these issues.

I think allowing tax exemption for armed personnel who are in theatres of high risk in combat is a wonderful step and it is certainly welcomed by the military. I will admit that we have not worked out all details and I think the questions she asks do beg discussion and answers. At this point I cannot answer other than to say that the announcement itself has been very well received.

As far as the health care funding is concerned, there are many ways that we flow tax dollars to provinces. Provinces decide how they are going to allocate them. We made good with the \$2 billion increase that we said we would do. There is \$665 million now allocated to public health, again an undertaking that the government said it would make good on.

For some reason, when we tell the Canadian people we are going to do something and we actually fulfill that mandate and pass on those moneys to provinces and territories, we are criticized for it.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I wish to begin by thanking my colleague from Kitchener Centre for sharing her time with me because it gives me an opportunity to add my comments on budget 2004. I hear from my constituents and friends in Toronto, Scarborough and other parts of the country that given the circumstances and given what has happened to our economy and the worldwide economy, we are not doing too bad.

This gives us a opportunity to reflect on the fact that not too long ago, just a short 10 years ago in October 1993, this Liberal team assumed the responsibility of running the government and the country. It is important to take just a moment to reflect on where we were then and where we are today so that some of the figures mentioned in the budget will really make sense. As well, there is what has happened in the past couple of years.

It is important to say that in 1993 when this Liberal team took office we had a deficit of slightly over \$42 billion. We were running a very high debt of close to \$600 billion. The unemployment rate was close to 12% and our EI payouts were enormously high.

Let me say very quickly what today is like. As my colleague from Kitchener Centre mentioned earlier, we eliminated the deficit in 1997-98. Suddenly the books were balanced. Speaking about balances, as the Minister of Finance mentioned in his presentation, we have had seven consecutive balanced budgets. This has never been done, not since Confederation in 1867, not federally, provincially or municipally. Therefore, I think that we can take pride in ourselves as a nation and as a government for being responsible in addressing the economic woes of the nation.

I also would like to compare things for a moment. The previous Conservative government, here prior to us, did not once meet a budget target. The Conservatives talked a lot about balancing the books, but instead the deficit kept going up. As a result, the debt kept going up as well. I am not here to blame them or to blame anybody; I am simply here to point out the differences.

What has that done for us? In essence it has secured our economic sovereignty, because we no longer find ourselves in danger in regard to the bond market, for example, knowing that year in and year out we have brought forth not just balanced books but surpluses. There are several reasons for that.

Yes, the economy did well, but why did it do well? Why were over three million jobs created in the last 10 years? Instead of a 12% unemployment rate, the rate is now 7.1%. Many people are working and paying into the system as opposed to drawing out of it. That of course helps the government generate revenue. In turn, the government can then put that revenue into various programs, which I will outline in my speech as well.

It is also very important to talk about our economy in terms of our debt to GDP ratio. In 1993-94 it was hovering around 69% or 70%. Today it is at around 42%. Surely Canadians who follow the activities of the government can look at that figure and say that we have really made a quantum leap toward better times. We have made a leap toward better times, especially for seniors, as was outlined by my colleague from Kitchener Centre, and for our youth in regard to the types of investments she mentioned and which I will also cover.

When we compare that economic position with others in the G-7, we can take pride in ourselves by saying that Canada stands number one in terms of economic activity, job creation, and prospects for the future in terms of our investments in research and development and in terms of our environment as well.

Our environment is a very important issue. Let us look at the investment in the environment that the government has made most recently. In the budget, the government announced an investment of \$4 billion over 10 years to clean up contaminated sites. The Sydney tar ponds is one of those sites. This issue is important to all Canadians, not just members from the Atlantic provinces. It is going to be addressed today.

The Budget

•(1635)

Our contingency reserve today is at \$1.9 billion. Sometimes people say “big deal”, but I would rather have something on the plus side than something on the minus side. We know that in years past there was a contingency reserve of about \$3 billion. If there was no need to access that money of course it went into debt retirement continuously. That is one of the main reasons why the debt has been reduced continuously on a year to year basis.

What benefit have we received as Canadians? Very clearly, a reduction in interest payments of close to \$3 billion, which on a yearly basis permits us to put that money into various programs such as the education funds and the Canada millennium scholarship fund. I touch upon that because it was mentioned earlier by my colleague from Kitchener Centre in terms of wanting to create a smart Canada. In order to compete today, not only do we want to attract the best and the brightest, but we want to create and retain the best and the brightest.

Yes, it is very important that we tell our audiences that education is indeed a provincial jurisdiction. All we can do from this side as the federal government is support it. I have not heard too many complaints from post-secondary institutions and the people who run those institutions. I have heard nothing but praise in terms of the moneys that we have been able to put toward universities in terms of the research chairs right across the country, in which we have invested in the past.

With respect to the Canada pension plan and what was mentioned earlier, I think it is very significant to touch upon that as well. Indeed, in years past, the Canada pension plan was in jeopardy. What have we done? We have restructured it, of course, and today, actuarially speaking, we have secured the pension program for the next half century. God willing, in future years we will continue to improve, sustain and maintain it for the next half century after that.

I know that the budget was not everything to everyone. I know that no government, neither ours nor any other government, can do everything to satisfy everyone. Governments, through their programs and their investments, try to create a climate whereby each and every citizen of the said nation, in this case Canada, has the opportunity to create and to sustain and improve the lives of themselves, their families and their communities.

Part of that, as was mentioned earlier, is accountability and integrity. I know that the debate before us in the past has been in terms of the sponsorship issue, the sponsorship affair. I think we have done a disservice to the nation by not putting the facts out as they are, because Canadians today are saying that a hundred million dollars was wasted—

Mr. Leon Benoit: No, stolen.

Mr. John Cannis: The gentleman said it was stolen. I know he can say that because he is in this House and has immunity.

Permit me, if I may, just to quote what the Auditor General said before committee—

Mr. Leon Benoit: Taxpayers' money.

Mr. John Cannis: I know he is trying to harass me so I cannot get my words in, but in all fairness I will continue because sometimes the truth is better.

Permit me to quote the Auditor General, if I may, Mr. Speaker. She was asked in committee, “Is this \$100 million what you people, as the auditors, can't justify? Further paperwork may be able to justify it...”.

This is the question that really is important. The Auditor General was asked, “...Is it absolutely a fact that \$100 million has disappeared illegally into somebody's pocket?”. The response by the Auditor General was, and I quote, “No, that is not a finding of the audit”.

The Auditor General said no, that it was not a finding of the audit. I would ask the Auditor General, with the greatest of respect to her and her office, to come forward and say this publicly, to say what she said before committee.

My time is up. I will wait for questions.

•(1640)

[*Translation*]

Mr. Roger Gaudet (Berthier—Montcalm, BQ): Mr. Speaker, I would like to know why my colleague, when he talks about paying down the debt, does not say a word about tax havens. Apparently, the Prime Minister has a few for his former companies, and I think there should be fewer tax havens. Would it not be faster for the debt to be paid down by all those who benefit from tax havens? Last year alone, I think about \$20 billion went into them.

I would like to have the hon. member's comments on this. I would like to know whether we would pay down the debt more quickly if all those who benefit from tax havens paid their fair share.

[*English*]

Mr. John Cannis: Mr. Speaker, I do not know what planet my colleague is living on. If our nation is to compete in a global economy, we must compete and play with all the rules. If we are going to be the boy scouts of the universe, then we will take a back seat to others. I am not prepared to see this nation be second fiddle to none. We will compete out there with the rules that are there and available to each and every one.

Mr. Leon Benoit (Lakeland, CPC): Mr. Speaker, I am delighted to participate in the budget debate. I will be splitting my time with the hon. member for Peace River.

I do not want to get into an awful lot of detail tonight because I think it is more important to look at the broad picture. That is what is really important, how the various issues that the government has addressed in the budget actually impact Canadians across the country.

I give the government members full credit for one thing and that is being masters of spin. They can take something that really does not amount to a lot and make it sound like a lot.

The Budget

I want to look at half a dozen things that are most important to Canadians, look at what the government said, and then look at the reality of these things. I think that is what really counts. I have had the media ask me on many occasions, since the budget was brought down last week, what I think about the education component, the health component or this or that. I told them it was no use getting into the detail because I have done that for 10 years. I found that what the government said and what has actually been delivered were two entirely different things. That is what I will talk about today.

The budget was no doubt, as the media portrayed, a clean up of the corrupt government. The Prime Minister and the finance minister are trying to portray it as a new government just because they have a new leader. They are saying they will clean up all the corruption that they were involved in as the finance minister and public works minister, the two key portfolios that were supposed to be guarding taxpayers' dollars.

They are trying to make Canadians believe that somehow when they were in these key positions of financial responsibility, positions which were to guard taxpayers' money, that it was then. They let taxpayers' money be spent in corrupt ways on scandals and stuff, and now they are saying that they are a new gang. They are the same people, but they have reorganized the gang. They have a new leader so this is a different issue. That simply will not wash.

This is the same gang that was there before. A different leader does not change that. They are still the same corrupt group. That is a fact. They will have a hard time convincing Canadians otherwise.

In terms of the economy and fiscal responsibility, what do they say? They say they have managed the economy very well and been very frugal with taxpayers' dollars. They say they have cut spending, reduced taxation and cut the debt. Let us just look at those things.

First, in terms of fiscal responsibility, what are the facts in that area? The facts are that from this budget the Liberals are increasing spending 7.6% this year alone. That is hardly fiscal responsibility. That is more than double the inflation rate, which is completely unacceptable.

This year there will be \$143 billion on program spending. When I came here a little over 10 years ago, program spending was around \$100 billion. The Liberals have accelerated spending taxpayers' dollars. That is your money, Mr. Speaker, and my money and my neighbour's money. They are spending it like drunken sailors. That is not fiscal responsibility. They have not shown fiscal responsibility.

They say they have balanced the budget seven years in a row. I know that if my neighbours at home were given an unlimited pool of income, they could balance the budget every year too. If they were allowed to go to their neighbours on the block and say they needed more money because they wanted to spend more, and if they could take all they wanted, of course they would have a balanced budget, but that would not make them prudent managers of money. That is the same with the government. The Liberals are not good managers of money and what they are doing is unacceptable.

I want Canadians to think about the reality in terms of what has been said by the government versus its record. That is what is really important. The 2000 budget was what the Prime Minister, then finance minister, called his tax cut budget. He said he would make

huge tax cuts that would just be unprecedented. He would reduce taxes at a remarkable rate over a five year period.

• (1645)

Has he delivered that? The answer is no. Canadians look at their paycheques and ask, where are those tax cuts? The government is taking more from their cheques than ever before. They are asking, where is that tax reduction that was put in place back in 2000? This is the fifth year of that five year plan. I look at my paycheque and I have more taken from my paycheque than ever before. That is the reality. The government says one thing but reality is another thing.

There is no more important issue than health care in the country. I am sure most people would agree. The government over the years has portrayed itself as the great guardian of health care and is always saying it will spend more money on health care. What is the reality? The reality is that it is spending less money on health care now than when it came into office 10 years ago when I was first elected. That is the truth.

What it says and what the truth is, is entirely different. In fact, the Prime Minister, who was finance minister through most of the 10 years, cut \$25 billion in transfers to the provinces for health care and education. That is the reality. He has not even started to make that up in a meaningful way. The Liberals say all these nice things about being protectors of health care, but the reality is that they have slashed money transferred to the provinces for health care.

It is the same story with education. The Prime Minister, when he was finance minister, came out in 1998 with what he called the education budget. I have had five children in post-secondary institutions since 1998. Three are currently involved in post-secondary education. The reality of what they found out is that things are getting worse every year.

The Prime Minister, when he was finance minister, came out with this wonderful post-secondary education budget. He called it the education budget it was so good. However, student debt is increasing every single year. Tuitions are increasing every year. In fact, students are worse off than they were before that wonderful education budget. That is the reality.

Members from the other side will say that tuition is a provincial jurisdiction. It is, but the money that used to be transferred to the provinces for post-secondary education has been cut back dramatically. Where are the provinces going to get the money from? They simply cannot come up with it. This increase in cost and increase in student debt, and the fact that students have been put in a worse situation than they were when this wonderful education budget came out is a sad reality.

The few little tidbits that were thrown at students this year are simply not going to solve the problem. In education, the government makes it sound wonderful, but the reality is that students are worse off. There is a gap between what the government says and reality.

The Budget

We could go into a lot of different issues on the environment. I will talk about the Sydney tar ponds. When I first came here in 1993, we were talking about the Sydney tar ponds. In the 1995 budget the government talked about cleaning up the Sydney tar ponds. It had the money in the budget to clean up the tar ponds. The money is in the budget again this year to clean up the tar ponds.

What is going on with the environment here? The government has never been serious about cleaning up the environment. That is one example we can point to that the government should have dealt with. It could have told Canadians that it had at least dealt with this one very specific and terrible situation. Here it is almost 10 years later and it is throwing money at the tar ponds, and still it has not cleaned it up. Again, what the government has said on the one hand, which sounds good when it says it, is quite different from what it has done.

It is the same with seniors. When the Prime Minister was finance minister, he was going to slash seniors' pensions. Certainly, talking to seniors now they tell me that they are worse off than they were 10 years ago. The reality of what the government says about seniors and what it has delivered is as different as night and day.

We could go right through the list. As for the military, the government slashed more than 30% in spending on the Canadian forces. It has sent our men and women into mission after mission with improper equipment. The Liberals always talk about what a wonderful job they are doing. The reality is something different. The government has a credibility gap. What it says always sounds so good, but what it delivers is something entirely different, and it is not good. Canadians can see that. The government is simply not going to fool them anymore.

• (1650)

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, I would like to ask my hon. colleague, could he relate some of the things that seniors in his riding have been telling him about what the federal government has done for senior citizens in western Canada?

• (1655)

Mr. Leon Benoit: Mr. Speaker, if the question is about the seniors in my riding, I met with a group of them just last week when I was in the constituency. They expressed some very serious concerns. If they were looking to the federal government, and what the federal government has done for them, it would be a very short list.

They made it clear to me that there are two types of issues. There is the pension issue itself. They have lost ground when it comes to pensions, their buying power, what they can do with and how they get along on their pensions. I want to make it clear that seniors in my part of the country, like seniors all across this country, do not want a lot. They do not want to take money from young people who are paying income tax. That is not what they want. However, they do want an acceptable standard of living. They are losing ground on that account and in many cases they simply do not have that anymore.

They said their housing costs are going up. If they live in their own homes, there is the cost of various types of inputs: heating fuel, electricity and income tax. Even seniors who make just \$10,000 a year still pay income tax. That is unbelievable. They ask if the

income tax could be reduced? That is the same complaint we hear with other groups of people.

Really, what seniors are saying is that they do not want to be the forgotten group. They are making up a lot larger percentage of the population all the time. They know that causes some problems; however, they just want some foresight from government in dealing with some of these issues. They want some planning and they are not seeing it, and they are concerned because of that.

Mr. Grant McNally (Dewdney—Alouette, CPC): Mr. Speaker, my colleague hit the nail on the head when he said that the essence of this budget was the lack of trust that Canadians had in the current government, given what has happened with the sponsorship scandal. It has been renamed the sponsorship issue by many Liberals, but it is a scandal because \$100 million was ripped off from Canadians and disappeared into Liberal-friendly advertising firms. I would like him to comment on that part of his speech.

How can Canadians possibly trust a government that has mismanaged and diverted taxpayers' dollars into the pockets of its friends, and Liberals who say that they are now going to fix this mess and that they can be trusted with taxpayers' hard-earned dollars?

Mr. Leon Benoit: Mr. Speaker, the member always has a very good question. It is the kind of question we have come to expect from this member.

The question is, how can Canadians trust the government on this issue. They cannot. We have been pointing out this particular issue for years now and the government has been trying to bury things by trying to cover them up.

Today, again, we saw the Prime Minister trying to cover up information and trying to keep information from the public accounts committee which is examining this issue. The Liberals have put off their public inquiry until who knows when, at least until the summer, until after the election, and they think Canadians are going to be stupid enough to vote for them again when they pull that kind of a stunt.

The fact is that this corruption has been there for a long time. There is scandal after scandal after scandal. We have had the HRDC scandal, the gun registry scandal, and now we have the sponsorship scandal, ad scam. In the military, we find out, unbelievably, that out of a \$160 million contract, \$80 million has just disappeared. The Liberals are trying to blame the company involved. They are trying to blame Hewlett-Packard, but the blame rests right with the government.

Political interference is what causes these scandals and until the Liberals will acknowledge that and come up with a plan to really deal with that, we are going to end up with the same problems.

The Budget

Mr. Darrel Stinson (Okanagan—Shuswap, CPC): Mr. Speaker, I want to ask the member what his opinion is in regard to the budget where the government has decided to give certain parts of the armed forces a tax exemption.

I have talked to a number of people in the forces who have served overseas, and they said that everybody should be treated equally over there, but more than that, it goes a little further. They said that the last thing they will be thinking about is a tax refund as they are being shot at. They would sooner have equipment to shoot back with.

Mr. Leon Benoit: Mr. Speaker, the member has made an excellent point. The leader of the new Conservative Party on many occasions has pointed out that our troops are most concerned about not having the proper equipment and having to go overseas on deployments too often. Their families are suffering. Those are the kinds of things they are concerned about.

This tax break is important and it is a good start, but the way it has been done is so messed up. Soldiers are arguing. They are divided about which groups should get it and which groups should not. The government should not do things like that. It should plan it through, think about it and then put it in place. It should make it fair so that it covers all of our troops overseas.

● (1700)

Mr. Charlie Penson (Peace River, CPC): Mr. Speaker, I am pleased to rise in debate in response to the budget that was brought down last week.

A lot of Canadians were looking forward to the new Prime Minister's vision. Since he had been campaigning for almost 15 years for the job, we had expected to see a visionary budget from the Prime Minister with new ideas on how to get the country back on track and rolling again. We have had a decline in the standard of living over the last 30 years under this regime and flat growth in the economy. In fact, the growth was down last year quite a bit over the year before. I think it was about 1.7% GDP growth and it was 3.3% the year prior to that. Exports are down and are not recovering.

In my capacity as the critic for international trade, this is a concern to me. It is a concern that Canadian companies are not able to compete on the world market, especially in the United States, in the way they should be able to. The government is a huge drag on their productivity. It is productivity that is being costed because the government taxes Canadian companies too heavily. There is too much regulation.

When I was the critic for industry, we had a series of studies on lack of competitiveness and on productivity. I am sorry to have to say it, but over the last 30 years Canada has fallen very badly. Thirty years ago the United States was number one in productivity and Canada was a very close second. That is how it should be. We have a country with tremendous potential and natural resources. We have a tremendously educated population. We should be doing far better than we are.

I am sad to say that while the United States is still number one, we have fallen to 15th in terms of productivity. We are behind countries like the Netherlands and Ireland, the southeastern United States and it goes on and on. I can only blame the government across the way

for its intrusive policies that have grown the size of government in this country to about 12% higher than that of the United States.

If that was all productive growth and the government was building bridges and roads and so on, that would be one thing, but it is not. Some people would argue that the cost of health care should be reflected in that. That is about 2% of GDP, so that needs to be reflected. That still leaves a long way between the 42.5% and the 29.5% the United States has.

The reason I mention this is that trade has become a very productive engine for the Canadian economy. We rely on exports for 43% of our GDP. That is not a small number. The Minister of Agriculture and Agri-Food will know that a lot of that trade has been developed in the United States in the last 10 years. That is where the big growth in agriculture trade has developed.

It means that the United States is our biggest trading partner. We export something like 85% of all of our goods to the United States. That is a trend that has continually gone up. It does not make any sense to me that the government across the way in the last two years has been antagonizing our major trading partner, saying very disparaging things about the administration and the U.S. population. That has hurt us in the last couple of years.

I would expect that we would have seen tax relief in this budget in order to help Canadian companies that are trying to compete. We have seen some tinkering at the edges. There was small corporate tax relief for people depreciating computers and data network systems and the airport tax was reduced by \$2, but this is just nibbling at the edges.

That is not the bold innovation we would expect from a government under a new Prime Minister. He pretends he is new and has new ideas. He has had 15 years to hone his skills in presenting this new agenda. No, I am very disappointed. There is no vision, no new ideas. It is a very tired administration.

Worse than that, the government does not seem to have a handle on the wasteful and corrupt spending that has been happening. The Prime Minister says he is in favour of getting to the bottom of it. It sure does not look that way during question period in the House. The Prime Minister is not asking his committee members to divulge information to the public accounts committee that is looking into the matter.

● (1705)

Some of the waste which is really hurting our productivity and which costs Canadians tax dollars are things like the billion dollar gun registry. It is fast approaching \$2 billion and basically there is nothing to show for it. We only have to think back a couple of years ago to the billion dollars that was blown out by the Department of Human Resources Development.

The Budget

I remember that the riding of the minister at the time got a pretty good grant. One of the businesses, a potato chip company, got something like \$70 million to move from Niagara Falls to Brantford, 50 miles down the road so that it could be in the minister's riding. The company was able to update its equipment. What did that do for the Canadian economy? It cost taxpayers a lot of money.

The Auditor General has suggested that the sponsorship scandal has cost about \$250 million with about \$100 million of that missing or paid in commissions that we will never get back. Some of it seemed to be laundered through the Liberal Party itself. That is the kind of thing that is costing our productivity. It is hurting our ability to compete. We simply cannot afford to let that happen.

I would expect that the new administration over there, which is what they like to call themselves, would try to get to the bottom of it. We have not seen that and that is a real concern to me.

The budget has spending increases. My colleague from Lakeland talked about a 7.6% increase in discretionary or program spending. This is not really new. Since the budget was balanced in 1997 we have seen those kinds of increases each year. We believe spending has to increase but it only has to increase based on the inflation factor plus the growth in population. That is roughly 3.5%. This far exceeds the level of program spending that is required.

Even worse, we see again in this budget a kind of fancy footwork being done for projecting low surpluses. Room is always left for special spending for the government's friends. I want to take a moment to talk about that special spending.

Why would the Government of Canada be in the business of giving grants to companies like Bombardier Aerospace, international companies like Pratt & Whitney and General Electric Aerospace? These are the kinds of companies that get hundreds of millions of dollars per year.

The government says it has to have an industrial policy. If Canadians want to support these companies in their expansion endeavours, they have the ability to do that. They are publicly traded companies. Canadians could buy shares in the stock market and show their confidence. What we do not want is the Government of Canada making these investments for us. I hear it all the time from taxpayers.

That is one of the reasons we cannot get the kind of tax relief we need to make the rest of our companies competitive. The government has picked sectors that it is championing and it just happens that the aerospace sector is one of them.

We understand that Bombardier is about to develop a new wide body 100 passenger jet probably in the next year. I suppose it will be asking government for more money. That seems to be the way it is being done, to ask the taxpayers for more money.

When Canadair, a publicly owned crown corporation, was in the business of developing these jets, the Mulroney government said it wanted to get out of the business. The government of the day did not think government should be in business and it privatized Canadair. It seems a little incredulous but according to the government, the company that came forward with the best offer was Bombardier at about \$170 million.

Canadians can be excused for thinking that it was going to be the end of the Canadian government's involvement but that was not to be the case. Hundreds of millions of dollars later, we are still going down that road of economic development. The government should get out of the business of being in business and lower taxes so that all Canadians can take advantage of that, and we will find out where Canadians want to spend their money.

We are being hurt by these policies. Another policy in the budget is to provide some \$250 million of venture capital money, but who is going to have the ability to put that out? A crown corporation, Business Development Bank of Canada is going to be the only one disbursing the \$250 million. I can just see five or 10 years from now, if the government is allowed to continue on, we will be asking questions about where that went.

● (1710)

There is lots of room for Canada to realize its potential. We can get back to where we were in terms of our productivity and competitiveness. We can regain our standard of living throughout the world. We can raise Canadians up by the bootstraps by allowing them some tax relief and letting them decide what to do with the money that they get to keep, rather than a tired, old administration spending their money day after day, recklessly in a lot of cases without the hope of it ever coming back. We must end the waste and corruption that we have seen in programs such as the sponsorship scandal.

Canadians were hoping for a lot better. However, considering that it is the same administration and the Prime Minister was the finance minister for almost 10 years, we were expecting too much.

[*Translation*]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, I was listening to my colleague who was discussing the budget, and I am a little surprised.

His speech seemed excellent to me, but there is a question that intrigues me when the Conservative Party of Canada is speaking. I consider that the budget before us is an extremely conservative one. I think that the Conservative Party could not have done a better job. In terms of providing services to the people, particularly to the poorest in society, it appears to me that there is absolutely nothing in the budget in this regard. There are no policies when it comes to services to the poorest.

Let us take for example the guaranteed income supplement refund. When I talk about the refund, I am talking about the full refund of the guaranteed income supplement. We are talking about \$3.2 billion that was taken from the elderly over the years. The government is only refunding one year retroactively.

The Budget

When you owe taxes to the government, it goes back 10 years. Indeed, the government will change the Income Tax Act to be able to go back up to 10 years to collect unpaid taxes. However, when the government owes money to people such as seniors living on a small pension, the retroactive period is one year only.

I would like to hear my colleague's comments on this issue.

[English]

Mr. Charlie Penson: Mr. Speaker, in response to my colleague from the Bloc, the best example I could use of the problems on the other side is that the Liberals seem to always look for more and more money out of the general population. I call it shaking the tree to see how much they can jar loose.

I think back to a short time ago when the RCMP uncovered some huge frauds with respect to the GST. Some of them were being run out of prisons in Kingston and other places. Hundreds of millions of dollars were missing. At the same time, if any mom and pop corner store was a week behind, the GST police were out there harassing them.

I agree with my colleague that there is very little in the budget for average Canadians. Even this year the employment insurance overcharge continues. How is it that the government has built up a \$40 billion reserve in the EI account? We all know that there is no actual surplus. The government spent it long ago. It continues to overcharge Canadian workers and Canadian families to generate more money. The government has an addiction to spend more and more all the time.

As I have said, there is almost 8% more spending this year. It is simply not sustainable. Canadians are beginning to realize that they cannot trust the government. The Liberals have crossed the line on trust. People do not trust them any more because of the wasteful spending and the sort of money laundering operations that are completely out of control. This will be reflected in the next election and the present government will not be coming back as the Government of Canada.

• (1715)

Ms. Marlene Catterall (Ottawa West—Nepean, Lib.): Mr. Speaker, I wish to engage in some dialogue with the member for Peace River, but if that is not possible, I have quite a different perspective on this budget than he does.

One of the key themes of the budget clearly is not spending beyond our means. It is spending within our limits, ensuring that we do not go into deficit again. Those of us who have lived through that once do not want to have to go through it again: the cuts, the damage to programs and the impact on lives of people that were necessary to get us to the point of balanced and then surplus budgets.

There is no question that in recent months the issue of management of public money has been at the forefront of the public's mind. I would like to reflect on the history.

The member for Peace River talked about the need for fiscal prudence. The party for which he was originally elected, the Alliance Party, recently merged with the Conservative Party, a party that never could quite manage fiscal prudence.

I sat in the House in opposition through five Conservative budgets. Terrible cuts were made to programs and to the jobs with the promise that it would get the deficit under control. Well, the deficit did not get under control. That party kept adding more and more every year to the debt and more and more to the amount we were paying out in interest, leaving less and less for programs that were important to Canadians.

Let me contrast that five years up to 1993 with what happened since. We no longer have a deficit. We have begun paying off our debt to the tune of \$52 billion. We are now paying \$3.5 billion less in interest every year, leaving money available for things like health care, education of our young people and investment in research and our economic future. We now have low interest rates. We have low inflation. We have three million more Canadians working now than were employed in 1993.

We are the only G-7 country since September 11 that has managed not to return to deficit financing and adding to our debt. Notwithstanding the struggle to get to a much better fiscal situation for the country and establish a sound foundation for the future, we have been able, through two provincial agreements with the provinces and the territories, to put over \$60 billion back into health care. That is in addition to the \$2 billion added through this budget.

We have been able to start the first new national social program in a generation, the national child benefit. In the budget, notwithstanding new investments that are being made, we have been able to restore a contingency fund that has provided a cushion to ensure that unexpected circumstances, SARS and BSE through this past year, and unexpected downturns in what we think will be economic growth will not again force us into taking decisions that would put us back into deficit financing.

These are important accomplishments. They are the foundation on which this budget starts. Yes, it is a modest budget. People have criticized us for what we are not doing. However, the essential message of this budget is we will live within our means. We have a program. It was delivered in the Speech from the Throne, and we will deliver it as we can afford, as most Canadians do with their own personal and household budgets.

There has been much made of the fact that there are no tax reductions in this budget. May I remind Canadians and those in the House that we are in the fifth year of a five year tax reduction plan that has reduced taxes by \$100 billion. In this year alone, personal income tax will be \$22 billion less than it would have been had these changes not been made.

• (1720)

The member for Peace River spoke about the employment insurance fund. He seems to be unaware that every year employment insurance premiums have gone down. The reduction in employment insurance premiums this year alone is \$15.2 billion.

Let me talk about what this tax reduction plan means for Canadians, particularly for Canadian families.

The Budget

The actions taken on taxes since 2000 have removed one million low income Canadians from the tax roll completely. I make no apologies that our emphasis has been on low and modest income Canadians. For instance, a typical family of four, with one individual earning \$40,000, will pay \$2,000 less in annual net federal income tax, a saving of 60%, over what they would have paid this year had the changes not been made.

Full indexing of income tax brackets is something that has not happened for a number of years. For families with children, these changes have been especially important. In combination with the child tax benefit, for a family earning under \$35,000, in general their child benefit exceeds any tax payable. This is not only an investment in the income of households. It is an investment in our children, especially those children living in families with the most modest incomes.

There is another important message in the budget. A sound economy depends on investing in our social infrastructure. A sound society depends on a solid economy. The two are interdependent. We cannot have one without the other, as the old song goes.

The budget continues some of the themes of the Speech from the Throne in firming up our social foundations. I am particularly pleased about the investments in children and in more early childhood programs. As a former teacher and as a mother, I know that a child's prospects for life are shaped in those first years before they begin school generally.

We are investing more in those early year initiatives, and we have already started in partnership with the provinces and territories. We are investing more in identifying children at risk at an early age so we can do the best to ensure that when they are finally school age, they will be able to benefit from the opportunities that education offers and to become productive citizens.

There are a number of measures in the budget for Canadians with disabilities, and that is extremely important. The proposal to focus on public health is vital to the long term sustainability of our health care system. We all know we face an aging population and increased health care costs. A smaller proportion of our population will be working and contributing through taxes. The initiatives in the budget to establish a chief public health officer for Canada and a Canada public health agency are vital.

● (1725)

I will admit that one reason this is happening now is because of the experience with SARS and the need to be better prepared to address unexpected epidemics. However, in my view the goal has got to be to promote a healthier population. Hopefully, what we do this year, by investing in a Canada public health agency, will lead us to focus on developing a healthier population and prevention programs. In the budget alone we provide money for immunization programs for children. By developing a healthier population, we will be able to reduce the burdens on our health care system and continue to offer fully publicly funded accessible health across Canada to every Canadian who needs it, not just to those who can afford it.

There is a fair bit in the budget as well about strengthening our economy. We all know how important research is to creating the knowledge on which our future prosperity depends. We also know,

however, that a good proportion of research is done in Canada. It is excellent work, and it is something that the government has invested in quite generously. However, that research by and large is not getting developed and commercialized in Canada by Canadian companies to the benefit of Canadians and the Canadian economy.

One of the themes in the Speech from the Throne and one of the things on which we deliver in the budget are measures to help the commercialization of research in Canada.

My friend from Peace River made disparaging comments about the venture capital fund of \$250 million. I am not sure though if he has talked to small and medium sized companies in his constituency or in his region about the difficulty they have in bringing their products to market or about the difficulty companies with bright new ideas have, in a country that does not have a huge market, in going that step from brilliant ideas, and the research that has gone into it, to getting them on the market. The investment in research can pay off in jobs and in prosperity for those companies and for their communities in which they are located, and for the Canadian economy.

I encourage the member to speak a little more to the companies in his riding and in his region about how important venture capital is. This is not just government money. This money is intended to leverage another \$750 million in venture capital; in other words to generate a total of a billion dollars for investment in those companies.

There are a number of measures in the budget as well to assist small companies. Smaller companies still provide 80% of the jobs in Canada. There are measures to assist them by speeding up the increase in how much money can be earned before it becomes taxable, better access to the scientific research and development tax credit for small companies and a more economical tendering process for small and medium sized companies.

Finally, in the few minutes I have left I want to speak a bit about a subject that is important to me and to all my constituents. As I said earlier, the budget recognizes that a sound economy and a sound society are interdependent. It also recognizes we cannot have economic progress at the expense of our environment, that we have to invest in a way that is sustainable.

● (1730)

One of the key measures to be taken in terms of more responsible decision making is to incorporate environmental indicators into all decision making. That is a landmark decision that will change how government programs, decisions and legislation are founded. If we cannot breathe the air, drink the water and have clean soil in which to grow our food, and if we destroy the biodiversity of our planet, then we will be leaving a poorer future for our children.

The money we are putting into sustainable development technology in the budget is extremely important; investing in the technologies that will help solve our environmental problems, that will help prevent environmental problems so we can leave our children a better world.

The Budget

Developing these technologies is a good economic investment because the world is looking for these technologies. It is a theme of mine often when I speak about this country that Canada does well in the world by doing good in the world and encouraging the development of sustainable development technologies, and a way to clean up or prevent damage to the environment is one of those.

Our Kyoto commitments are crucial because we are destroying the atmosphere on which life on this planet depends by our activities as human beings and particularly by our use of fossil fuels. The \$3.7 billion we have already allocated for meeting our Kyoto commitment is vital.

What we have done in this budget, by committing an equal amount to clean up contaminated federal sites, is extremely important. I am particularly happy about the \$500 million that has been set aside to share with others in the clean up of other sites that are not federal sites. This means we will leave many communities with a cleaner neighbourhood in which to live and less concerns about health problems. I only need to mention the Sydney tar ponds as the priority site for this funding and Canadians will know that this is an important initiative. We have left federally contaminated sites across our north and this fund will help clean up those sites.

Socially, environmentally and economically, I am proud to talk about the budget today and I am proud that this is the budget we have produced for Canadians.

[*Translation*]

Mr. Roger Gaudet (Berthier—Montcalm, BQ): Mr. Speaker, I would like to set the record straight. One of my Liberal colleagues said earlier that I was living on another planet, but I read in the *Journal de Montréal* this morning that Prime Minister Martin had seen a UFO.

The Deputy Speaker: Order, please. I remind the House that we cannot do indirectly what we are not entitled to do directly. Members must not refer to other hon. members by name, but rather by the name of their department or their riding.

Mr. Roger Gaudet: Mr. Speaker, I apologize. I read in the paper that a UFO was sighted by the Prime Minister. I just wanted to point out to my colleague that I am not the one living on another planet.

My question is for the hon. member for Ottawa West—Nepean. She said that, since 2000, one million Canadians have been removed from the tax roll. Why is that? Is it because the EI plan does not allow them to accumulate enough insurable weeks of work? We should not forget that we are now paying down the debt with the EI fund surplus.

I would like to know what is in the 2004-05 budget tabled on March 23 for seasonal workers, and what the governing party is doing for them. What is in that budget for all these men and women in Quebec and Canada? What is in there for seasonal workers?

• (1735)

[*English*]

Ms. Marlene Catterall: Mr. Speaker, I would like to remind the member who just spoke of the comments I made earlier about the huge reduction in employment insurance premiums that people and companies will be paying this year.

I would also remind him that our focus, through the tax system, has been on helping the lowest income Canadian families. I know he is as concerned about them as I am. I represent a large number of low income families with children in low income households.

I would remind him again that we have taken about one million low income Canadians off the tax rolls since 2000, and that we are, through the tax reduction program that is continuing into this year, reducing the taxes by 60% over that five year period for a family earning under \$40,000.

In my view these broad based measures that are helping over a million Canadian families are extremely important for both the people he described and people who are of modest income for other reasons as well.

[*Translation*]

Mr. Sébastien Gagnon (Lac-Saint-Jean—Saguenay, BQ): Mr. Speaker, I want to thank my hon. colleague for providing us with some answers. When I rise in this House, I always find myself making demands on behalf of my constituents.

I have the feeling that these days the government is more concerned about looking good abroad, because they are bragging about paying down \$52 billion of our debt. This is something they are proud of, as they mentioned in the budget, because it makes them look good before the G-7.

My constituents and I wonder what this budget provides for the residents of my region.

For instance, our region was hard hit by the softwood lumber crisis which cost us thousands of jobs. We also had to deal with the mad cow disease. My hon. colleague would remind us of the \$800 million. But of these \$800 million, only \$50 million will go to dairy producers and to the cull cow program. We are faced with a crisis of major proportions.

What I have come to understand is that \$46 billion was taken from the surplus accumulated in the employment insurance fund to pay down \$52 billion of the debt instead of providing assistance to the various regions of Quebec and relaxing the requirements for employment insurance to help out the workers who really need help.

Can the hon. member demonstrate to the people watching us today that there is something concrete in this budget to help the regions of Quebec?

[*English*]

Ms. Marlene Catterall: Mr. Speaker, I do not want to speak about the member's region in particular because, obviously, I do not know it as well as he does. However I do not approach this budget by looking at what is in it for my constituency. I approach it by looking at what will create the best future for the entire country so all our citizens can benefit.

The Budget

As one who has been here through the cost cutting, getting the deficit under control and so on, and as one who certainly supports a strong social infrastructure, I can only say that had we not balanced the budget and had a surplus budget, had we still been dependent upon foreign borrowing to pay for our social programs when the Asian monetary flu hit, we would not have the social programs we have today. We pay off debt because it frees up interest payments, so we have money to put into the programs that matter to me and to the member's constituents.

[*Translation*]

Mr. Jean-Yves Roy (Matapédia—Matane, BQ): Mr. Speaker, before I begin I would like to say that I will be sharing my time with the member for Rosemont—Petite-Patrie.

When the Minister of Finance delivered his budget speech on March 23, 2004, I was expecting to see surprises. I told myself that the party responsible for the sponsorship scandal was heading for an election so it would certainly want to give a little more to the public and the regions to try to beat out the Bloc Québécois members. My colleague just asked a question.

Moreover, I would like to point out to the public that the budget document is roughly 450 pages long. I would recommend it to anyone who suffers from insomnia. Just read a page or two every night. The obscure language used in the budget speech would certainly put anyone to sleep very quickly.

I was curious. I told myself I would begin by reading the section on the regions. This did not take long because there is absolutely nothing about the regions in the budgetary plan that was presented to us on March 23, 2004.

I asked myself what the people in the regions wanted to see in the budget, in particular the people from my region. First, they wanted a real reform of the employment insurance system.

Since 1993, in the riding of Matapédia—Matane alone, the government opposite has taken \$58 million annually from the pockets of the constituents. In so doing, it forces them to live through the spring gap and they end up collecting welfare. The government automatically encourages people to go on welfare for income security.

This is another burden placed on the Government of Quebec, which is responsible for supporting its citizens. More than this, by destabilizing family finances, we create a gamut of social problems that, once again, the government of the province has to address.

It is not just my region that is affected. We could talk about the riding of Gaspésie—Îles-de-la-Madeleine. The constituents of this new riding have been losing \$65 million annually since 1993. The Liberal government has taken this money right out of the pockets of the constituents.

Knowing this, I think that the government should have provided compensation by changing the employment insurance program to make it more accessible. The fact is that, in 1993, 83% of workers who lost their jobs qualified for the program. Today, only about 40% of them do. Worse still, the rate is only around 30% to 35% for women and young people.

But there is something even worse for our regions regarding employment insurance. Currently, because of the measures taken by the Liberal government, young people are leaving our regions. I will explain why this is happening. It is easy to understand.

Take the case of a young person who graduates from university or college, particularly in areas that relate to our region, such as tourism, fishing or forestry. As we all know, this young person will end up doing seasonal work. One cannot go fishing when there is six feet of ice on the St. Lawrence River or in the Gulf of St. Lawrence, and one does not cut wood in the middle of winter, when there is six feet of snow in the bush.

Of course, these young people have no choice but to rely on employment insurance. However, because they must first work 910 hours to qualify for the first time, they never qualify.

When the government boasts and claims that 83% of workers qualify for employment insurance, it is absolutely false. Fewer than 40% of workers qualify. And the rate is even lower among young people.

When young people have no income in the fall, what do they do? They go and work in large urban centres. They have no choice. They leave the region and do not come back. This is why, currently, the employment insurance program plays a major role in the fact that young people are leaving our regions.

We could also talk about the softwood lumber crisis. This is another issue that was not mentioned in the budget. We are fully aware of the fact that, since the beginning of the softwood lumber crisis, our regions, and particularly my riding of Matapédia—Matane, have lost hundreds of jobs.

• (1740)

At the present time, all of these workers cannot qualify for EI either, because there were just small programs made available to them, such a minor contribution that they are now on welfare.

These are skilled workers who are going to be lost because of government inaction and its unwillingness to come up with phase two of the softwood lumber assistance program. They will, if they are able, move out of the regions and find work elsewhere. Otherwise, they will end up on welfare, as many of them already are.

There is one other thing that affects our region, that is the riding of Matapédia—Matane. Because the federal government's actions are encouraging young people to move out, this is a region with a very much aging population.

Now as you all know—we have said it many times—over the years the federal government has stolen a large chunk of the guaranteed income supplement from seniors. In the case of the riding of Matapédia—Matane, we are talking of 1,200 people who were deprived of the guaranteed income supplement for years.

The Budget

In a twist of fate, when we were able to identify these people and they managed to get the supplement, the federal government gave them a mere one year's retroactivity, whereas some of them had been eligible but had not received it for three, four, five years, or even longer. The mean-spirited government went back a single year only, while it will go back ten years if a person owes income tax, and will impose what I would call an exorbitant rate of interest.

Now for health, they announce \$2 billion. This is the fifth announcement, at least the fifth, and the \$2 billion is already spent.

There is another announcement relating to health, the creation of the Canada health agency. The first thing that comes to our minds is: does Quebec need a Canada health agency? The answer: no. Because one of the key roles of such an agency is immunization against infectious diseases.

I have good news for the federal government. We have been giving vaccinations for a long time in Quebec, and we already have an agency. Does that mean that we Quebecers will have to be vaccinated twice against infectious diseases? That is nonsense. An investment of \$500 million is announced to create a Canadian public health agency, but no one even bothers to check if such an agency already exists in Quebec. So, there are no negotiations with the Quebec government to determine whether or not compensation should be provided, allowing Quebec to opt out of a program of as little interest to us as to all Canadians.

There is one very important element that nearly went unnoticed in the budget, and which I want to highlight. I will read from the document. It is in the budget summary that was presented to us. I will read the paragraph that tells us what the government intends to do.

As well, the Cabinet Committee on Expenditure Review is examining all programs to identify at least \$3 billion annually in savings within four years—

That is \$3 billion multiplied by four years. We know full well that this program review means that, again, jobs will be lost in the regions.

We saw it with the program review at the Department of Human Resources Development. Practically all the regional offices were closed down in favour of a huge bureaucracy in Ottawa. Precious jobs were taken away from the regions and moved to the national capital region. Ottawa has been thriving and growing at the expense of those who live in the regions, but these people are not getting their due.

In conclusion, I would like to quote the candidate from the sponsorship scandal party in the riding of Matapédia—Matane. He said this on March 20, in Quebec City. He was so discouraged that, during a meeting with his colleagues who want to run in the election, he said, "You are not giving me anything to defend myself with in my riding. You are telling me to go and get buried alive". I am not the one saying this. These are the words of the candidate who wants to run for the sponsorship scandal party in the riding of Matapédia—Matane.

This truly reflects what the regions have been getting from this government since 2000, and indeed since 1993: services are taken away from the regions and the people who live in these regions are deprived of everything they need.

● (1750)

Hon. Claude Drouin (Beauce, Lib.): Mr. Speaker, I cannot believe the words of the member who just spoke. This is incredible! He spoke about the sponsorship scandal and said a number of things. In Quebec, when the same problem happened, what did the Landry government do? It said the legislation would be changed.

As for us, we say that we want a judge to investigate, a study by the Standing Committee on Public Accounts and a legal counsel. We are changing the legislation to protect public servants who might witness any wrongdoing. We implemented measures and we will correct the problem because a few people did not do what had to be done to ensure the public money was well spent. This is what we are doing as a responsible government.

I hear the member say that we are doing nothing for the regions when we have decided to provide municipalities with \$7 billion over 10 years. What the member does not know is that, this year, \$129 million will be provided to all municipalities in Quebec. These are concrete measures. The \$1 billion infrastructure program over ten years is being brought back to five years. These are concrete measures for all municipalities in Quebec.

It is too bad that the member does not see clearly. He talks about the guaranteed income supplement, but what was the member doing instead of informing people in his riding that they were entitled to the guaranteed income supplement? Where was the member? He was not taking care of this because he was not doing his job. He was spending his time criticizing. This is what he is doing!

We put a program in place, the Regional Strategic Initiative by Canada Economic Development. This is \$15 million over three years to help the Gaspé Peninsula. These are concrete measures.

Yes, we are responsible and we will work to help people in the regions, contrary to the Bloc Québécois, which does not have the guts to help its people.

Mr. Jean-Yves Roy: Mr. Speaker, I now know that my speech hit the target because it woke up one of our Liberal colleagues. Let me comment on the issue he raised about the guaranteed income supplement. It certainly was not the Liberal members who criticized the program and who carried out research in their ridings. After two months, they had to send a flyer to the taxpayers apologizing for their mismanagement. That is what happened!

The hon. member mentioned the \$15 million assistance program, but it took them years to start spending the money. People heard about these \$15 million during the 2000 election campaign. Once again, they are making promises. They do not seem to understand that the attitude of the government is hurting the regions, and this is one of the worst governments we have seen, especially where regions are concerned. I have never seen so little invested in services and so much taken away.

The Budget

Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ): Mr. Speaker, it is with great pleasure today that I am taking part in the budget debate. I waited a long time to be able to criticize the budget presented a few days or weeks ago by the finance minister, particularly with regards to investment, or, I should say, the lack of investment in the environment.

Concerning the implementation of the Kyoto protocol, this government is changing its approach and its vision in a way rarely seen in the recent past.

Those who thought that the throne speech contained all that what was needed for the Kyoto protocol to be implemented in the years 2008-2012 should have seen the writing on the wall, because there was a clear indication that the government would not be making significant investments, in fact hardly any at all, during the following weeks.

This is a quote from the throne speech, on page 22:

The Government of Canada will respect its commitments to the Kyoto accord on climate change in a way that produces long-term—

Consequently, the timeframe in the throne speech is different from the one in the Kyoto protocol, that is 2008-2012. The commitment is to be met, instead:

—in a way that produces long-term and enduring results while maintaining a strong and growing economy.

Reading these lines should have been an eye-opener for the people across the way: the forthcoming budget would presumably not contain any investment in that area. There are no results because, on the day of the budget, the environment minister himself admitted that there were no specific measures to achieve Kyoto goals.

There are few, if any, measures. The only thing provided for in the budget is the sale of Petro-Canada shares, which would theoretically generate \$3.2 billion. Part of this amount could have been reinvested in the environment. But no. The finance minister announced that, out of this \$3.2 billion, a mere \$1 billion will be allocated to a foundation for sustainable development technology.

Let us not forget what the word “foundation” means in this House. The Auditor General was very clear about that a few years ago, when she said that it meant no accountability to Parliament; it means putting money into budgets and into an organization, without parliamentarians, and citizens in general, ever knowing where the money went.

Moreover, the government has announced that, out of the \$1 billion, \$200 million will go to that foundation over the next few years. If one looks at the foundation's current budget, which amounts to \$550 million, and at where the money went, one can see that big oil companies such as Suncor received grants to put in place processes to capture carbon sinks, which is a far cry from reducing greenhouse gas emissions at the source.

Proceeds from the sale of Petro-Canada shares are going into a foundation which has no accountability to Parliament or to Canadians, and will help fund the oil industry, which has benefited from tax relief from the government on many occasions.

A case in point is Bill C-48, which was aimed at granting the oil industry \$250 million worth of tax breaks a year. On the other hand,

the budget brought down last week does not invest in the renewable energy sector in Canada.

• (1755)

On this side, we would have hoped at least that this \$1 billion would have been used to give tax incentives to people who buy hybrid cars.

Last Friday, I bought such a car in Montreal. It cost me \$10,000 more than a conventional car. In the meantime, the government has chosen to subsidize the oil industry, giving it tax breaks while, on Friday, the Minister of the Environment challenged Canadians to reduce their greenhouse gas emissions by one ton. Those tax measures do not reflect the government's words. This is a concern with regard to the implementation of the Kyoto protocol.

The government announced it is putting money in a foundation in charge of developing long-term technologies. Long term does not mean in 15 or 20 years. Canada must meet these goals between 2008 and 2012. What was needed, to move ahead with Kyoto, was short-term tax incentives.

For example, in 1995, the government implemented a tax of 1.5¢ per litre of gasoline to fight the deficit. Why, since there are no more deficits and there is a budgetary surplus, does the government not commit to investing this 1.5¢ on public transportation? No, the government prefers to give funding and subsidies to the gas and oil industry as it did in the past.

Consequently, the federal government has given \$66 billion to the oil and gas industry in the form of all kinds of tax breaks and tax reductions, while the green energy industry has received a few hundreds of millions of dollars, which is far less than it should be getting.

For example, why did the government not take advantage of this budget to announce improved wind energy subsidies? Currently the federal government invests 1¢ per kilowatt-hour from wind energy. This is a far cry from the American programs where subsidies reach 1.7¢ per kilowatt-hour from wind energy.

Why were the products of the sale of Petro-Canada not used to give this subsidy to developers wanting to produce wind energy instead of being transferred directly to the oil and gas industry?

We lack concrete measures, and the federal government has to understand that adopting an environmental tax policy is the only way to reach our goal of reducing greenhouse gas emissions by 6% between 2008 and 2012 under the Kyoto protocol.

The Budget

It is not through advertising campaigns that government will succeed in reaching this objective. It is not by funding the oil and gas industry that the government will succeed in reducing greenhouse gas emissions. Instead it must encourage people to reduce their consumption by granting them tax incentives, thereby ensuring that they adopt alternative means of development that do not encourage greenhouse gas emissions. It is a matter of encouraging and transferring investments from the oil and gas industry to the renewable energy industry, including wind energy.

In my opinion, these are the kinds of measures that must be taken, but the government continues to turn a deaf ear.

In closing, I want to say that we must start working toward our Kyoto objectives but, unfortunately, this budget takes us away from Kyoto by funding instead those who have polluted in the past.

• (1800)

Hon. Claude Drouin (Beauce, Lib.): Mr. Speaker, I have one thing to say. I am glad to see that the member from the Bloc recognizes that the government has taken steps with respect to wind power. I think that this is important.

However, what the member fails to understand is that steps were taken in previous budgets, that these steps are being applied now and that they were not announced in this year's budget. I will give you an example.

We will be lowering taxes by \$25 billion this year. This was not indicated in the current budget because it was announced in the 2000 budget. We are talking about \$100 billion tax cuts over five years, including \$25 billion this year and \$30 billion next year. These are the kinds of measures that I am talking about.

We are working in areas related to hydrogen and cells in which the government is investing money. We are working for the environment—it is important—because we care about it and, being a responsible government, we will keep on doing it.

The cleaning up of contaminated sites announced in the last budget is a concrete measure to which the government is sensitive and for which it is working very hard, because it relates to the protection of the environment. This is what the liberal government, which is a responsible government, will keep on doing.

Mr. Bernard Bigras: Mr. Speaker, the other side reeks of environmental irresponsibility. We hear a member opposite, who claims to have his heart in the right place and to want to protect the environment, say that he supports his finance minister, who says that there are \$600 million left in the budget for environmental protection and that that money is there for people to use. What we need is increased funding. We need tax incentives. We need an environmental tax policy because, without it, we will not make it.

I understand that, last Friday, the Minister of the Environment and the Minister of Natural Resources announced an advertising program to encourage each citizen to reduce by one ton its greenhouse gas emissions. However, what we need is an environmental tax policy to encourage the wind power industry and those people who decide to take environmental measures. But no. We see budgets and we see bills such as Bill C-48, which gives tax reductions to the oil and gas industry to the tune of \$250 million a year, while not one single cent

is being invested to encourage the wind power industry and to double the kilowatt-hours produced through that form of energy.

What we want is some kind of parity. We cannot accept that the oil industry has received \$66 billion in subsidies since 1970, compared to a few hundreds of millions for the renewable energy industry. This is not the right direction to take, or the right vision to have. If the member continues to support this vision, we will have to conclude that he refuses in fact to support the Kyoto protocol and to see that it is implemented and that its objectives are met in 2008.

• (1805)

Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, it is my pleasure to say a few words before the end of this debate on the amendment which will be put to the House in a few minutes.

Like all hon. members, on March 23, I had the pleasure of listening to the budget speech by the hon. Minister of Finance. It was his first. After the presentation, I wrote a press release not only to congratulate him for his excellent budget speech, but also—and I am referring to a very important point raised by the hon. member for Beauce—to inform my constituents of the good things included in the budget. It is our duty, as parliamentarians, to highlight the good news in the budget so that every individual, municipality and so on may benefit from the excellent measures it contains.

I will begin with what the municipalities wanted. For a long time now, they had been telling us that the GST refund was important to them. The warden of the Council for the United Counties of Prescott and Russell, His Honour Jacques Héту, mayor of Hawkesbury, whom you know quite well, Mr. Speaker, once told me, at the opening session of the council, “If only you could obtain that for us”. Of course, the finance minister announced the tax relief shortly afterwards and provided further details in the budget.

For the Council of the United Counties of Prescott-Russell—given that the request was made by the councillors—this was an extremely important measure that was included in the budget.

A member opposite just told me that this is not that important in some municipality in his riding. I agree, but I am telling you what the mayors in my area told me. When I called mayor Jacques Héту to tell him about this good news—as the member for Beauce is suggesting to us, I go back to his excellent and eloquent words—he was very pleased with the agreement. I congratulated him because it is people like him who came to us, as members of Parliament, to make suggestions. We were then able to include—I agree that we cannot always do so—a number of these good suggestions in the government's budget initiatives.

The Budget

There is another measure that was and still is dear to my heart—it is now a done deal—that is the \$100 million increase in the Canadian Television Fund. I must say that this story was quite sad. There is a fund for television production. I am told that it is about \$1 billion. The administration of this fund was such that it was almost impossible to make an application and to receive a positive response if a production in French came from outside of Montreal.

We had a problem. Of course I have nothing against those who live in Montreal. It is a beautiful city and I love going there. However, some of us have decided to live elsewhere for all the good reasons we know. We really would like to see our part of the country pictured in TV productions, mini series or others. This issue does not just affect francophones in Ontario. It certainly does affect them, but even people living elsewhere in Quebec had problems with the program. In our area it was not only very difficult but completely impossible.

I will tell you a story. Once upon a time there was a production, a mini series called *Francoeur*. It was filmed in Ontario. It told the story of Franco-Ontarians. *Francoeur* had received money for a first TV mini series. When *Francoeur* producers tried to get money for a second series they could not get anything because of those new rules.

• (1810)

It is actually thanks to the Minister of Canadian Heritage, her then parliamentary secretary and finally all those who listened to the representations from the Franco-Ontarian community in my riding and also in the Ottawa—Vanier riding, which is represented by the parliamentary secretary and chief government whip, that last year we got emergency funding allowing us to have *Francoeur*.

From now on, thanks to increased funding provided in the budget, we will no longer have to go through all that. I am told that the rules have been rewritten and that, as a matter of fact, whether productions are from Quebec outside of Montreal, Franco-Ontarian, Franco-Manitoban, Acadian or from anywhere else, they will have better access. I am very happy about that.

I am also happy about the strengthening of the community futures program, which is a good initiative. I am happy about the \$1 billion going to agriculture. God knows it is needed. Beef producers in my riding are still suffering. I know that you, Mr. Speaker, went to Washington. Voters in eastern Ontario thank you, as well as the member for Edmonton-Southwest, I believe, and my seatmate.

I myself traveled to Taiwan, one of the fastest growing markets for Canadian beef. I went over there to try to reopen the borders. In the meantime, we at least know that we can rely on the finance minister who kindly provided us with some assistance.

The increase of the weekly loan ceiling for students, the introduction of learning bonds and the \$270 million in new financing to expand venture capital are all very important measures. In eastern Ontario, there is a crying need for venture capital and, of course, these budget measures will be quite helpful to our region.

Accelerating the funding of infrastructure projects in our municipalities is also quite extraordinary. The amount that was committed was not changed but it will be spent over 5 years rather than 10, hence doubling the money made available to the municipalities. I have yet to hear members opposite comment on

this. I have yet to hear them congratulate the finance minister for this initiative.

Our critics say there is nothing in this budget for the environment. What I heard was that \$4 billion was set aside to clean up contaminated sites.

There are \$30 million in employment assistance for the disabled. Social economy enterprises will have access to our small business programs and charitable organizations will enjoy better tax treatment.

Lastly, in the area of international aid, as chairman of the Inter-Parliamentary Forum of the Americas, known as FIPA, I am especially glad about the announced assistance program to Haiti, which really needs it.

Those were all good measures announced in the budget speech. Unfortunately, my time is up, but I will at least have had the opportunity to thank the finance minister and to urge my hon. colleagues to vote against the amendment and for the budget in its entirety.

• (1815)

The Deputy Speaker: It being 6:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment now before the House.

[English]

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

The Deputy Speaker: Call in the members.

(The House divided on the amendment, which was negatived on the following division:)

(Division No. 38)

YEAS

Members

Ablonczy
Bailey
Benoit
Casey
Chatters
Day
Doyle
Epp
Forsyth
Godin

Anderson (Cypress Hills—Grasslands)
Barnes (Gander—Grand Falls)
Burton
Casson
Comartin
Desjarlais
Duncan
Fitzpatrick
Gallant
Goldring

The Budget

Grey
Harper
Hill (Prince George—Peace River)
Johnston
Kenney (Calgary Southeast)
Masse
McNally
Merrifield
Penson
Rajotte
Reynolds
Schellenberger
Solberg
Stinson
Thompson (Wild Rose)
Wasylcia-Leis
White (Langley—Abbotsford)

Hanger
Hearn
Jaffer
Keddy (South Shore)
Lunney (Nanaimo—Alberni)
McDonough
Meredith
Mills (Red Deer)
Proctor
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O'Brien (London—Fanshawe)
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Peterson
Phinney
Pillitteri
Pratt
Proulx
Redman
Regan
Roy
Sauvageau
Scherrer
Sgro
Simard
St-Jacques
St. Denis
Stewart
Thibault (West Nova)
Tonks
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Vanclief
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McGuire
McTeague
Mitchell
Myers
O'Brien (Labrador)
O'Reilly
Pacetti
Paradis
Peschisolido
Pettigrew
Pickard (Chatham—Kent Essex)
Plamondon
Price
Provenzano
Reed (Halton)
Robillard
Saada
Savoy
Scott
Shepherd
Speller
St-Julien
Steckle
Szabo
Tirabassi
Torsney
Valeri
Volpe
Wilfert

NAYS

Members

Adams
Allard
Assad
Augustine
Bakopanos
Barrette
Bellemare
Bertrand
Bigras
Blondin-Andrew
Bonwick
Bourgeois
Brison
Caccia
Cannis
Castonguay
Cauchon
Charbonneau
Cotler
Cuzner
DeVillers
Duplain
Efford
Eyking
Fontana
Gagnon (Lac-Saint-Jean—Saguenay)
Gaudet
Godfrey
Guarnieri
Harvard
Hubbard
Jackson
Jobin
Karygiannis
Kilger (Stormont—Dundas—Charlottenburgh)
Knutson
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Alcock
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Assadourian
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Barnes (London West)
Bélanger
Bennett
Bevilacqua
Binet
Bonin
Boudria
Bradshaw
Brown
Calder
Caplan
Catterall
Chamberlain
Comuzzi
Cullen
Desrochers
Drouin
Easter
Eggleton
Farrah
Fry
Galloway
Gauthier
Goodale
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Asselin
Bulte
Carroll
Collenette
Dalphond-Guiral
Dion
Duceppe
Frulla
Graham
Harvey
Laframboise
Leung
Manley
Ménard
Patry
Rocheleau
Telegdi

● (1845)

The Speaker: I declare the amendment lost.

It being 6:45 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:45 p.m.)

PAIRED

Members

Bergeron
Cardin
Coderre
Crête
Dhaliwal
Discepola
Fournier
Gagnon (Québec)
Guay
Karetak-Lindell
Lalonde
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