



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Thursday, February 7, 2002**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Thursday, February 7, 2002

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

• (1000)

[*Translation*]

### GOVERNMENT RESPONSE TO PETITIONS

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

\* \* \*

• (1005)

### COMMITTEES OF THE HOUSE

#### OFFICIAL LANGUAGES

**Mr. Eugène Bellemare (Ottawa—Orléans, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the sixth report of the Standing Joint Committee on Official Languages.

Essentially, the committee requests that the federal government make a reasonable contribution to the province of New Brunswick, in order to help them translate municipal texts, as asked for by the court.

\* \* \*

### INCOME TAX ACT

**Ms. Caroline St-Hilaire (Longueuil, BQ)** moved for leave to introduce Bill C-430, an act to amend the Income Tax Act (child care expenses).

She said: Mr. Speaker, I am pleased to introduce this bill. I would like to thank, in passing, my colleague, the member for Laurentides.

Essentially, this bill would allow a person carrying on an active business on a regular and continuous basis—basically, independent workers—to be exempted from the general rule by which the spouse with the lower income can deduct child care expenses.

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

[*English*]

## PETITIONS

### AFGHANISTAN

**Mr. Peter Adams (Peterborough, Lib.):** Mr. Speaker, I present a petition from citizens of the Peterborough area concerned about the war in Afghanistan.

The petitioners deeply mourn the tragedy of last September and condemn the perpetrators of the atrocities. They deeply mourn the civilian casualties in Afghanistan and commend the United States for showing compassion to the Afghan people by dropping food rations from airplanes.

The petitioners call on the Parliament of Canada to put a hold on Canadian military action. They earnestly request that the U.S. and Great Britain place a moratorium on military action against Afghanistan. They ask that the United Nations enter into negotiations to allow emergency UN relief aid to be distributed. They call on the Canadian government to request that further actions against the Taliban and others in future be carried out by the United Nations in accordance with international law.

• (1010)

### CHROMATED COPPER ARSENATE

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Mr. Speaker, I rise today to present a petition signed by over 500 people from my riding of Lanark—Carleton and elsewhere in Ontario and Quebec.

Arsenic and chromium are listed as toxic substances under the Canadian Environmental Protection Act yet chromated copper arsenate in pressure treated wood continues to be used in decks and children's playgrounds. It is proven to leach from the wood and is a serious health hazard.

The petition calls for parliament to immediately ban chromated copper arsenate from pressure treated wood products.

I pay special tribute to my constituent, Deborah Elaine Barrie, for all her hard work in raising awareness of the petition.

\* \* \*

## QUESTIONS ON THE ORDER PAPER

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Question No. 89 will be answered today.

*Privilege*

[Text]

Question No. 89—**Mr. John Cummins:**

With regard to the Departments of Transport and Fisheries and Oceans' port and harbour divestiture program and the planned divestiture of the Billings Bay Float: (a) when was the Billings Bay Float put in place; (b) why was the Billings Bay Float put in place; (c) why was the Billings Bay Float offered to the Billings Bay Float Society; (d) when was the Billings Bay Float offered to the Billings Bay Float Society; (e) when did the Billings Bay Float Society respond by a letter of intent; (f) how was the letter of intent inconsistent with the objectives of the port and harbour divestiture program; (g) when did the Departments formally withdraw their offer to divest the Billings Bay Float; (h) why did the Departments withdraw their offer to divest the Billings Bay Float; (i) why did the Departments reject the Billings Bay Float Society's letter of intent; (j) when was the Billings Bay Float removed from Billings Bay; (k) why was the Billings Bay Float removed from Billings Bay; (l) who used the Billings Bay Float as a place of refuge in storms; (m) what alternate safe moorages exist for kayakers, canoeists, local residents, weekend-sailors and others in case of storms; and (n) what was the annual maintenance cost of the Billings Bay Float?

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** I am informed by the Departments of Fisheries and Oceans and Transport as follows:

(a) 1948;

(b) The float was built as a public float;

(c) The society expressed an interest in acquiring the property in a letter to the minister dated November 5, 1998. The letter was referred to as a letter of intent and stipulated that the society would be under no obligation to operate a public port. The letter of intent was not signed by Transport Canada;

(d) Discussion between the society and Transport Canada were initiated early 1998. The society then expressed its interest in a letter of intent dated November 5, 1998. In its April 28, 1999 correspondence, Transport Canada declined the November 5, 1998 offer from the society and identified the amount available for an operating contribution for a public facility, or as an alternative suggested that the float could be acquired at market value;

(e) The letter from the society referred to as a letter of intent was dated November 5, 1998, and was not signed by Transport Canada. No reply was received to Transport Canada's letter of April 28, 1999;

(f) The November 5, 1998 letter submitted by the society stipulated that the "local entity not be obligated to manage, operate or maintain the port as a regional local port open to the public". The divestiture program requires facilities to be operated as a public port for a specified period unless the facilities are acquired at market value;

(g) In this letter of April 28, 1999, Transport Canada declined the letter of intent but identified the amount available for an operating contribution for a public facility, or as an alternative suggested that the float could be acquired at market value;

(h) The society's letter dated November 5, 1998, which was referred to as a letter of intent, was not consistent with the principles of the national marine policy;

(i) The society's letter of intent was not consistent with the national marine policy;

(j) In October 1999;

(k) In August of 1999, Transport Canada informed DFO that it had no further use for the Billings Bay float and offered the structure for removal from the Billings Bay location. The offer was passed on to the Harbour Authority of Pender Harbour, which leases and manages three area public fishing harbours on behalf of DFO. The harbour authority, now the owner of the float, relocated it to its Whiskey Slough site to help reduce overcrowding and for additional berthage for commercial fishers and other public users;

(l) There is little information on the use of the facility as it was not a staffed facility. A log book that was located at the site is reported to have shown 30 entries for the period of 1994 to 1996;

(m) A number of docks are available on Nelson Island including Hidden Harbour, Strawberry Islet between Cockburn Bay and Billings Bay, and numerous docks line the shores in Blind Bay; and

(n)

1986-87	\$400	1991-92	\$0
1987-88	\$900	1992-93	\$0
1988-89	\$0	1993-94	\$18,000
1989-90	\$0	1994-95	\$0
1990-91	\$1,500	1995-96	\$0 last available data.*

\* 1995-96 was the last time this site incurred expenditures. Other expenditures were incurred in the 1999-2000 site inspection but were not considered maintenance costs.

[English]

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

**The Speaker:** Is it agreed?**Some hon. member:** Agreed.

\* \* \*

**PRIVILEGE**

REFERENCE TO STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS

The House resumed from February 6 consideration of the motion, and of the amendment.

**Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, there are discussions continuing among the parties today. I believe you would find unanimous agreement in the House that this matter should stand adjourned for the time being. We will return to it when we are able.

[Translation]

**The Speaker:** Is there unanimous consent in the House to adjourn debate for now?

**Some hon. members:** Agreed.

*Government Orders***GOVERNMENT ORDERS***[English]***BUDGET IMPLEMENTATION ACT, 2001**

The House resumed from February 6 consideration of the motion that Bill C-49, an act to implement certain provisions of the budget tabled in Parliament on December 10, 2001, be read the second time and referred to a committee.

**The Speaker:** When the House last considered this matter the hon. member for Kings—Hants had the floor. There are six minutes remaining to him in the time allotted for his remarks.

**Mr. Scott Brison (Kings—Hants, PC/DR):** Mr. Speaker, I usually cannot even say hello in six minutes, but I will try to be as brief and concise as possible. It is difficult to be concise and limit one's criticisms of this budget because there are so many areas of fiscal policy for which to criticize the Liberal government. It has seriously failed to deliver to Canadians some vision for the future and some plan on how Canadians can achieve the goals and successes that many individually and collectively are seeking and at a time when some of our best and brightest are leaving Canada.

We have an unprecedented level of brain drain. As an Atlantic Canadian and as a Nova Scotian, I understand the notion of brain drain because for decades we have seen people leaving Atlantic Canada and going elsewhere within Canada seeking opportunities. Now we see that happening in provinces like Ontario.

Canadians are seeking opportunities in the U.S. and elsewhere because of the greater levels of opportunity and the disparate levels of taxation. In a general sense, as they pursue their dream of a higher standard of living and greater prosperity for themselves and their families, those goals are more easily attainable in other jurisdictions than in Canada.

Since 1993, the government has done absolutely nothing to build a fiscal foundation upon which Canadians can build their futures. In the last debate, the leader of my party, the right hon. member for Calgary Centre, posed a question to the Prime Minister. He asked him to name one accomplishment of his government since its election in 1993. The Prime Minister was unable to mention or present one major policy initiative or success that he had as a Prime Minister.

The fact that for the past nine years we have virtually had a cruise control caretaker type of government has come at an extraordinary cost to Canadians. That is reflected of course in the 20% loss in the value of the Canadian dollar compared to the U.S. dollar and a pay cut for every Canadian. The dollar reflects the lagging productivity rates in Canada. Therefore, we have to ask this question. What would we do differently as a government to address the productivity issues and lagging productivity levels?

Clearly, if the government were on the ball it would introduce a productivity agenda, with productivity focused tax reform, not just tax reduction but substantive tax reform addressing some of the most pernicious taxes in terms of their impact on growth, opportunity and investment, more specifically capital taxes, corporate taxes and capital gains taxes. It would also look at some of the other profit insensitive taxes like payroll taxes and would move toward more aggressive reductions in those areas.

Further, it would look at regulatory reform to address some of the regulations which are hindering and impeding growth and prosperity for Canadians. We have one of the highest regulatory burdens of any country in the industrialized world. High regulations have the same impact on growth and opportunity that high taxes do, and taxes that do not make sense. Just to give one example, the federal government ought to work more closely with the provinces to address the issues of interprovincial trade barriers.

We have team Canada missions where we send Canadian parliamentarians and business leaders to other parts of the world to promote freer trade, yet we do not have free trade within Canada. Maybe we should have a team Canada to Canada mission. Clearly, it does not make any sense from an economic perspective to deny Canadians and Canadian business the opportunity to achieve comparative advantages within their own country by having these anachronistic interprovincial trade barriers.

Beyond that we have to address government spending. The auditor general pointed to 16 departments with out of control government spending. When faced with an opportunity to find some waste in a \$130 billion budget, the minister failed to do so. He also failed to address some of the priorities of Canadians.

● (1015)

Health care, national security, particularly in a post-September 11 context but before as well, the Canadian military, farmers, agriculture, all these imperatives were ignored in the budget. Health care is in a crisis across Canada because the Liberal government has neglected it and has cut the transfer payments since 1993. Never has it been in more of a crisis than it is right now.

My province of Nova Scotia does not have the tax base that some wealthier provinces have. When there are dramatic Draconian cuts to health care transfers to the provinces, we are hit particularly hard, especially when we consider the age of our population compared to some other provinces. On those demographic issues we are hit doubly hard.

I urge the government to stop focusing on polls and focus groups and start focusing on the priorities of Canadians in the long term and the success and prosperity of Canadians in 10 years time as opposed to what the focus groups and polls are saying next week.

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):** Mr. Speaker, I commend the member for his speech. He hit on some very important messages. Is the member aware of a very recent decision by our most compassionate Liberal government? It claims to be the party of compassion but when it comes to revenue collecting and that sort of thing, it is about as compassionate as a coral snake.

*Government Orders*

A number of constituents are having a real problem meeting their commitments on requirements for income tax. The revenue department is coming down hard on those who are desperate, causing a great deal of chaos for all of us. If anyone says that they are not having that kind of a problem, they are not telling the truth.

Is the member aware that the revenue department has suddenly had a revelation to hire 960 new employees to collect revenue and to audit those people who unfortunately are having a very tough time, namely small businesses and farmers who are in dire need?

I would like to know what his comments are with regard to a government that would spend extra money to try to pull more money out of the already overtaxed, overburdened Canadian. How does he feel about the government's wonderful compassion?

• (1020)

**Mr. Scott Brison:** Mr. Speaker, the hon. member for Wild Rose is right. One thing the Liberal government tries to do sometimes is pretend it has some sort of monopoly on compassion. That is simply not the case, particularly when the government does everything it can to strengthen the ability of the Canadian Customs and Revenue Agency to wring every last penny out of the taxpayer.

Look how complicated the Canadian tax code is. In a lot of cases, when taxpayers get into trouble, it is not because they are trying to cheat the system or doing something dishonest. It is because they cannot afford to hire the tax lawyers and tax accountants required to fill out the tax form. The fact is we have a tax code that is too complicated and a government that is too hungry for tax revenue.

At the end of the day, average Canadian taxpayers are very frightened when they receive a letter from the Canadian Customs and Revenue Agency saying that they will be audited or that there will be an investigation. They do not have the legions of lawyers and accountants that the government and its agencies have. It is very difficult for taxpayers to defend themselves against the tax department or the Canada Customs and Revenue Agency.

I share the concern of the hon. member about this. I have seen, as I am certain he has seen, among constituents individual cases of this type of abusive behaviour by the Canada Customs and Revenue Agency and the absolutely unfair treatment of people.

A psychological evaluation of the impact of various types of correspondence was done a few years ago. It said that a letter from the government saying that the individual would be audited had about the same psychological impact as a letter informing the person that a relative had died. Perhaps there are relatives that we would probably sacrifice before we would have a Revenue Canada audit, but that is another story.

The fact is that to be notified of a Revenue Canada audit or a Canada Customs and Revenue Agency audit is one of the most frightening things a citizen can experience. I share those concerns with the hon. member.

**Mr. Tony Valeri (Stoney Creek, Lib.):** Mr. Speaker, I appreciate the hon. member's comments. He made reference to productivity and innovation yet he made no reference to what the government put forward in prior budgets along with this budget: \$3.15 billion in the CFL, the Canada Foundation for Innovation; \$200 million to defray the indirect costs of university research; the strategic infrastructure

fund, which would help in the productivity of Canada collectively as a country; and the protection of the agreement signed by the provinces and the federal government with respect to health care transfers.

Does the hon. member not believe that his province of Nova Scotia, a beautiful province which I visit often, actually will benefit from some of these initiatives put forward by the government?

**Mr. Scott Brison:** Mr. Speaker, I thank the hon. member, with whom I have served on the House of Commons finance committee, for his question.

Only a Liberal could boast about replacing with a teaspoon what he has taken out of the transfers to the provinces with a backhoe. I do not know whether he expects me to thank him on behalf of Nova Scotia for the pittance that has been returned to transfers when so much has been taken from the provinces in such a draconian way. If he was expecting that, he will be disappointed.

In terms of some of the specific programs, he mentioned the Canada Foundation for Innovation. I agree with him that there have been some gains made by what the government has done through the Canada Foundation for Innovation and other granting institutions that focus on research and development and on, in some cases, commercialized technologies across Canada, university based. However when I am asking the government for a productivity agenda I am not simply looking for government spending on improving productivity and I think Canadians realize that there is more to be done.

The Liberal government tends to believe that everything can be solved through government spending. I would argue that while programs like the Canada Foundation for Innovation can help, we can also use tax reform, regulatory reform, and a re-prioritization of spending in other areas. It can be done. It is like walking and chewing gum at the same time. We can do both at the same time. I would urge the government to improve its hand-eye co-ordination and, instead of just spending money, try to improve the lot of Canadians through regulatory tax reform and other innovation to address that issue.

There is one other problem with the Canada Foundation for Innovation. The grants require matching grants from the provinces. As a result it actually discriminates against provinces that are in weaker fiscal positions. If education is a priority from the perspective of equality of opportunity, we would not want to see the Canada Foundation for Innovation actually create a greater downward spiral for provinces that are in less strong fiscal positions. I think there is a real risk that it would do that now. I feel quite strongly about that, coming from Nova Scotia, the cradle of higher education in Canada, and representing in my riding Acadia University, which is the most innovative undergraduate university in all of Canada and one of the most innovative universities in the entire world.

*Government Orders*

•(1025)

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, I appreciate the comments from the member for Kings—Hants. Since he is a member from a province where the health care needs are as great as they are in any part of the country, I would like to ask him whether or not he is concerned about the pittance designated for health care in this budget. Does he agree that the federal cash share should be increased to at least guarantee a 15% federal government share in health care in the very short term, moving as expeditiously as possible to a 25% share which would take us back in the direction of a 50:50 partnership?

While he is addressing that, would he express any regrets or second thoughts about his former leader Brian Mulroney's decision to actually begin the process of cutting health care and off-loading onto the provinces?

**Mr. Scott Brison:** Mr. Speaker, I appreciate the question from the hon. member, who has been a very strong advocate for health care. I particularly appreciate her first question.

I alluded earlier to the fact that Nova Scotia does not have the tax base that some wealthier provinces do. I appreciate how dramatic and damaging those draconian cuts from the federal government have been for the province of Nova Scotia. I have seen the hospitals become clinics and the clinics become office buildings. The type of health care that my grandmother and grandfather enjoyed 20 years ago when they required it as elderly citizens is simply not there now for my parents as they are in that age group. It is a very personal issue. It is an issue in my riding right now as the provincial government is put into a position where these types of closures are being discussed. I certainly hope the province is able to find a way to prevent that.

In terms of the second question—

**The Acting Speaker (Mr. Bélair):** I am sorry, but I gave you almost an extra minute.

The hon. member for Elk Island.

•(1030)

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I am honoured to represent the people of Elk Island and, I suppose, the majority of Canadians when I stand in the House to discuss budget issues and demand from the government a proper and transparent accounting of the way the government spends taxpayers' money.

We all know that the government has a number of important functions. Undoubtedly one of the most important is to provide for the personal security of its citizens. That would extend into areas like health care. We need to have a fiscal regime in which business thrives, because that is the true development of our standard of living in this country. We also need to have a fiscal regime that will protect the value of Canadians' savings, of retirees and others. In the last eight years the Liberal government has done a dismally poor job of this. I do not want to be involved in too much hyperbole here, but I honestly do not think the government could have done worse if it had planned to do a bad job.

I base that on some very important principles. First and most important, to me at least, is the fact that there is no better time to pay down the principal value of a debt than when we have good times,

especially nowadays when interest rates are very low. In the last three or four years the government has missed a tremendously wide open, golden opportunity to reduce our debt and thereby substantially reduce our interest payments. We know that the government has done some work in this area, but it could have done so much more.

We are talking about some of the measures taking place, here a billion, there a billion, with a little bit for the military, a little bit for homeland security. We are talking about \$1 billion, \$2 billion or \$3 billion in different categories. For example, we want to give more money to our armed forces. That pales in comparison to the \$40 billion a year spent on interest. I cannot emphasize strongly enough or often enough the missed opportunity. The Liberals had the opportunity, but it has now slipped away from us. In our present circumstances we are forced to pay attention to the security needs of the country. Our surpluses will be gone next year. The capacity to reduce the debt has evaporated. The opportunity was there and it was missed.

This reminds me of a story I heard many years ago about a guy who was mountain climbing. He was on a shelf in the mountains and unfortunately his rope slipped out of his hand. He knew that he had only one opportunity to grab the rope and that was the next time it swung back toward him. With nothing beneath him, he leaped for the rope, caught it, swung himself out and back and got back on the ledge with the rope in his hand. Had he missed that opportunity, he would have been stuck on that ledge with the rope hanging out there beyond his reach and that is where he would have stayed until being rescued who knows how many days or weeks later. That is like the government. It has missed an opportunity to substantially reduce the debt.

I want to address some of the issues in the bill before us today, Bill C-49. Interestingly, the bill was introduced in the House on Tuesday. The first debate on it was held yesterday. Here we are, two days after it was introduced. The bill is only 50 or 60 pages long, but I am quite certain that there are some negative things in the bill which I have not identified simply because of the lack of time. Other duties of course keep us busy as well.

•(1035)

One of the first things in the bill is the issue of air transport security. I fly frequently as do most members of parliament. I have really wondered about enhanced security at the airport. Sure, now we have to turn our computers on. Every day when I walk into the airport through security I am asked to show that my solar powered calculator works. That is supposed to somehow enhance security.

My little one inch blade that I had on my nail clipper was taken away. I was told that was very dangerous for a law abiding Canadian citizen to have. Frankly, when that happened, my mouth said to the security personnel that they could have it. I appreciated what they were trying to do, but in my head I was wondering how was this flight safer?

Now if we have hijackers on board we will just have to tackle them with our bare hands. Of course we have other devices which we will not tell them about.

### *Government Orders*

The culture on airplanes has changed. We have had a number of instances of passengers becoming unruly and in some instances seeking to do harm to the plane and all its passengers. Passengers are now taking action. No longer are passengers docile, sitting there and obeying, and hoping the plane may be allowed to land safely. We know that is no longer a certain possibility so passengers are thinking quite differently.

One of the things that we promoted was the bringing on board of armed air marshals. We said that very soon in the aftermath of September 11. Eventually the government caught up with it and this is now being done.

We are talking about Bill C-49, the budget implementation bill, and this really disturbs me. The federal government wants to put greater security enhancements for air travel but it is proposing to ding the passengers for that cost.

There would be a new \$12 or \$24 tax depending on the destination and other different factors that are built into the bill. As an aside, let us proudly announce to Canadians that it includes the GST. The actual bill reads that the amount of the tax would be \$11.22 but when the GST is added to this security tax, it would come to \$12. The announced \$12 or \$24 would actually include the GST. Let us congratulate the government for doing that at least. It is about the most I can say.

However, it is a wrong decision for aircraft security to tax only people who are flying. By far the most people who were killed on September 11 were not in airplanes. There were a number of them in the airplanes themselves that went down on that fateful day but most of the people who died in the World Trade Center and the Pentagon were not in airplanes. It is in the public interest to have air security.

• (1040)

It is a wrongheaded idea for the government to target a tax with a fixed rate to provide for this air security. First, it does not distribute the price to those who are actually benefiting from it, and second, it is a tremendous disincentive to fly. This tax would have a great impact on our aircraft companies which are already suffering in these tough economic times and added security risks.

I will use the example of travelling between Edmonton and Calgary. If one drives within the speed limit, and of course I always do, this is about a three hour trip. From the time I leave my house, go to the airport and take the one hour or one hour and a half that I need to go through the security lineups and the check-in lineups because everything is so very slow these days, I could be over halfway to Calgary if I stay in my car and drive.

Now, taxes have been added. The cost has become prohibitive, not because of the cost of providing the service, but rather because of the cost of the taxes that are involved.

It is justifiable, to a degree, to charge air travellers for the cost of running airports and we do not worry about that too much. In the example I gave I picked a typical airfare ticket of approximately \$119. In the particular airport I chose, a \$100 ticket has now attached to it \$150.12 worth of taxes and fees. In other words, the taxes are in excess of the ticket itself. We then add a security fee of \$24 and believe it or not, a ticket where the value of the travel was \$119, has

attached to it \$174 of taxes, fees and the security fee. That is a total of 146% of the value of the ticket before taxes. That is atrocious.

Every small community that enjoys travel, and I am thinking of places in Alberta between Grand Prairie and Edmonton, will be included in the fee because these are listed airports. It will add tremendously to the cost to the point where these businesses will not make any money because they will be unable to attract the clientele to use their business.

WestJet put out a press release yesterday. This is a very innovative young airline in our country. I should not do any free advertising for it, but I was on the Internet last night trying to get some stuff out of our national airline, Air Canada. Its website frustrated me to no end. It insisted that before it answered any question, I had to enter an e-mail. When I tried to enter my e-mail, after five or six characters it stopped accepting them. I tried to enter without my e-mail and it said "Sorry, your e-mail is invalid. You have to enter an e-mail". I said forget it.

In contrast, WestJet has a website which is easy to use. It is the most user friendly site I have ever used. I have used it quite a bit because it is so easy to book a ticket. It has electronic tickets; it is great.

The press release put out by WestJet's CEO, Mr. Beddoe, stated that this boost in the price of airline tickets by \$12 for a one way trip and \$24 for a two way trip was enough to convince many people that it was better to drive 300 to 400 kilometres than to fly. He said it would be inevitable that many of the small cities that were served by WestJet would probably lose the only air service they had. That is shameful, just because of a tax.

• (1045)

The government, in previous times, used taxes in trying to prevent people from smoking. I talked about this before. The \$12.75 cost of cigarettes has \$16.69 worth of taxes. That is a tax of 130.9% on the price of the product. The government claims that is sufficient to cause people to stop smoking in some numbers. If a 130.9% tax for cigarettes would cause people to stop smoking, what would a 146% tax on flying do? It would probably stop people from flying and as a result we would end up with less service.

It does not have to be this way. Different airlines have asked that instead of making this a flat fee to simply make it a percentage of the ticket. That would be fair. It would be in proportion to the cost of the product.

The Liberals keep saying that they are in favour of a progressive tax, not the regressive one that taxes the little guy or the poor people inordinately in disproportion. They are doing just that in this particular case.

I would like to mention a few other things. One of the other items that the bill would do is make some income tax amendments. There is one shortcoming that I wish would have been here. During our finance committee hearings we had a number of people make presentations who asked to have the capital tax removed. It is a huge business disincentive. It prevents corporations from settling down in Canada to make this their business home because of this excessive tax. The costing of this would have been manageable within the budget parameters.

*Government Orders*

Our finance committee recommended it to the finance minister and it was one of the things he chose not to do. The capital tax remains and the disincentive to businesses operating in the country remains. It is a shortcoming of the budget and one I regret. The government should have done a lot better than that.

The bill talks about the ability of apprentice students to deduct from taxable income some amount of the cost of purchasing their tools. This part of the bill is so restrictive that all it does is give the Liberals something to crow about.

I have been a member of parliament for over eight years. There has been a member every session for as long as I can remember who has had a private member's bill to make a mechanic's tools tax deductible. It is a huge expense to mechanics. It is required for them to earn their income, and they are discriminated against because they cannot deduct that expense from their income.

I remember the member for Lakeland having a private member's bill as well as one of the Bloc members. Finally, a Liberal member came up with a bill after some prorogations later. It passed in the House that a mechanic's tools should be tax deductible.

What does the government do? It puts it in the budget but with restrictions. It applies only to apprentice students. Mechanics who are operating from day to day who have finished their apprenticeship training are not eligible. It has a \$1,000 deductible. In other words, the first \$1,000 is not deductible. It is only the amount of those expenses that exceed \$1,000. An apprentice student in training needs to have that deduction on the first \$1,000 not just on the amount by which it exceeds \$1,000. It is also limited to 5% of income. As soon as apprentices make more than \$20,000 a year, which means they are still on the poverty line, then that limit goes up. If, for example, they make \$30,000 a year, then they would only be able to claim that amount over \$1,500.

• (1050)

In summary, I would like to say that changes that the bill would bring in our income tax and fiscal considerations are woefully inadequate.

**Mr. Tony Valeri (Stoney Creek, Lib.):** Mr. Speaker, I always listen attentively to my hon. colleague across the way. He has been a long time member of the finance committee. I was surprised when he made reference to the fact the bill was proceeding so quickly and that he did not have an opportunity to review it. I know when it gets to committee, he will have another opportunity to look at in more detail, analyze it and, I am sure, make a contribution, as he has in the past.

I would like to make some reference to the comments that he made with respect to the debt and debt repayment. He must at least acknowledge that there has been a \$36 billion payment over the last four years. The debt to GDP ratio was 71% when we came to government. Next year it will be below 50%. We have made substantial payments with respect to our debt.

I acknowledge, quite frankly, that we pay an extraordinary amount of money in interest to our debt, so we must continue that debt repayment. In fact, the recent announcement would allow us, in this fiscal year, to put more money against that debt, so I am very happy about that.

The member spent his time talking about what it is that we did not do. Could the hon. member articulate for the House, and for Canadians, what amount he would actually pay down in debt and where he would find that money to pay down the debt? I hope that he would not be cutting programs that amount to millions of dollars when debt repayment requires billions of dollars.

I am looking for some specifics. It is easy to stand and talk about what we are not doing, but it is important to point where this money is coming from and what programs the member would cut to make that greater debt payment that he talks about.

**Mr. Ken Epp:** Mr. Speaker, with respect to the timing of the bill, all I said was that the bill was about 60 or 70 pages long and that I only had an opportunity to speed-read it once. There must be some things in there that I did not catch, but, yes, I have been sort of geared up to this for most of the time.

With respect to the actual debt, I will acknowledge, and I need to give some encouragement to the government, it could have spent the extra money but it indeed paid down some debt. However, there is a great curiosity here. The debt under the Liberal government, from 1993 to 1997, rose from \$508 billion to \$583 billion. That is the amount by which it increased. One could say that the Liberals inherited the deficit from the previous Conservative government. It does indeed take time to reduce the deficit and stop borrowing.

Members will recall that in the 1993 campaign we put forward plans for a balanced budget in three years. Eventually the government did it. Our planning proved to be accurate. We looked at the fiscal possibilities and it was possible. All the government did was put out a bunch of rhetoric about all the different areas where it would cut and it made up some that it thought would have the greatest political impact. It was not true. It actually did what we proposed and the world did not crash. There was a lot of panic there.

I would say that the amount by which the debt has been reduced happens to be \$36 billion and that, interestingly, is exactly the amount of overpayments into the EI fund.

Some people think that the government has been capable of good fiscal management. However, instead of treating the EI fund fairly as a balanced fund, according to the actuarial requirements, it kept the money. It took \$30 billion out of the pension fund of government employees. I would like to know where that money went. How come the debt did not go down another \$30 billion on that account?

The government used it for phoney things like firearms registration. It is doubtful that it would have any effect on the reduction of crime at all. There are \$3 billion overpayments just counting errors. There was the \$1 billion boondoggle in HRDC. It goes on and on. There are indeed areas where good fiscal and prudent management could result in a great deal more money available for debt reduction.

• (1055)

[*Translation*]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I am pleased to speak today on Bill C-49, an act to implement certain provisions of the budget tabled in Parliament on December 10, 2001.

*Government Orders*

I would like to begin by congratulating my colleague for Saint-Hyacinthe—Bagot for his speech yesterday after this bill was introduced. My colleague dubbed the Minister of Finance Mr. Flip-flop. I looked that term up in the dictionary and I find it applies to someone who says one thing one day and the opposite the next.

I am disappointed because last December 10, in bringing down his budget, the Minister of Finance committed to putting all of the foreseeable surplus into the foundations that were going to be set up to get the economy back on its feet. As my colleague said, we are obliged to conclude that the minister has changed his mind; he no longer has any idea how much of a surplus there will be in the budget. He is changing the rules.

As hon. members are aware, I am the Bloc Québécois critic for regional development and infrastructures. My speech will address three elements of this bill: the one setting a security tax for air passengers, the one relating to employment insurance, and the one relating to the \$2 billion Canadian strategic infrastructure fund.

I come from what is considered an remote area. As my Canadian Alliance colleague has said, it makes no sense. People living in the regions are finding it harder and harder to travel by air. I think that air service is essential to such communities. It enables people to get from point to point quickly. With the imposition of this air security tax, airline ticket prices will make another jump. They have gone up 9.3% since 1993.

At the present time, it costs me about \$900 for a round trip between Bagotville and Ottawa. I am now going to have to pay more. Do hon. members think that ordinary people with ordinary incomes will be able to afford it? This tax is anti-region.

What is this government up to? It tells us there will no longer be any competition. We used to have a regional carrier, Air Alma. This small company connected Alma to several other regions of Quebec. It kept going for 23 years but had to shut down before the holidays. It could no longer compete with Air Canada. In my region we are served by Air Nova, a subsidiary of Air Canada.

This measure will kill competition in the Canadian skies, particularly in Quebec. As for small carriers, which could, directly or indirectly, take pride in having a head office in the regions, which were the pride and joy of our regions—like Air Alma back home—we will lose them because of this government, which did not come to their help and will now impose this tax.

In Quebec, 20 airports will be affected by that measure, compared to only 16 in Ontario. Moreover, these are all regional airports. I say that this is an anti-region tax. It is about time the government realized that the regions are fed up.

• (1100)

The government will have to respect our rights. We pay taxes and we also pay to ensure our security and mobility. That mobility must exist in both directions, that is for people coming to the regions and for people travelling from the regions to major centres. It has to exist both ways.

The government will have to be more open-minded. I think that the Minister of Transport did not do his job. He will have to review

his position and, finally, allow our regions to develop through this means. This is just a beginning.

I also want to talk about employment insurance. The measure proposed in Bill C-49 to help parents whose children are temporarily hospitalized is wonderful. We have been asking for such a measure for a number of years.

The Minister of Finance should have endorsed the 17 recommendations of the Standing Committee on Human Resources Development, which said that a reform of the employment insurance program is really in order. As the Canadian Alliance member said, the employment insurance fund does not belong to the government.

Today, the newspapers reported that the surplus was an astonishing \$43 billion. You and I do not pay EI premiums, Mr. Speaker. Most contributors to the fund do not earn more than \$39,000—they are average wage earners. They represent companies, SMBs, small SMBs. That is who we are talking about in my riding. These are the people contributing to the fund.

We know that, right now, despite what the Minister of Finance is saying, although he is beginning to get it, we are experiencing an economic downturn in response to the events of September 11 in the United States. Measures are going to have to be taken if we are to get the economy back on its feet.

There was a way this could have been done. It would have been good if the surplus had been used to help our workers. I suggest that, with the huge surplus, they be given a premium holiday. This would not be permanent. It would be temporary and would help get the economy going again. This could have been done. What did the minister do?

That is what is serious. Before the holidays, the government party admitted that the fund was a virtual one. Again, I consulted *Le Petit Robert*. Something which is virtual is something that does not exist. It is in the imagination. Does this mean that the money in this fund was taken and put somewhere else?

What sort of trickery is this? What would you do tomorrow morning, Mr. Speaker, if you had a large amount of money set aside for active measures to get the economy back on its feet and were told that actually there was no money, that it was only virtual? You would define criteria to deal with this virtuality.

Today, as the member for Saint-Bruno—Saint-Hubert has pointed out, it is one flip-flop after another when it comes to the forecasts and vision of the Minister of Finance and of this government.

Employment insurance is there for a reason. It belongs to workers and employers. It must be used for them, for their needs and for what they want to do to advance society.

That is why the Bloc Québécois is calling for the creation of a separate fund, so that workers and employers will be the ones in charge of it. It belongs to them. I think that this is necessary and we are not going to back down on this issue.

*Government Orders*

Let us talk about infrastructures and the Canadian strategic infrastructure fund. This is a great victory for the Bloc Québécois. When the Minister of Finance brought down his budget last December 10, the comments about creating a foundation were that this was a serious matter. Even the auditor general said it made no sense. This was money belonging to everyone, and it was going to be handed over to a corporation made up of friends of the government who would do as they pleased.

I think that they have listened to reason. We said no, parliamentarians need to be answerable for investments made with the taxpayers' money.

• (1105)

We have won a great victory; the government met our expectations. Now the Minister of Finance is saying "There is \$2 billion in this fund and it available immediately". I would be very pleased if this were the case.

I believe I must live in the finest and most beautiful region of Quebec and of Canada, because of all the visits it gets from Liberal ministers. It is incredible, they must really love my region because they come to it so often. We must be such friendly folk, so likeable, that they cannot help but keep thinking about us.

We had a number of visits during the last election campaign. I hardly dared count them because the total was so embarrassing. I said "My goodness, this makes no sense".

My region was visited by the following ministers among others: Public Works and Government Services, Justice, Finance, Immigration and Industry, and by the President of Treasury Board.

In my region, we have a major project, highway 175. I do not know if hon. members are familiar with it. It is called the Parc des Laurentides highway. At home we have a wildlife preserve. People coming from Quebec City must travel through an extraordinary wildlife preserve before arriving in the Saguenay region, at Laterrière. We have a highway that goes through the Laurentides wildlife preserve and we have a project that was defined by the region.

A number of people say it is after meetings where they were asked what kind of development people wanted so as to be prepared for the third millennium that it was decided they absolutely needed a four lane divided highway in the Parc des Laurentides. The region unanimously supports this project.

Liberal ministers paid quick visits and left. But they did come and say "We will definitely give you the money for your highway, but there is one condition: the Quebec government must make it one of its priorities". This is what everyone said.

So, we turned to the Quebec government and met Guy Chevrette, whom I want to salute and thank for everything that he has done for Quebec, because he is a friend. This is a man who did a lot for the cause that we are defending, the sovereignty of Quebec, and I salute him.

We went to see the Quebec government and said "This must be included in a memorandum of understanding to show the

Government of Canada that we want to go ahead with this project". So, we went to see Guy Chevrette and also Mme Marois.

This had already begun with Lucien Bouchard, when he was Premier of Quebec and MNA for Jonquière, the riding that I represent at the federal level. At that point, the Quebec government decided to put \$260 million on the table. I remind the House that this is a project worth almost \$600 million.

They told us "We are contributing \$262 million". Mme Marois approved it immediately, to show that we wanted to move on this. Furthermore, a memorandum of understanding was drafted and sent to the federal government stating "All you have to do is sign; we are ready to move on this".

This was before Christmas, in September, October and November. The ministers said "We do not have any money" but that they were committed nonetheless. They said "When we do have money, we will do it, because we think it is an important project for your region". They also said "There will be criteria; it will fall within the criteria of what you have contributed".

There is at present a program called the Canadian strategic infrastructure fund, and this falls within its scope perfectly. Yesterday, I asked the Deputy Prime Minister "Who is responsible for infrastructure projects? When will this person sign the agreement on highway 175 in my region?"

There is highway 185 in the Lower St. Lawrence. I remind the House that during the Christmas holidays, there were six deaths on this highway. This is the highway that goes from the Lower St. Lawrence toward Edmundston. There were six deaths. It is an extremely dangerous highway. It is an extension of the Trans-Canada. There is also highway 30.

There are three memoranda of understanding on the table. Why is it that the government cannot start right away? This is the dance of promises, the dance of hesitation and the dance of the unspoken starting all over again. I find it deplorable.

• (1110)

The money is there; the Minister of Finance told us so. But the Deputy Prime Minister said "Wait. I have to establish criteria. I have to draft a bill. I have to say how the program will work and propose this to the Treasury Board". Enough already. This government needs to stop making promises to people left, right and centre, starting up with its dance of promises over and over and undermining the confidence of those who believe in their projects.

The people in my riding believe in their projects. At the end of February, the mayor of our new large city—we had a municipal amalgamation of six municipalities, creating the large city of Saguenay—will meet with the Prime Minister. He is going to ask him "When are you going to put in some money? Quebec put in money, when are you going to do so?" It is what the folks back home want. I hope that the Prime Minister will meet with him and say "We will put the money in before March 31".

*Business of the House*

When Mr. Chevrette asked Quebec's finance minister for more money, he met with all the stakeholders. I know because I was there. The Government of Quebec's ministers invite us to be there when they meet with someone. When the federal Liberal ministers visit our regions, they do not even show any respect for the elected representatives. They do not invite the elected officials of the riding they are visiting. They imply that they have been elected by proxy in regions where they did not win a majority of the votes. Mr. Chevrette invited me and made promises to people.

Mr. Speaker, I do not know whether you are familiar with the winter works program; I heard about it from my father. This was one of the things my father told us about that used to go on in his day. Winter works were a way of giving the economy a boost when times were tough; it got people working. Road construction is one area in which direct jobs can be created the most rapidly.

Investing \$1 billion in roads creates 12,500 direct jobs and an equal number of indirect ones. Imagine what this would mean for my region. We have the highest unemployment rate in Canada, which is not something I am not proud of but there is no denying it. Imagine what this would mean for us; it would practically be the Klondike. It would be a way of countering the exodus of young people, because the equivalent of one busload of them is leaving my region for the major centres. I would like to see the opposite happen. I would like to load up two busloads full of young people from the major centres and bring them to my region.

This is part of what we want to do in our regions. This government comes to our ridings and boasts that it is looking after our resources. In my view, it is taking them away from us. It is using them for its own ends and not making sure that there is some benefit for us.

I call on the Deputy Prime Minister to tell us "Yes, it is true. We are serious. We have the money and we are going to move quickly. We are going to take what is on the table and get the economy going again". That is what everyone is waiting for in Quebec and in the other provinces of Canada.

I am referring to Quebec but I hear from colleagues in other provinces, and find they have the same problems. Let us not forget that the Minister of Transport for Canada met two years ago with all provincial and territorial ministers of transport. These ministers said "Mr. Minister, our highways are so out of date that we will need a hand from the federal government to get our economy back on its feet and get our highway system back on track". The Canadian Minister of Transport was presented with an investment plan for \$16 billion over the next five years. The Minister of Transport did not have the clout to sell the Minister of Finance on this plan, but now I believe the money is there and I would call upon them to act.

Although people find this comical, if it happens I am going to buy a great big red carpet. I will set it up at the entrance to the Parc des Laurentides, which is in my riding, for the Prime Minister to walk on and I will say "Hooray, this is what we wanted".

• (1115)

[English]

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, I enjoyed the speech by our colleague on the opposition side of the House.

I have often thought that a worthwhile role for the federal government would be in really improving our national infrastructure in the form of a true Trans-Canada highway, one that would be safe and would be more effective in moving our goods and our people across the country from province to province. The member made mention of this in her speech and talked about the infrastructure program.

I would really like to get a statement from her that implies, even if partially, that there is an advantage to being a Canadian inasmuch as all together we can build this ribbon of highway right across the country, from Atlantic Canada through Quebec and into the rest of the country from thereon west.

I do not know if she is willing to concede that but it is federal money. She seemed to have said that she wanted greater participation in it.

[Translation]

**Ms. Jocelyne Girard-Bujold:** Mr. Speaker, I thank my dear colleague. A debate with him in it is always a good one. In Quebec alone, however, we pay \$33 billion in federal taxes. I want what is coming to me.

As for the rest, it is up to the western MPs to defend their interests. If one fine day we manage to meet each other half way, that will be great, but I defend what is mine. It is up to him what he does about the rest.

\* \* \*

[English]

**BUSINESS OF THE HOUSE**

**Mr. Tony Valeri (Stoney Creek, Lib.):** Mr. Speaker, discussions have taken place between all parties, as well as the member from Don Valley West, concerning the taking of the division of Bill S-14 scheduled at the conclusion of private members' business later this day, and I believe you would find consent for the following motion. I move:

That at the conclusion of today's debate on S-14 all questions necessary to dispose of the motion for third reading of the said bill be deemed put, a recorded division deemed requested and deferred to Tuesday February 19 at the end of government orders.

**The Acting Speaker (Mr. Bélair):** Does the hon. member have unanimous consent to table the motion?

**Some hon. members:** Agreed.

**The Acting Speaker (Mr. Bélair):** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

*Government Orders*

(Motion agreed to)

\* \* \*

[*Translation*]

**BUDGET IMPLEMENTATION ACT, 2001**

The House resumed consideration of the motion that Bill C-49, an act to implement certain provisions of the budget tabled in parliament on December 10, 2001, be now read a second time and referred to a committee.

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, first let me congratulate my colleague, the member for Jonquière. When she said that she represented the most beautiful riding in Quebec, I am sure that she meant after the riding of Charlevoix. After all, this is Quebec we are talking about.

My colleague referred to the EI fund. We know that there is a phenomenal surplus in the EI fund and that this surplus is generated by revenues from contributions by employees and employers. The federal government does not contribute one cent to the EI fund.

Unfortunately, the federal government is appropriating this money to pay for different programs and to pay down its debt, when we know that it is the workers who contributed to it. This is a tax in disguise that they have taken directly from the workers and that is added to their federal and provincial taxes. It is an indirect tax that workers pay and that is accumulated in the EI fund. The EI fund is for insurance in case they lose their job.

During the election campaign, members toured right across Quebec, as the member for Jonquière mentioned. The Minister of National Revenue, who comes from Charlevoix, visited the North Shore in Charlevoix, to say that the government was mistaken, that the Prime Minister was sorry and that he would fix the situation and give the money back to workers.

As for infrastructure, the same applies. There are highways that need building, such as highways 138 and 389. I think that there needs to be consultations and planning for improved results.

Following the 17 unanimous recommendations from the committee studying EI, following the debate here in the House of Commons, should the government not take the resolutions and follow the recommendations put forward by the Bloc Québécois? In order to solve this whole problem, there needs to be a fund that is truly independent, managed by those who contribute to it.

• (1120)

**Ms. Jocelyne Girard-Bujold:** Mr. Speaker, I thank my colleague for his question. It is true that his riding is extremely beautiful. But so is mine.

His question is a very important one. I forgot to say so in my speech and I thank the member for jogging my memory. It is really a form of tax in disguise that the government is imposing on workers right now. This is serious—I do not know if I am allowed say this—because taking money from someone's pocket is stealing. I have said it quietly but I hope that those listening heard me anyway.

It is true that we will need a thorough reform of the employment insurance program, to make it an independent fund managed by

those who contribute to it, workers and employers, for their own purposes. This is an insurance.

When we take out insurance, we know the conditions that apply and we know how much we will get. Right now, workers are taking out insurance, but they do not know the conditions that apply, they do not know what will happen to them. They are at the mercy of people who do not put money in the fund. This is an aberration.

This is not the only aberration with this government, but it has a critical impact on regional development. It is workers in our regions who contribute the most. They are among those who pay contributions. It is not high income earners who contribute.

So, the government will have to listen and give credit where credit is due. It will have to give back to workers and employers the money taken from the employment insurance fund, in order to launch structuring projects for Quebec regions.

[*English*]

**Mr. Tony Valeri (Stoney Creek, Lib.):** Mr. Speaker, since the discussion seems to be on the EI account, I think it is important to point out a couple of facts.

I am sure the hon. member understands that it was the auditor general who required the EI fund to flow into the consolidated revenue fund because ultimately the government backstops the employment insurance account. If there is a deficit, government revenue will pay those benefits for Canadians. A separate fund would not guarantee that money would be there if and when benefits were needed.

Could the hon. member absolutely guarantee each and every Canadian that when they require benefits and there is a deficit in the fund that they will get those benefits? Who will pay out those benefits? If the government is going to pay out those benefits, the auditor general requires the government to include those moneys in the consolidated revenue fund. We cannot have it both ways.

[*Translation*]

**Ms. Jocelyne Girard-Bujold:** Mr. Speaker, some people have a warped mind. We are not reading the same thing. This is not what the auditor general said. He said that the employment insurance fund should be used for the purpose for which it was established.

That fund was created to provide insurance. Therefore, if someone needs it, he should be able to get it. The auditor general did not say “You have no right to take what belongs to other people”. If he had said that, I would not have believed him. I think that the auditor general is very credible and that he is telling the truth. I do not agree with what the hon. member just said.

Moreover, we always say that there must be a reserve in that fund, for hard times. We are not dreamers. Bloc Québécois members have both feet on the ground. We always say that there must be a reserve to avoid unfortunate situations in the future, because should the fund not survive if it becomes an independent fund, workers would be adversely affected. We are realistic people and we take reality into consideration.

So, as regards what the hon. member just said, I think he will have to reread the auditor general's report.

*Government Orders*

• (1125)

[English]

**The Acting Speaker (Mr. Bélair):** Is the House ready for the question?

**Some hon. members:** Question.

**The Acting Speaker (Mr. Bélair):** 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 Acting Speaker (Mr. Bélair):** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Acting Speaker (Mr. Bélair):** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mr. Bélair):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Bélair):** Call in the members.

• (1135)

*And the bells having rung:*

**Mr. Gerry Ritz:** Mr. Speaker, I rise on a point of order. There have been discussions among the House leaders that we go back to Bill C-49. There are a number of questions we would like to raise and speakers we would like to add to the list. If you would seek unanimous consent to get us back to Bill C-49, we would deem it not put and continue debate at second reading on the bill.

**The Acting Speaker (Mr. Bélair):** Is there unanimous consent to revert to Bill C-49?

**Some hon. members:** Agreed.

**Some hon. members:** No.

• (1150)

**Hon. Ralph Goodale:** Mr. Speaker, I rise on a point of order. In light of the unusual circumstances in the House, there have been some discussions during the period the bells were ringing and I believe we have an understanding that we will not have a vote at this time with respect to the budget bill but will return to debate at second reading of the bill.

There is an understanding among the parties that we would debate Bill C-49 for the balance of the time available today and tomorrow and that we would conclude debate at the end of the day tomorrow with any votes required at that time deferred until after the week parliament is adjourned.

**The Acting Speaker (Mr. Bélair):** There are two issues. First, the vote that was supposed to be taken will be deferred until Monday in two weeks when we return.

Second, is there unanimous consent to revert to Bill C-49 and resume debate under the conditions that have been described?

**Some hon. members:** Agreed.

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, I thank the government House leader. He was a very good boss in the past. The opposition won the voice vote. We are happy to see the official opposition was opposed to Bill C-49.

The bill would give enactment to several provisions of the budget speech of last December. Last week we concluded debate on the budget and voted on the ways and means motion. Bill C-49 is further to the ways and means motion.

**Mr. Gerald Keddy:** Mr. Speaker, I rise on a quite simple point of order. Since the member did not show up for his speech, should the rotation not move on and the next speaker be up?

• (1155)

**Mr. Leon Benoit:** Mr. Speaker, I rise on the same point of order. The member of the Conservative Party said that because the Alliance member did not speak when it was his place on the list we should therefore move to the next in line.

No one in the House stood so we should continue with the rotation as it was before.

**The Acting Speaker (Mr. Bélair):** Regarding the point of order of the hon. member for South Shore, the rotation was as follows. Before the vote was called it was the hon. member for Jonquière who should have been followed by a Liberal member when we resumed debate.

Given that no Liberal stood, the next one in the rotation is a Canadian Alliance member. This is why I recognized the hon. member for Calgary Southeast who still has the floor.

**Mr. Jason Kenney:** Mr. Speaker, as I was saying before being so rudely interrupted, Bill C-49 seeks to give statutory effect to provisions included in the ways and means motion and announced in the budget of last December.

As my colleagues before me have said, we in the official opposition oppose the bill just as we opposed the budget and the ways and means motion. Through the bill the government fails to reflect the priorities of Canadians at a time of serious economic decline. It fails to grasp the opportunity to increase Canada's productivity, competitiveness and standard of living at a moment when we see our dollar at all time lows which reflect a decline in our standard of living.

The bill would fail to provide any stimulation for the economy at a time of job loss, increasing unemployment, and economic decline in the midst of recession. It would fail to offer any reduction in the national debt at a time when Canada continues to have the third largest debt to GDP ratio in the OECD among the major developed countries. It would fail to reallocate resources from low and falling priority areas such as corporate welfare, subsidies to bloated crown corporations like the CBC and grants and handouts to interest groups into high priority areas such as national defence and security.

*Government Orders*

The budget, its ways and means motion and Bill C-49 all represent an enormous missed opportunity for which ordinary Canadians will pay in terms of seeing our standing of living and economic prosperity continue to diminish.

Bill C-49 seeks to do specific things. First, it would create the Canadian Air Transport Security Authority. We in my party support the creation of the Canadian Air Transport Security Authority, in particular the provisions of the bill which allow for the employment of air marshals.

We in the official opposition take considerable pride in the fact that while we have no real political power in this place we have the power of ideas. Following the great tragedy of September 11 we introduced an entire suite of security related proposals which we had long advocated but which gained new relevance in the post 9/11 world.

One of the proposals was to create a corps of armed air marshals to serve as law enforcement officers on civilian aircraft. My colleague from Port Moody—Coquitlam—Port Coquitlam, the opposition transport critic, did a superb job of making the argument for letting Canadians know they would have secure enforcement of the law when they boarded an aircraft, the absence of which was a contributing factor to the tragedy of September 11 where the four hijacked aircraft were without air marshals.

There has never been a hijacking of a commercial civilian flight where an air marshal has been aboard. Terrorists throughout the world now know countries like Canada which take the matter seriously will be much less hospitable targets for hijackers and terrorists aboard aircraft given this provision of the bill.

Again, while we do not have formal political power in this place we have the power of ideas. In the debate that occurred last fall we saw Canadians respond positively to the idea of air marshals even though initially the hon. Minister of Transport dismissed the proposal as somehow “un-Canadian” or “not in the Canadian way”. I think those were his words. However at the time he suggested through the minister of defence that it would be appropriate for CF-18 fighter aircraft to patrol the skies over our major metropolitan areas ready and willing to shoot hijacked aircraft out of the sky.

• (1200)

It struck Canadians as being absurd and ridiculous that we were unwilling to place a trained, armed, discreet air marshal aboard a flight, yet we were willing to watch for hijacked planes with fighter aircraft. Fortunately greater common sense prevailed around the cabinet table. I commend the Minister of Transport for accepting a sound idea from the opposition which is partly implemented in the bill.

While we support the principle of a transport security authority, we do not support the means by which it will be funded in the bill. The bill provides for the notorious \$24 round trip flat charge for all domestic flights, even those where there may not necessarily be an air travel security arrangement. There are many short-haul flights off the west coast, off the east coast and in the north where scheduled aircraft take a small number of travellers who do not have to go through airport screening. Yet these people in many instances will

have to bear the burden of the \$24 flat fee. We anticipate it will raise at least \$430 million this year.

We in the opposition have asked the government to give us clear assurances that the new air security charge will not end up being used in a fashion similar to that of employment insurance premiums, namely as a slush fund for general government revenues. We are very concerned that it could run a considerable surplus above and beyond the actual costs associated with the new security measures in the air transportation authority and that the surplus could be siphoned off for general purposes in the general revenue fund, thus undermining the ostensible purpose of the charge.

The government has not provided the House with adequate assurances that this will not occur. Frankly, given the experience we have had with other taxes and charges, we are going to oppose the bill in part because we believe there is a very great likelihood the air security charge will end up providing for much more than just air security in terms of a government tax grab.

On that point, the transport minister has on occasion suggested that the \$24 round trip charge on domestic flights was somehow the adoption of a recommendation by the Standing Committee on Transport and Government Operations. Nothing could be further from the truth. In fact, as my colleague from Port Moody has so frequently pointed out, the transport committee recommended a shared cost structure for new air security measures, a cost that should be borne more or less equally by the traveller, by the government, by the airlines as well as by the airport authorities themselves.

One might say that ultimately there is only one customer and the costs would filter down to the customer. Perhaps, but it would be far more rational to see the kind of blended funding of new security measures recommended by the transport committee. In fact, that is what happens in most other jurisdictions. In the United States the security charges are a fraction of what are being proposed here, which are two or three times higher than what is charged in the United States on similar flights.

This is really a very blunt instrument the government has created in terms of a \$24 flat fee. One could fly from Victoria to St. John's, Newfoundland in business class at a fare of about \$4,500 and pay the \$24 charge. Yet one could fly from Vancouver south harbour terminal to Salt Spring Island at a \$60 fare and be paying the \$24 fee. This would represent a price increase of nearly 50%.

• (1205)

This could put many short-haul domestic air carriers out of business. WestJet, the most vibrant, competitive and successful airline in Canada, has complained bitterly about the impact the fee will have on companies such as itself which are very sensitive to price. They work very hard to produce a good product at a very low price. When a flat fee of \$24 is imposed on every single ticket they sell, including \$70, \$80, \$90 tickets between western cities for instance, this will have a very detrimental impact on their bottom line just at a time when we need to do more to create increased passenger traffic on our domestic airlines.

*Government Orders*

My colleague from Port Moody—Coquitlam will be addressing these issues in greater detail later in the debate. Let me just say that this is a very wrong-headed approach the government is taking with respect to the new transportation security costs. It will end up costing Canadians jobs.

The bill also seeks to make some changes with respect to the Employment Insurance Act. In particular it extends benefits for parents of newborns who need to have extended stays in hospital. This is obviously something anyone would want to support. All parties would say the government ought to do whatever it can to assist parents who find themselves with medical difficulties with newborns. However, let me raise the question as to whether or not the employment insurance system is the right place in which to provide such assistance.

The employment insurance program, particularly after the retrograde changes made in this parliament last year, has grown far beyond its original conception as a program to provide limited insurance to people who lose employment for a short period of time while they seek new employment. That kind of program run on an actuarially sound insurance basis is sensible.

Governments for the past 25 years, and especially since the so-called reforms to employment insurance in 1972, have continued to layer upon the EI system new mandates and new programs which are not immediately related to the question of employment insurance per se. This has created an enormous program which has required enormously high premiums to finance it. In so doing consecutive governments have seen the unintended consequence of an employment insurance program which in many respects is a disincentive to employment.

The premiums themselves a payroll tax are a tax on job creation, particularly insofar as they are disproportionately borne by employers. We know there is an enormous notional surplus in the EI fund of upward of \$40 billion and an annual surplus of at least \$6 billion. The government is skimming several billion dollars a year in premiums above and beyond benefits paid out through the program. We are killing jobs through extraordinarily high premium levels. They are unnecessarily high. Also we create incentives for people not to work through the design of the program, particularly through some of the regional special elements of the program, through the lack of experience rating in the system.

If we as a country want to become more competitive and more productive, if we want more and better paying jobs, if we want a 90 cent dollar as opposed to a 60 cent dollar, if we want a standard of living that equals or exceeds that of our friends in the United States, one of the things we must do is to liberalize our labour markets.

One thing we at the federal level can do is reform the employment insurance system along the lines of an actuarially sound, experience rated insurance program. For people who have lost their jobs through no fault of their own, it would provide a good benefit on a short to medium term while they seek gainful employment. It would not treat people in different regions differently.

• (1210)

Other supplementary programs, including the maternity benefits in the bill, and important social policy objectives would be provided

through other programs. They would not be loaded wrong-headedly into an employment insurance program.

Yesterday I met with members of the Canadian Restaurant and Foodservices Association. It represents an industry that employs over one million Canadians, particularly younger Canadians who are at the entry level in the labour market. They are getting their foot up on the first rung of the labour market ladder. They are people who make the minimum wage or slightly above it. That industry is very, very sensitive to payroll taxes. They told us as parliamentarians that if there were to be a significant reduction in EI premiums, this would likely result in tens of thousands, if not hundreds of thousands of new jobs, particularly for people at the entry level of the labour market.

It seems to me we should listen to sensible proposals from organizations such as CRFA. They have proposed, and the finance committee echoed their call in its prebudget report, a yearly basic exemption of I think it was \$2,300 in EI premiums. An employer could hire a young person, or a new employee of any age of course, and would be exempt for the first \$2,300 in EI costs. Perhaps we could come up with a lower exemption if there is not the fiscal capacity for a YPE of that size in the employment insurance system right now.

The principle they are driving at is to create incentives for entrepreneurs in industries like theirs, in service industries, to hire more people and to create more wealth and more employment in our economy. I wish the government would listen to recommendations such as theirs.

The bill also seeks to make changes to the Income Tax Act further to the October 2000 budget. This allows me to say that in this budget there actually is no net tax relief.

The government claims it is in the process of its so-called \$100 billion tax cut. That is a very bogus figure. Anybody on the other side of the House who is serious about this will acknowledge that number was arrived at for strictly political purposes and has very little basis in fact.

In reality, any objective economist who can read an account or any sensible person with a pencil and a calculator who looks at the Liberal budget will realize that the tax cuts scheduled in the October 2000 budget amount to less than \$50 billion. In fact, we calculate that they amount to about \$43.7 billion.

*Government Orders*

A huge chunk of the so-called tax cut is taken up by a \$23 billion increase in Canada pension plan premiums over the course of that budget's five year cycle. The government is also counting increases in the child tax benefit, which is a social transfer program, an entitlement program, as a tax cut, which is disingenuous. It is counting the value of reindexation of the tax code as a tax cut. In a sense the government has said that it will no longer force people into higher tax brackets as they get cost of living adjustments. In other words it will stop raising taxes, but it will count that as a tax cut, which is pretty specious.

In this particular budget the government will not be initiating a single personal income tax cut in the bill before us. There is a small two point rate cut in the corporate income tax. There is a measly five cent reduction in employment insurance premiums. However, that is quickly gobbled up by \$2.08 billion in Canadian pension plan premium increases, the \$430 billion air security tax to which I have referred, and by the nearly \$500 billion in additional tobacco taxes.

• (1215)

To be on the record in this regard, we are not necessarily against raising tobacco tax prices to reduce demand among youth, but we think that it should not be a back door tax grab. Any increased revenues in that area ought to be offset by tax reductions elsewhere. This all adds up to a net tax increase this fiscal year of \$1.258 billion. That is madness in the current economic context of a recession.

We had negative growth in the third quarter of 2001. We had negative growth in the fourth quarter of 2001. Those two consecutive quarters with negative growth constitute a technical recession. We are almost certainly in either negative growth or a stagnant economy right now.

Let me close by saying that we will oppose the bill on the grounds that it provides for no reallocation of resources to the critically important areas of defence and security. It does nothing for the economy. We will oppose the bill as vigorously as we did the budget.

**Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I heard the words bogus and disingenuous and a total denial of whether or not there were certain tax cuts. The member has stated a less than accurate situation.

Prior to reindexing the system each and every tax period the opposition party continued to show they were tax increases because there was no indexation. They constantly counted up the number of tax increases. Now that there is indexation he is saying that is not a tax cut. He cannot have it both ways.

The member also includes CPP premium increases as a tax increase. He well knows that the CPP is a separately funded instrument. It includes not only Canada pension plan retirement benefits. There are spousal benefits and death benefits available to children and spouses. There also is a disability insurance component for Canadians. This will ensure stability of the Canada pension plan.

His party has said that it wants to scrap the CPP and have mandatory RRSPs. He cannot have it both ways. This program is very important to Canadians.

With regard to the child tax benefit he says it as disingenuous because it is not on the tax return. Family allowance used to be on the tax return. It was taxable and deductions were allowed, et cetera.

Now that it has been taken off the tax return it gives us an opportunity to deliver child tax benefits to families each and every month rather than their waiting for a year before filing a tax return. It is not taxable so the money gets to people's hands when they need it. For the member to say that there were no net tax benefits to Canadians is simply wrong.

**Mr. Jason Kenney:** Mr. Speaker, I am talking about truth in advertising and that is not offered in the budget. I said that bracket creep prior to the reindexation of the tax code constituted an annual tax increase, but I also said that stopping a tax increase was not a tax cut. People running stores increase prices every year. It is ridiculous to say if one year they decide not to increase them they are therefore cutting their prices. I thought the member was an accountant. I do not know how he gets that twisted logic.

I have considerable regard for the member, but in terms of the CPP either he has been grossly misinformed or he is misinforming the House when he says that the opposition seeks to scrap the Canada pension plan. He knows that is not true.

We have proposed in the past and continue to propose a degree of freedom for younger Canadians to direct a portion of their mandatory pension premiums into self-directed investment vehicles as opposed to a government invested fund. That is not scrapping the CPP. He knows that perfectly well. I see that his nose is growing.

In terms of the child tax benefit I simply said that this was a transfer program disguised within the tax system. It is not a tax cut. It is a targeted entitlement. It is essentially a redesigned version of the old family allowance, which is fine.

We could have a legitimate debate about that, but the point is that it is wrong to count it as a tax cut. When we include CPP increases this year and other increases in the budget for taxes there is a net tax increase in the current year in the midst of a recession. That is not good fiscal policy.

• (1220)

[*Translation*]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, at the beginning of his speech, my colleague referred to the matter of the tax to counteract terrorism in the air.

He said that the Standing Committee on Transport suggested that, rather than being 100% user-pay, the cost should be split 50-50 between users and the government.

*Government Orders*

I would like to list the Quebec airports that will be affected by this charge: Alma, Bagotville, Baie-Comeau, Chibougamau, Gaspé, Îles-de-la-Madeleine, Kuujuaq, Kuujuarapik, La Grande Rivière, La Grande-3, La Grande-4, Blanc-Sablon, Mont-Joli, Montréal, Quebec City, Roberval, Rouyn-Noranda, Sept-Îles and Val-d'Or. These are, basically, all the regional airports there are in Quebec. The rest of Canada must all have similar lists.

Would the suggestion by the Standing Committee on Transport not have been preferable to the government's plan to tax only users, which will have a regressive effect in the regions, where there is no great likelihood of terrorist activities? Might we not have been in a far better situation as far as regional economic development is concerned if the transport committee's suggestion had been accepted?

[English]

**Mr. Jason Kenney:** Mr. Speaker, I agree entirely with my colleague. He is correct to point to the recommendations of the transport committee. The transport minister stood in the House to try to mischaracterize the recommendation of that committee. He suggested that it said costs should fall on the traveller.

It did say that but only in part. As my colleague pointed out, it suggested that the costs should be borne by different players including the government, regional airport authorities, airlines and travellers.

I am interested to hear that in Quebec there are small regional carriers similar to those in the west, and I believe on the east coast and in the north, which have little or no security needs, a very low price structure, and for whom this \$24 fee could represent potential bankruptcy given the enormous sometimes 50% increase in the price of a ticket for small domestic regional carriers. That is not sensible when we need to be supporting the airline industry.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Mr. Speaker, I am pleased to have the opportunity to join the debate on Bill C-49 on behalf of the constituents of the riding of Winnipeg Centre. I would like to add some remarks about the bill respecting an act to implement certain provisions of the budget tabled in parliament on December 10, 2001.

This omnibus bill deals with a number of issues that have been touched on by other speakers. I would like to go over them briefly and then deal with some of the shortcomings and serious omissions that we wish would have been dealt with in the budget.

The first point of great interest to Canadians that we note in Bill C-49 is that it will establish the Canadian air transport security authority, CATSA, to deliver improved security at Canadian airports and on board flights.

The new authority is to have the full power of a crown corporation. I note with interest that it will be run by 11 government appointees, a rather odd arbitrary number, one would think at first glance. It is probably how many old Liberal hacks needed patronage jobs on any given day so they conveniently rounded it out to the odd number of 11.

Our point of view is that the authority would abide by business standards rather than safety standards. CATSA may well turn around

and hand off the duty or the responsibility for delivering the security to the airport authorities.

• (1225)

We really do not know. We are being asked to buy a pig in a poke when we hand over the authority to this newly established organization. We really do not have any firm understanding or any real picture of how it will ultimately wind up.

Who will be delivering the service? Will they be public servants? Will they be private sector employees? Will they be better trained? Is there any real obligation? Will any rules be put in place under this new authority to assure Canadians of an improved airport security system?

That is an unknown commodity and we are very critical of that. The government has been unable to paint a picture of what we will be buying, and we are buying.

The hon. member for Calgary Southeast very capably pointed out that we would be paying \$24 per round trip on every flight, whether it is from Winnipeg to Toronto, Vancouver Island to Vancouver or any little hop, skip and a jump. That \$24 could in fact represent 30%, 40% or 50% of the airfare.

The Minister of Finance is like Rumpelstiltskin in this regard. He is turning straw into gold. He took a negative situation, the need for improved security, and turned it into a revenue generator. By its own admission the government will only spend \$2 of that \$12 per leg fee on the actual implementation of improved airport security. The other \$10 is another cash cow.

The government seems to find very clever ways to generate revenue that no one ever would have dreamed of. We have to give it full points for that. It turned the EI system into a cash cow. It turned the public service pension plan into a cash cow. Now, of all things, it has turned airport security into a revenue generator. We are very critical of this issue.

We are not really sure what will be the status of the working people who currently do the checks at airports. We do not know if they will be federal employees. Currently most of them are represented by the United Steelworkers of America.

It becomes a jurisdictional issue too. If they are to become public federal employees, will they then be represented by the Public Service Alliance of Canada or will they maintain their relationship with their former union? What about the terms and conditions of their workplace? Will the collective agreements be modified or interfered with in any way?

These are unknown commodities on which we have not had much direction from the government or any indication of how these issues will be resolved.

The NDP caucus has serious reservations and concerns about this new CATSA. We do not feel that the Canadian public feels any safer as a result of the implementation of this aspect of the budget.

We note with interest that in the U.S. the extra service fee or charge is \$2.50 per flight compared to \$12 per leg here or \$24 for a round trip. How does the government justify that? Where will it spend this extra \$2.2 billion?

*Government Orders*

We have written a blank cheque. It is estimated that throughout the year the fee would generate \$2.2 billion. We have no idea how that money will be spent or any guarantee at all that the money will be spent to try to improve the safety issues at airports. We do not know what the federal government has in mind for it. It will just go into general revenue.

The federal government was also very shrewd in making a further revenue grab now because it caught Canadians at a very sensitive and vulnerable time. Immediately after this terrible tragedy is when it polled Canadians. At that time about 80% of them supported the idea.

When asked if they would be willing to pay a bit more on every plane ticket to ensure they were safe or safer, about 80% of Canadians gave approval, I suppose, to implement some sort of a surcharge. However I criticize the government for taking advantage of people's vulnerability after such a terrible tragedy.

If we asked the same question today I think we would get dramatically different results now that Canadians have had time to deal and cope with the tragedy of September 11. Those are our observations on this aspect of the implementation bill.

I would like to touch now on another thing Bill C-49 intends to do. It intends to implement the amendments to the EI act relating to maternity and parental benefits in certain situations.

• (1230)

The NDP aggressively argued for that part of the EI program to be amended. The federal government did listen but it missed the opportunity to implement a comprehensive review of EI to make the program work again. It is again tinkering and fiddling with the edges of EI, throwing a little bone to those who are advocating on behalf of working people. However the great EI robbery continues in that every month that goes by there is a surplus of \$700 million in the EI program. Working people and their employers are paying in \$700 million a month more than is being paid out. That is absolutely unacceptable. We have raised it time and time again. The government again has chosen to bypass the issue in this particular budget.

We argue and have maintained all along that the EI system has ceased to be an unemployment insurance system because hardly any unemployed people actually qualify for any benefits. If less than 40% of unemployed people are eligible for any benefits, how is it a universal unemployment insurance program?

We have also made the point that a program is mandatory if one has to pay into it even though one has a less than 40% chance of collecting. In our mind and point of view, to deduct something from a person's paycheque for a specific reason and then to use that money for something completely different is an absolute breach of trust.

When money is deducted from the employees' paycheques for the purpose of receiving benefits and some income maintenance in case they become unemployed, they have the reasonable expectation that the money will be there if they need it. They do not want to find out after they become unemployed that they are not eligible for benefits. For the life of me I cannot understand how the government has gotten away with this year after year.

The EI fund has become the government's number one revenue generator. If we look at the \$100 billion surplus over five years that the Minister of Finance points to and often brags about, \$8 billion per year is coming from the EI fund, for a cumulative total so far of \$40 billion in surplus contributions in the EI program. That money was supposed to go for income maintenance for unemployed workers.

The impact in my riding of Winnipeg Centre alone is \$20.8 million per year. Just the changes made to EI in 1996 caused a loss of income maintenance and benefits in my riding alone of \$20.8 million. Imagine trying to attract a new business to a community that had a payroll of \$20.8 million per year and what a difference that would make to an inner city riding like mine. The inverse is also true. When \$20.8 million is sucked out of the local economy in my riding the impact absolutely is devastating.

While we support the implementation of the amendments to the EI Act regarding maternity leave and parental benefits, in all good conscience we have to point out that the EI system is still an absolutely dysfunctional, broken instrument and should be dealt with promptly so that it provides the benefits people actually need.

Regarding the income tax amendments announced in the 2001 budget, we support the small business taxation deferral. We think it is a sensible thing.

The second item we cannot understand is allowing apprentice vehicle mechanics to deduct a portion of their cost of new tools. Why were only vehicle mechanics mentioned? I am a journeyman carpenter by trade. An apprentice tries to buy one new tool with each paycheque because one has to slowly acquire a garage full of tools to be able to practise the craft. Why did the government not involve all skilled tradespeople? It is an insult to those of us who have gone through the trades and are not offered this special benefit.

There have been private members' bills in the House—I think it has been raised 10 times over the last decade—calling for a tax deduction for all tradespeople. Why the government stopped short and only gave it to auto mechanics is an absolute mystery to me. While we wish the vehicle mechanics well, and I am sure they will enjoy this small benefit, we really regret that it did not include other working people.

• (1235)

The last thing I would mention regarding Bill C-49, the budget implementation act, 2001, is the \$2 billion strategic infrastructure fund. I know all members will want a chance to have a go at this. People have already nicknamed it the strategic Liberal fund because no one is convinced there will be any more fairness in the distribution of these moneys than there has been in any evidence of other corporate welfare that we have seen handed out to Liberal ridings around the country. We are as critical of this as we are critical of, for instance, the technology partnership loans from Industry Canada.

*Government Orders*

I would like to give an example of why we disapprove of the structure of the infrastructure fund. I think anybody who reads the documents I have here will agree that the other structures were no good either. What I am reading from is a list of the cumulative technology partnership loans from 1996 to 2002. The other column is donations to the Liberal Party from 1996 to 2002.

The first thing I want to point out is that every one of the following companies are stable, healthy companies that do not really need any kind of loan to keep operating. We are giving corporate welfare to companies like IBM, Bombardier, Spar Aerospace, Pratt & Whitney and Raytheon Canada. These are the companies that are lining up at the trough and getting these handouts.

**Mrs. Bev Desjarlais:** Did any go to the lumber industry I wonder.

**Mr. Pat Martin:** Here is one example that might interest the hon. member. In 1996 to 2002, Bombardier received \$87 million of these particular loans and its donation to the Liberal Party in the same period of time was \$411,713. Even more startling is that out of all the loans only 2% of that money has been paid back. Out of \$1.7 billion in loans, less than \$20 million has been paid back. These are not loans, they are gifts. There is no yardstick to measure progress by. There is no obligation for companies to create a certain number of jobs. There is no obligation for companies to expand and grow their companies. It is simply that they are given the money and then at election time they are asked for their cheques.

Pratt & Whitney Canada is not a small company. I do not really know why it needed \$301 million worth of technology partnership loans. It would have done this research anyway because it is a healthy, vibrant company that wants to grow and succeed. During the same period of time it sent \$131,373 to the Liberal Party. That is a big chunk of change. That is more than the Royal Bank gave. This is a whopping contribution.

SNC-Lavalin, one of the largest and best engineering firms in the world and one we are proud to have in the country, received a technology partnership loan. I do not understand why a company like that would get a loan since it is not a high tech company. However after receiving an \$8.7 million loan it kicked back \$129,656. That is the highest ratio so far that we have come across. This is staggering.

Everyone can understand why we are apprehensive when we see another \$2 billion strategic infrastructure fund being set up under the control and direction of the Deputy Prime Minister, not some arm's length, impartial and objective board that would review these grants and send the money around the country. It will be on the basis of a phone call to the Deputy Prime Minister. No one can tell me that those choices do not get political. It is only natural. We are very critical of this program.

The real contrast that brought this to my attention yesterday was a bunch of students demonstrating on Parliament Hill about high tuition fees. In fact demonstrations were being held in every major city right across the country. The students were arguing that they were being crippled by the high cost of education and that they wanted something to be done about tuition fees. What struck me as I was doing this research was that the payback of student loans by university students was about 94%. The other 6% get hounded

mercilessly by the federal government. They are pursued and dogged right around the country. Their wages are garnished. They are harassed and harangued for relatively small amounts of money. Here we have a much larger distribution of money, so-called loans, with a payback rate of 2%.

● (1240)

Those companies are the corporate welfare bums of this decade. We need to start using that language again because it is absolutely scandalous. I would rather advocate on behalf of those students who are doing their best to pay back their loans and put an end to this.

If there is anything about the current budget that we are critical of it is that it has failed to do anything about the growing gap between the rich and the poor. Whenever we raise this, and the NDP is always harping on it, people want to know where the money will come from. They do not want their taxes raised so that more money can be spent. The government does not need to raise taxes. It needs to stop throwing our money away. If it would stop giving our money to the corporate welfare bums we would have a little bit of money for some social spending. We would be able to invest in people for a change. What irritates the NDP is the blatant evidence of waste and mismanagement of that type.

I come from the riding of Winnipeg Centre and, as I have told the House before, it is a very low income, inner city riding. I would like to point out some new statistics that illustrate some of the shortcomings of the budget: 49% of all families in my riding and 52% of all the children in my riding live below the poverty line. Could the government tell me what there is in the budget that I can tell the people of Winnipeg Centre will improve their day to day lives in any way, shape or form? I cannot find anything. For some reason there has been a conscious choice not to bother with this pressing issue. The bottom 20% of the electorate is ignored.

Either the government has given up trying and do something about this alarming incidence of poverty because the job is too tough or, in a very cynical way, it has disregarded this part of the electorate because they do not vote.

Everybody knows that low income people at the bottom 20% of the socio-economic ladder do not come out and vote. Therefore I suppose they do not deserve the attention of a government that is more preoccupied with power than meeting the basic needs of a great number of Canadians.

When I look at the budget and the implementation bill, Bill C-49, I do not see anything in it that I can bring back to my riding and tell people that things will be a little bit better next year. I guess the \$500 million for Africa is kind of nice, but that will not elevate the standard of living conditions for the people in the riding of Winnipeg Centre.

We thought we were going to make some breakthroughs. The aboriginal people in my community listened to the Speech from the Throne and to all the flowery language. This was to be the decade when we would finally address some of the historic grievances the aboriginal people have had about their treatment in our society. There is nothing about that in the budget either. All those things went down to the bottom of the list of priorities. We can find very little solace or comfort in the budget or in Bill C-49.

*Government Orders*

**Mr. Loyola Hearn (St. John's West, PC/DR):** Mr. Speaker, I have a couple of questions for my hon. colleague.

First, he talked about HRDC. Although we cannot put the blame on local offices which must do what they are told and operate with what they have been given, in the member's dealings with the upper echelons of the department has he found that the department is in a state of complete and utter chaos?

Second, I would like the member to comment on a comment he perhaps made when he talked about the grants given to corporations. I agree with him to a large extent that is what they are because of the payback ratio. Most of these grants came from the Department of Industry. The member is perhaps casting aspersions on the former minister. I wonder how he can rationalize that when the same minister, as premier of Newfoundland, as has just been determined by the auditor general's report, took our budget from a \$30 million deficit to a \$350 million deficit?

Does he not think that he should have the same right to contribute to the deficit here federally?

• (1245)

**Mr. Pat Martin:** Mr. Speaker, I thank the hon. member for that intervention. I will agree that I find HRDC dysfunctional to the point of being out of control. It is simply too big.

I remember when the government pulled HRDC together into this super portfolio, under Lloyd Axworthy at the time. People wondered then if that amount of activity could be managed under one portfolio. The answer, now that we have the experience, is simply no, it cannot. It should be split up. It should be divided into manageable chunks and administered in a way that actually meets the needs of Canadians so that people can get some actual service.

In terms of the many grants I was speaking about, all of them were from Industry Canada. This is a program under Industry Canada, but there are many other grant programs which I presume have comparable records in terms of the ratio of money paid back.

The former Minister of Industry was known as a real master of these grants. He knew that he could tap into this fund without any question, without any real qualifications, without any yardstick to measure progress, as I said before. There were no outcomes required, whereas I would think that when we are giving money away we would like to be able to say "I'm going to lend you \$1 million for this company if you create 20 jobs in the community". There should be some kind of predictable outcome. Two years later we could go back to see if there were or were not 20 jobs created. That is the way in which we would be able to measure progress. There are none of those checks and balances in these programs.

**Mr. Jason Kenney (Calgary Southeast, Canadian Alliance):** Mr. Speaker, I commend my colleague from Winnipeg for his remarks. As well, I was very happy to hear the question asked yesterday, I think by his leader. I hope that, contrary to stereotypes, social democrats in the NDP and free market conservatives in the Alliance can work together against Liberal corporatism. The stereotype is that New Democrats always want intervention in the economy even if it does not make sense and Conservatives always want to support corporations even when it does not make sense. He has demonstrated that this is not the case, for which I commend him.

Would not the hon. member remark on the fact that these major corporations like Bombardier and SNC-Lavalin are in a better position to get financing from banks and financial institutions if they need it, as opposed to financing from government? Is it not true that if a small business in his riding needs new equipment or a new computer and goes to a bank, it will have a much higher chance of getting turned down than one of these major corporations? There are no low interest, forgivable loans for those struggling small businesses in his riding or mine that are trying to create wealth and that do create more jobs than those major corporations that are big donors to the Liberal Party.

**Mr. Pat Martin:** Mr. Speaker, I thank the hon. member for Calgary Southeast for the question. First, I would agree that maybe the thinking toward the corporate sector is maturing. Those of us who have often been critical of the corporate sector recognize that there are three legs to the economy. There is the corporate private sector, the public sector and the volunteer sector. We do not think the corporate sector should go away. We just think it should run by a set of rules that meets the needs of people, et cetera, as well.

The hon. member raises an excellent point about small business. That is why the Canadian Federation of Independent Business is one of the best advocates and the most outspoken group on this issue of corporate welfare bums, because small business is not a beneficiary of this kind of patronage program. There is no comparable program to assist the struggling mom and pop store in my community to grow its business, whereas the larger companies, and the member made a very good point, could get a better loan rate at the banks than the Government of Canada could, for heaven's sake, because they are such healthy established companies. When a company has all it needs, it seems to be able to get more on the basis of a phone call, but when a company is struggling and really could create jobs there is no comparable program for it.

• (1250)

[*Translation*]

**Mr. Marcel Gagnon (Champlain, BQ):** Mr. Speaker, what I find of great interest in the hon. member's speech is that he is critical, and apparently scandalized by the fact that the government is pocketing, via the EI fund, \$42 billion belonging to workers, an amount that increases by \$6, \$7 or \$8 billion yearly. The hon. member also said that students are being treated very badly as far as student loans are concerned.

I would like to know what the hon. member thinks about the fact that this same government is, year after year, pocketing \$400 million that belongs to those in our society who are the least well off: the seniors who are entitled to the guaranteed income supplement. This means that, over the past eight years, this government has pocketed \$3.2 billion, which it has used to pay off its debts at the expense of the least well off members of society.

I would like to know whether the member is aware of this, and what he thinks of it.

[*English*]

**Mr. Pat Martin:** Mr. Speaker, I thank the hon. member for his question. He raises a very important point and I do understand these issues he raises.

*Government Orders*

Starting with the last point, I would say that withholding the guaranteed income supplement from senior citizens who are eligible for it is one of the most cynical things I have seen the government do. It has deliberately withheld money from senior citizens who are eligible for this supplement. It has chosen not to give it to them. Even after the government was aware of who they were and where they lived and aware that they were eligible and did qualify, the government chose not to give that money to them. I feel there is some hope and optimism that we will resolve that issue within the coming year, thanks partly to the advocacy that the hon. member has shown in this issue.

As far as EI goes, a \$40 billion surplus that was supposed to go to income maintenance and training has gone to things like tax cuts for the wealthy. The government is taking money from the poor to give to the rich. It is a reverse Robin Hood. It is fundamentally wrong.

**Ms. Val Meredith (South Surrey—White Rock—Langley, PC/DR):** Mr. Speaker, I would love to have an hour but I am splitting my time with the member for Saskatoon—Humboldt, so I will have to keep my comments fairly brief.

Bill C-49 is a response to implement the budget tabled on December 10, 2001. Although there are six major parts to the bill, I would like to concentrate on three of them: part 1, the air transport security authority act; part 2, the air travellers security charge act; and part 6, the Canada strategic infrastructure fund act.

I will begin my comments by following up on what my colleagues have said on the government's decision on the Canada strategic infrastructure fund act. When the government announced this in the budget, the money was to be administered by a foundation with a board of directors. The foundation was to be responsible for assessing the potential of these projects and making the decisions on key public infrastructure projects based on their merits.

Somewhere between December 10 and February 5, the government changed its mind. We have heard all kinds of explanations as to why it changed its mind, but there seems to be only one simple reason, that is, government members of parliament do not want an arm's length foundation and do not want to have to go to it to lobby for money for projects in their ridings.

There is widespread support throughout our country for this type of infrastructure program. We have seen, at least in my part of Canada, some really good projects like the Annacis Island sewage treatment plant for the greater Vancouver area. However we have seen an awful lot of wasteful projects as well, like the fountains in the Prime Minister's riding, projects that occur when funds are distributed for political reasons.

It is amazing that it took the Liberals almost two years to come up with a budget but less than two months to change the delivery of that budget.

The Canadian air transport security authority is also covered in this act. It creates this arm's length authority to oversee activity in Canada's airline industry. What is really significant about this in Bill C-49 is that it totally ignores a report from the committee on transport. The transport committee studied aviation security from October to December. We heard from dozens of individuals and organizations in our hearings on aviation security. We received

testimony from individuals and groups on every aspect of the aviation industry in the country. Not only that, we travelled to Washington, D.C. and heard from senior members of the federal aviation administration and other authorities in the United States regarding civil aviation. The committee took in all this information. Those of us on the committee worked in a non-partisan manner and I mean that honestly. We produced an excellent report on aviation security.

One of the major recommendations in the report was the creation of a new secretary of state for transportation security. The reason is that we realized the importance of having an elected official who would be responsible for aviation security as well as the other modes of transportation and who would report back to parliament and be held accountable. However the government decided to ignore the report and instead created an authority to oversee aviation security. This authority will consist of a board of 11 directors, including a chairman.

What type of airport or aviation security will we have? We do not know, because of course the bill does not go into details as to what the security will be and it passes on this decision making authority to this board of directors. Whether we have government employees or contractors providing this aviation security, it will depend on a decision by this arm's length authority. Given the tax the finance minister is imposing on air travellers, this authority will have a budget of \$2.2 billion over the next five years.

• (1255)

In comparison let us look at the two ways of dealing with things, the infrastructure and the airline security.

The government rejects the use of an arm's length foundation to be responsible for the \$2 billion strategic infrastructure fund, with the Prime Minister claiming that these decisions should be made by a minister of the crown who is accountable to the House of Commons. Then in the very same bill, it rejected the Commons committee report that asked for the creation of a new minister of the crown who would be accountable to the House of Commons and instead put it into an arm's length authority for a budget of \$2.2 billion.

Why the discrepancy? Why on one hand the argument to have an arm's length organization to oversee the \$2.2 billion and on the other hand the need to have a minister overseeing \$2 billion? It just does not make sense. Could it be that the Liberals have not yet figured out how to use the aviation security budget to line the pockets of their friends for patronage purposes?

*Government Orders*

When we look at the \$2.2 billion budget and the air traveller security charge that is included in the act, we have to look at what it is about. This is a \$12 one way ticket charge for all air travellers in Canada and a \$24 return charge on international flights. Look at an airline that is trying to reduce the cost of air travel to get passengers off the roads and into planes. The fare for a trip between Calgary and Edmonton or Vancouver and Kelowna is under \$100. This tax that will be imposed on the traveller will increase their airfares by over 20%. This increase will take hundreds if not thousands of people off planes and put them on our already crowded road infrastructure.

We can understand why there were over 15,000 passengers with WestJet who signed a petition asking the government to reconsider.

Compare that to how the United States handles this. The United States has implemented a similar fee, but it is only \$2.50 U.S. one way with a maximum of \$5. Why are the Americans, with their overwhelming airline security, two or three layers of screening, bomb sniffing dogs and the use of the national guard only charging \$2.50 while the Canadian government is charging \$12 a flight? There are two possible explanations.

The first explanation could be that this is the way the government is handling the value of the Canadian dollar, that it believes that the \$2.50 U.S. will be worth \$12 Canadian at some point this year. The other explanation is that the \$12 fee is needed to provide patronage positions to Liberal hacks.

The response of the government to this outrageous tax is ludicrous. The government and the Minister of Transportation have said that the high security tax would actually increase airline traffic by reassuring the travelling public that they would be safe. These comments demonstrate how disconnected the minister and the government are from reality. If they really believe this why is the tax not \$100?

It is ironic that the day Air Canada announced that it lost \$1.25 billion last year, the government did everything possible to prevent more Canadians from flying.

Then we have the finance minister saying that this is just a user fee and that airline passengers are the only ones who benefit from the airline security. Did the finance minister not watch what happened on September 11? More people died in offices and going to work than people who were in the airplanes. Those people who died were policemen, firefighters and people sitting in their offices. Aviation security is everyone's concern and that cost should be shared by all. That was a recommendation from the transport committee and was ignored by the minister.

In conclusion, there should be one individual responsible and that person should be sitting in the House of Commons reporting to parliament. The security tax is out of proportion and will probably become the next Liberal billion dollar boondoggle.

•(1300)

**Mr. Ken Epp (Elk Island, Canadian Alliance):** Mr. Speaker, could the member to comment on the security board that would be set up to manage security issues all over the country? The 11 person board would be appointed by governor in council, which means the minister can pick whoever he or she wants on the board.

Has she given any thought or comments on the efficacy of that board and whether it will be a good, a useful board or a costly board?

**Ms. Val Meredith:** Mr. Speaker, this board could be like any of the other boards created by the government. People who worked for the Liberals during election campaigns get appointed to these boards.

The important thing is the accountability factor. Whenever an arm's length board is appointed, it gets further and further away from being accountable to the House. There is a budget of over \$2 billion and a tax on airline travellers. We have to be able to judge how that affects the industry. However this is removing the decision making process too far out of the House. That is more critical than who will be appointed to the board.

We have seen many examples of this from the immigration refugee review board to port authorities and so on. Positions on boards have been used for patronage appointments to reward people for working for the party. Canadians will not feel secure or will not feel their best interests are being considered knowing that the airline industry is being looked after by people with absolutely no knowledge or background in that area.

We are always concerned about arm's length boards; who will sit on them, how will they respond back to parliament and how they will be held accountable. We are also concerned that most of the money be used for the security of the travelling public, not to cover the cost of administering the board.

•(1305)

**Mr. Tony Valeri (Stoney Creek, Lib.):** Mr. Speaker, with respect to the comments of the hon. member about the actual formation of the crown corporation, having read the bill she knows that the Minister of Transport is ultimately responsible for that particular crown corporation. He is also responsible for making those appointments. She should also know that the industry itself has the opportunity to make appointments to the board. All these appointments are governor in council appointments. What we then have is a mixture of appointments with industry representation on the board. This should give the member some assurance with respect to how it would function.

With regard to the funds that are collected from the security fee, we have said that we are prepared to review this on an annual basis and ensure that they are allocated to the proper areas. We will ensure that safety is uppermost in people's minds. We have an opportunity to review this on an annual basis. We will certainly have a five year review.

Members of parliament will have the opportunity, as they have today, to ask questions, point to inefficiencies if they exist and propose improvements. That is really the purpose of the House. I encourage the member to continue to do what she is doing. At the end of the day, I believe we all have the best interests of Canadians at heart.

*Government Orders*

**Ms. Val Meredith:** Mr. Speaker, it interests me that the hon. member on the Liberal side can make that argument in this instance, yet when it comes to a couple of billion dollars for the infrastructure grant, the Liberals use the opposite argument. They say that it has to be a minister of the crown who makes these determinations and who answers directly to the House on those determinations. Why is it okay for the infrastructure money to be handled this way, but for aviation security it has to be handled by this arm's length board?

The government needs to make up its mind as to the most efficient and best way to handle these things. In one bill it is giving us both entities but is using a different argument for each. However, in essence it is still overseeing over \$2 billion of taxpayer money to provide a service for Canadians. Why the discrepancy? It does not make sense.

The government is showing its lack of foresight and lack of vision. It is not taking into consideration a committee report on which members spent many hours working. They did their homework. Government members of the executive branch completely ignored it. This shows lack of vision on the part of the government.

**Mr. Tony Valeri:** Mr. Speaker, just a point of clarification. This is a crown corporation that is being created with respect to the infrastructure. The original announcement was for a strategic foundation. There is a difference.

**Ms. Val Meredith:** Mr. Speaker, only in the minds of the Liberals can it be seen as being different because it is still overseeing the spending of taxpayer dollars to the tune of \$2 billion. Their arguments are ridiculous.

● (1310)

**Mr. Jim Pankiw (Saskatoon—Humboldt, PC/DR):** Mr. Speaker, there are so many areas on which a person could criticize the budget. There is such rampant waste and mismanagement that I could stand here for hours listing them.

There are three areas in particular that the budget did not appropriately address. The first one is the national debt. I hope I will have time in my comments to talk about that in a little more detail.

The employment insurance fund is a rip off. The federal government is siphoning over \$5 billion a year in excess of the premiums that employers and employees pay and dumping it into the consolidated revenue fund. I hope I will have enough time to explain how, as employers, municipalities are facing the same rip off. By virtue of that fact, property taxes are being diverted into the consolidated revenue fund of the federal government and are being wasted on handouts to special interest groups and grants to corporations.

Another thing is the inherent unfairness of the tax system of which the Liberal government is so supportive. Using Liberal terminology, the tax system is called progressive. The member for Markham wrote an editorial for the *Globe and Mail* some time last year. He raged on about how progressive the tax system was. In the recent budget the Minister of Finance added a tax rate. What is meant by progressive tax system, is that tax rates progressively increase the more money we make.

Progressive sounds like a positive term, but if the government wanted to be intellectually honest, it would say that we had the most regressive tax system in the world. To progressively increase tax rates is punitive. The more money we make, the more we apply ourselves and the harder we work, the more we pay. It penalizes success and rewards failure. It is inherently unfair.

The member for Markham wrote an editorial using intellectual dishonesty. He called the Liberal tax system progressive. The truth is, it is progressively punitive; it is regressive.

I told him that I had read his editorial and that I found it objectionable that he had used that kind of language. When people read this they probably thought it was the most progressive system in the world so the Liberals must be good. A former economist of a bank ought to know how punitive the tax system is to hard working Canadians and inherently unfair.

When I spoke to the member for Markham I used the perfect example of a friend of mine who was in a low income situation for several years after high school and decided he wanted to better himself and generate more income. He had some goals, dreams and aspirations so he went back to school. He took out student loans. Besides the demands of the study that university required, he had a part time job on evenings and weekends to help get himself through school. After all the years spent at university, where he obtained a professional designation, he had a substantial debt to pay, but he became a great productive member of society.

We should support education more. Maybe the Liberals should look at spending more money on education and health care instead of handouts to Liberal business friends and special interest groups. We should be encouraging education.

My friend became a contributing member of society. He worked long hours at his chosen profession to pay back his student loans. However, as a result of the Liberal progressive tax system, he is paying the highest rate of taxes.

My friend is being penalized for having spent all those years going to school. He had to work evenings and weekends to help put himself through school so he could earn a decent living. However the Liberal tax system penalizes him. Not only will he pay more taxes because he is earning more, he is disproportionately penalized because he is bumped up to ever increasing tax brackets. We could have a single rate of tax so that the more money we make the more we pay.

● (1315)

The more overtime that people work, the harder they work and the more they apply themselves, the more they will be penalized. That is wrong. I used that example and asked the member for Markham how he could justify that. I said that not only was his article intellectually dishonest but he was promoting a very unfair system of taxation. He replied that fairness is a relative concept.

What does that mean? I want the people of Markham, Unionville and other areas in his riding to know this fact. He is supportive of a punitive, regressive tax system which says the harder that people work, the more they apply themselves, if they want to obtain more education, they will be penalized.

*Government Orders*

That is the inherent truth of the Liberals' tax system. It is wrong. It is offensive and it is unfair. The member ought to know better, being a former economist of a bank. I hope the bank replaced him with someone with a little more common sense. I hope voters send him a very clear message in the next election that they do not want to be penalized for working hard. They do not want to be penalized for helping their kids become educated so they can get better jobs and be successful.

People do not want to be penalized. The Liberals' regressive tax system should be changed. Let it be known that progressive tax is an intellectually dishonest term. There, I am glad I got that in.

I do not want to use up a lot of time going through the history of the employment insurance fund. Suffice it to say that the unemployment insurance system initially brought about in 1940 has evolved over the years. Today it is a program whereby employees and employers pay premiums on income and that money goes into the consolidated revenue fund. Benefits are paid to people who claim them.

The premiums people are paying currently sit at \$2.25 for employees and \$3.15 for employers per \$100 of earnings up to a maximum amount of \$39,000. Those rates are 15% higher than what is required to have an even flow of money in and out of the fund. Since 1995 an excess of money has been paid into the consolidated revenue fund than what has been paid out in benefits to people who become unemployed. Currently that 15% constitutes \$5.4 billion a year.

At the present time the EI surplus is approximately \$38 billion. Since 1995 the federal government has taken in \$38 billion into the consolidated revenue fund and it has been spent. In other words there have been grants dished out to the Liberals' corporate friends and handouts to special interest groups and all the wasteful government programs. Some \$38 billion has gone into this fund and has been spent. It is called the surplus but it does not exist. The money has been spent by the federal government. That is bad enough.

However municipalities are employers and they pay premiums as do their employees. Using the city of Saskatoon as an example, the 15% overpayment by employees and the city as the employer was \$800,000. Some \$4 million since 1995 has been diverted out of the city of Saskatoon's property tax revenues and into the federal government. I used Saskatoon as an example because that is where I am from, but everywhere in the country, people's property taxes are being siphoned off into the Ottawa sinkhole of waste and mismanagement. Property taxes were never intended for that purpose.

**Miss Deborah Grey (Edmonton North, PC/DR):** Mr. Speaker, it was just terrific to hear someone call a junior minister on some of his past record. It is very interesting to see anyone who is a Liberal, not exactly fiscally responsible to be sure, have the opinion that this is just a relative thing. That is just ridiculous.

A young fellow has gone back to school to try and better himself. We all did that, took out student loans and worked at part time jobs. All of us in the House should pay tribute to people who as adults go back to school. There are some in the House. They need to be celebrated and appreciated. The House of Commons should acknowledge that it is a brave thing to do. Many of these people

have young families. They scrimp and save and manage to get by. To then turn around and have it slapped out of them does not exactly serve as an incentive for anyone.

Beyond that, with respect to employment insurance, municipalities are putting out enormous amounts of money, sending a one-way cheque to Ottawa. They might as well throw it in a big black hole. It is interesting to see the spin put on it by the government's communications experts.

We look at these things in terms of absolute billions of dollars that are being spent. I think for instance of when we put the budget through and we look at ways and means. We just swoop \$50 billion here and \$20 billion there through the House in a matter of moments.

I would like the member to comment on how the government thinks it is responsible to send amazing amounts of money through the House without even so much as a by your leave or even a few minutes to deal with it in committee of the whole. In terms of democracy, spending enormous amounts of money and trying to be responsible with it, does the member think it would be wise for us to at least have some pretty serious comment on this rather than just the hoopla that goes on when we pass billions and billions of dollars through the House?

• (1320)

**Mr. Jim Pankiw:** Mr. Speaker, there needs to be a far greater degree of scrutiny and accountability over the expenditure of public funds, taxpayers' money. Canadians work hard. They pay their taxes and they have expectations. They deserve to have that money treated in a very accountable, transparent, responsible fashion.

I would just say this about the irresponsible fiscal management of the government. The recent budget has no provision to make even a single payment on the \$565 billion national debt for the next three years. What Canadian would manage his or her personal finances that way?

We are talking about people getting an education, trying to better themselves and get ahead in life. At some point most people eventually take out a mortgage and buy a house. Imagine someone saying to the bank manager "I want to borrow money but I think I will just let the interest float for a few years". The bank manager would say "That is irresponsible, smarten up" and would give the guy a slap or whatever. Yet the government does it with our own money. It is absolutely incredible.

**Mr. Loyola Hearn (St. John's West, PC/DR):** Mr. Speaker, today the Federation of Canadian Municipalities is meeting in Ottawa. The Minister of Finance will be speaking this evening. Perhaps he should be asked what I am going to ask the member.

*Government Orders*

We look at the downloading that has happened from the federal government to the provincial governments, and the provincial governments to the municipal governments. We pay property taxes so that certain basic services can be provided at the municipal level. How can municipalities deliver the basic services we need when that downloading has occurred, and the money they should have for those services has been grabbed by the federal government?

**Mr. Jim Pankiw:** Mr. Speaker, that is an excellent question. The simple answer is that they cannot.

Municipalities are struggling. They are under intense financial pressure at both ends. There is downloading on the one hand. On the other hand as I explained regarding property taxes, some of the money is used for infrastructure and some of it is used for the delivery of services by the municipality. That is money the municipalities need to operate and function and provide the services that they do. However part of that money is being siphoned off through this tax grab of the employment insurance fund in Ottawa.

We could do the math. I do not know what it would come out to for all of Canada but in the city of Saskatoon since 1995, \$4 million has been diverted to the federal government. That money should have gone toward roads and bridges in our city.

• (1325)

[Translation]

**Mr. Guy St-Julien (Abitibi—Baie-James—Nunavik, Lib.):** Mr. Speaker, I am pleased to rise on Bill C-49, an act to implement certain provisions of the budget tabled in Parliament on December 10, 2001.

I could mention all of the ridings one by one to show that my own riding covers an area of 802,000 square kilometres, compared to some other ridings with an area of only 10 to 14 square kilometres. Coming back to the bill, I intend to criticize it. And if I intend to mention all of the ridings one by one, I am sure, Mr. Speaker, that you will stop me once I get to the opposition ridings.

I will be speaking on behalf of taxpayers of Abitibi—Baie-James—Nunavik and certain regions of Quebec. Even though I represent a very remote area of Quebec, if members take a close look at the bill, in particular from page 70 on, they will see that we are being penalized in terms of air security fees charged in airports. There is no problem in major centres, but if members look at the list of airports on page 70, they will see that some are located in remote areas.

On January 30, the Liberal member for Nunavut asked a question to the Minister of Finance, and I quote:

How will the Minister of Finance protect northerners from these added costs? Is he prepared to reconsider the charges in the North?

The Minister gave an excellent answer. In the second paragraph of his answer, he stated, and I quote:

In that context, I am very pleased to confirm that the charge will not be applied to direct flights to or from the smaller and remote airports that make up the vast majority of the airports in the North.

**Mr. Peter Adams:** This is an excellent answer.

**Mr. Guy St-Julien:** As my Liberal friend just said, this is an excellent answer.

But if members look at the bill tabled on February 5, things are different.

**Some hon. member:** Hear, hear.

**Mr. Guy St-Julien:** I am looking at the list of airports on page 70, for the information of the members of this and of the taxpayers of Nunavik.

Nunavik is a vast remote area, some 2,000 kilometres due north of my home town, Val-d'Or. The Inuit of Nunavik pay taxes. In fact, they pay so much tax that a litre of regular gas, which costs 50.8 cents in Ottawa today, or 62.5 cents in Hull, this morning, costs \$1.20 this afternoon in Nunavik. In the north, food costs three times as much as in the south.

This is to tell you that, if people are penalized with a \$12 or \$24 tax, the issue is serious. We are already penalized with the landing fees. There is the issue of plane tickets. If you go from Ottawa to Kuujuaq City—it is not in the same category as Kansas City; the fare to go there is \$400 perhaps—it will cost \$2,400 for a round trip.

People from this area called me. They said “Guy, this is nonsense”. I have received the list prepared by Transport Canada, where one can see on the left what is planned for airports with security measures. But when one looks on the right side of the form I received, one sees the name of the following airports. Out of the 45 airports mentioned by Transport Canada, there are 24 in my riding alone, and 12 are not listed. This means that in my riding of Abitibi—Baie-James—Nunavik, there are 24 airports listed in the document of Transport Canada; but there are 36 airports in all. I will not talk about the others.

I could give the list because this is important. I have 20 minutes, with 15 minutes remaining. I did not prepare any speech, but I can say that the government will directly affect our Inuit friends, our Cree friends and the people living in areas such as Abitibi, Témiscamingue, the Gaspé Peninsula, Îles-de-la-Madeleine, in remote areas that have airports.

I will start by naming the airports listed by alphabetical order. When I have finished, I will be able to say “all aboard”; we will get on board to pay the fees; we will not get on the train to go south, because the railway system does not go to this area.

Here are the names listed: Akulivik, Aupaluk, Chisasibi, East Main, Inukjuak, Ivujivik, Kangiqsualujuaq, Kangiqsujuaq, Kangirsuk, Kuujuaq, Kuujuarapik, La Grande-2, La Grande-3, La Grande-4, Némiscau, Povungnituk, Quaqtaq, Salluit, Tasiujaq, Tête-à-la-Baleine, Umiujaq, Val-d'Or, Waskaganish and Wemindji.

• (1330)

Ours is one of the remote areas, but there are others where it would be crucial that this charge not be applied: Alma, Bagotville, Baie-Comeau, Blanc-Sablon, Bonaventure, Chevery, Chibougamau, Gaspé, Gethsemani, Havre-Saint-Pierre, Îles-de-la-Madeleine, La Tabatière, Mont-Joli, Natashquan, Pakuashipi, Port-Meunier, Rimouski, Roberval, Rouyn-Noranda, Schefferville, and Sept-Îles.

It is important to name all those airports. Otherwise, people will wonder which ones we were referring to.

*Government Orders*

That is the list. Taxpayers in those areas will be charged an extra \$12 each way, or \$24 for a round trip. People from northern regions, especially Nunavik, who are also taxpayers, travel a lot. They have to come down south to see the doctor because, as we know, there are no specialists in Nunavik.

As far as hospitals are concerned, the Quebec government did a good job in Kuujuaq, Povungnituk and Grande-Baleine, where they have good hospitals. Also, there must be a local community health center, a CLSC, in each of these communities.

However, if a family or a person goes south for medical treatment, not only will the individuals have to pay for their airfare, which is very expensive, but they will also have to pay an extra \$24. There is worse yet. If a father is in the hospital in Montreal or Quebec City and members of his family want to go and see him, they will each have to pay \$24, and we know that Inuit families have seven or eight children.

Section D-11 of today's edition of *La Presse* contained an article entitled "Air travel penalized in small towns". This is about small towns. The reporter wrote "The increase announced in December may discourage some travellers who may decide that other means of transport would be more appropriate". He also wrote "Ottawa will collect a tax in the amount of \$12 on a one-way plane ticket, and \$24 on a return ticket". It was also mentioned in the article that this would convince many travellers to choose the car over the plane.

But the problem is that there are no roads to travel from Kuujuaq or Ivujivik to Montreal. Transport Canada is making a mistake in imposing such a hurtful tax.

We know that \$24 is a lot of money for a family living in a remote area like Rouyn-Noranda or Val-d'Or. We are not talking about civil servants travelling on behalf of the Government of Quebec or the Government of Canada, because their plane tickets are paid for by all taxpayers.

Let us take a closer look at the family situation. Earlier I mentioned a person who had to go south to see a medical specialist. Let us talk about a woman who goes to Montreal or Quebec City to give birth. We know that all deliveries do not always go smoothly. Sometimes there are complications. Some women need cesareans, and so on. I must say that it hurts to see family members having to pay \$24 more to go visit their mother in Montreal, Ottawa, Toronto or Quebec City. From a social standpoint, this \$24 tax makes no sense for a large family.

Let us go back to what the member for Stoney Creek said earlier. This Liberal member mentioned that there would be a review each year. However, for remote areas, following the finance minister's response, this review should take place immediately.

**Some hon. members:** Oh, oh.

**The Deputy Speaker:** Order, please. There seems to be a great deal of interest in what the hon. member for Abitibi—Baie-James—Nunavik has to say. Members are impatient to get to questions and comments. I would ask hon. members to be patient so that the member can conclude his remarks.

The hon. member for Abitibi—Baie-James—Nunavik.

● (1335)

**Mr. Guy St-Julien:** Mr. Speaker, thank you for your intervention, but I knew that the members opposite were agreeing with me because this is an important issue. It is important from a family point of view.

Let us talk about airlines which have been hurt by Bill C-49, such as First Air or Air Inuit, which create many jobs in Montreal and elsewhere, such as Val-d'Or. Transportation of perishable food to the north under Northern Airstage Services to Northern Communities is funded in part by the sale of postage stamps, the Department of Indian Affairs and Canada Post, but mostly by the government and taxpayers.

When I spoke to these people, they said "For remote regions, it is important that this tax be abolished". There can be an emphasis on security in Montreal, because the transportation volume is high there, but when one looks at the small cities in the north, whether in James Bay in Nunavik, or in medium size cities like Rouyn-Noranda and Val-d'Or, it is not the same thing. The inhabitants of the Magdalen Islands will have to pay \$24.

It is inconceivable that these people should be required to pay charges. Let us not forget what Transport Canada and the Government of Canada are now imposing on airlines such as First Air and Air Inuit. An individual leaving from Ivujivik does not pay the \$12. Once they get to Kuujuaq, they wait inside the airplane, like one does when one lands in Boston en route to Miami. One is not permitted to leave the airplane.

With the new tax, this person will have to get out of the airplane in Kuujuaq, go and wait in the terminal and, upon reboarding, will be required to pay \$12. They will have to pay \$24 for a return trip. This means that, by imposing these charges, Transport Canada is forcing someone sitting in an airplane, or worse, someone who is seven and a half months pregnant, to get out of the airplane, walk over to the terminal in temperatures approaching minus 40 and pay \$12 before being allowed to reboard.

On behalf of the women of Nunavik, we need to find a solution. We cannot choose people, and tell them "You will save \$12". It is everyone, white people as much as our Inuit friends, who is affected. There must not be a \$24 fee. If someone travels once a month, at the end of the year, it will add up to nearly \$300 return to get medical care in the south because there are no specialists in the north.

It is important to make changes and correct this for people who live in remote regions. This Liberal government bill is quite voluminous, some 110 pages long. The government is requiring that we vote on the bill as a whole. However, I would like to state publicly that changes are in order.

I would like to come back to another aspect of this bill: strategic infrastructure. With respect to strategic infrastructure, it is clear that in remote regions, which some people refer to as the far reaches of Quebec—that is what some people in Quebec City have said, but we prefer the expression remote regions—the issue of this \$2 billion is an important one. This \$2 billion for all of Canada is destined for large-scale strategic projects, according to the bill. The bill mentions "highway or rail infrastructure".

*Government Orders*

The railway system does not reach Kuujuaq, Radisson or any of the 14 Inuit villages and nine Cree communities of James Bay. This means that we are penalized at the outset and we will not receive any money for this. When it comes to local transportation infrastructure, that is a different story.

• (1340)

In this bill, the government will have to make a breakdown by percentage for the resource regions of Quebec and of Canada. Out of the \$2 billion, the major urban centres could receive \$1 billion or \$1.5 billion, and the other \$1 billion could be for the regions. If there are \$2 billion for all of Canada, let it be split 50-50; I will explain why.

In the Abitibi—Témiscamingue region, whether Val-d'Or or Rouyn-Noranda, our raw materials go to Montreal. For example, in the forestry sector, 68% of the raw materials end up in Montreal for secondary, tertiary or quaternary processing. The resource regions create employment in Montreal. The same goes for the mining sector. We create close to 75% of the jobs in the processing and shipping sector in Quebec City and Montreal. The resource regions are being penalized because there are no set percentages for the \$2 billion in strategic infrastructure funding.

There should be a breakdown, as there is in the November 2000 Canada-Quebec agreement. The two governments consulted each other and set out the division for the infrastructure projects in Quebec. In the Canada-Quebec agreement, Quebec is the overseer. When a project is carried out, the city or municipality invoices Quebec, which then sends the bill to the federal government for its share. That is the way it works, as many people are aware.

A percentage of strategic infrastructure funds must be spent based on regions, not only based on population.

When public officials figure a percentage for resource regions, they need to take into consideration the geography. My riding is over 802,000 square kilometers and the whole province of Quebec is 1.4 million square kilometers. In my riding, there are 65 mayors for approximately 100,000 people; there are four provincial MNAs to do the work that I do alone at the federal level; there are four salaries, four expense accounts, four travel accounts.

Remote regions may well be neglected, but I am asking the government to find a solution to eliminate this air transport tax.

Have you ever heard of a summit held up north? There have been summits held in Quebec City and in other big cities. Right now, the best place to organize a summit would be in Kuujuaq in the winter. There would not be any protesters because there are no roads. It is the best place in terms of security, and we would save millions of dollars if we held a summit in Kuujuaq.

Especially since a conference centre is being built in Kuujuaq, with money from the governments of Quebec and Canada, under the Canada-Quebec infrastructure agreement. A summit in Kuujuaq would save millions of dollars, but this money would have to be transferred to resource regions. If there was \$300 million saved, then it would have to be divided up.

To come back to serious business, I want to say that we are being penalized. We have no roads, we are far away. If the government

starts taxing people who go south with skidoos or snowshoes, I will have a field day. A solution should be found for people who travel with Air Inuit, First Air and the other airline companies—

**An hon. member:** And Air Alma.

**Mr. Guy St-Julien:** One of my colleagues mentioned Air Alma. Air Alma as well. Whether Propair of Rouyn-Noranda, Aviation Boréal of Val-d'Or, all these small companies, because they are currently paying high landing fees.

This is serious. We are talking on behalf of the people living in remote areas. We are being penalized with the cost of food. Do you know how much a loaf of bread costs now? Here, a loaf of bread costs \$1.10. I checked in Ivujivik, where it costs \$3.42. People have cut down on hunting activities because of the price of gas. Everybody talks about 50 or 60 cents a liter here, but it is \$1.20 a liter in remote areas.

I will not say “in the name of the law”, but in the name of all our Inuit friends, of the people living in these areas, in all parts of Quebec and Canada, the government should have a little more gratitude and eliminate this tax when it comes to small, remote airports. Such charges should be eliminated entirely.

**Mr. Gérard Asselin:** Mr. Speaker, I rise on a point of order. I am sure you will find unanimous consent in the House to allow unlimited time to the hon. member for Abitibi—Baie-James—Nunavik.

• (1345)

**The Deputy Speaker:** Is there unanimous consent?

**Some hon. members:** No.

**The Deputy Speaker:** The hon. member for Saint-Hyacinthe—Bagot.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, I congratulate the hon. member for Abitibi—Baie-James—Nunavik on his eloquent speech. He has criticized the new tax which the finance minister has just slapped on the airline industry and which will directly hurt regional air carriers.

As my colleague mentioned earlier, regions are already penalized by distance and by the fact that private carriers are dropping routes that are essential for regional development.

Recently, we learned that Air Alma will no longer provide service to the Magdalen Islands. It is a tragedy.

I had the opportunity to visit my colleague's region. Many economic stakeholders say that, because of the low frequency and low quality of air transportation, we can have all the fine tourism development policies we want, but we will not be able to draw tourists to regions like his to bring greater prosperity.

I congratulate the hon. member but, at the same time, I would like him to put his words into action. If he is so deeply convinced that the government is making a mistake on something as fundamental as the finance minister's tax policy, and that the government is further strangling the regions in Quebec, including his, let him vote against Bill C-49, hand in his resignation and sit as a Bloc Québécois member, because we are the only real advocates for Quebec and its regions.

*Government Orders*

That was my question. Let him draw the logical conclusion of his argument.

**Mr. Guy St-Julien:** Mr. Speaker, the member knows that I will never join the Bloc Québécois. I understand that even though we may be friends outside the House of Commons, we are adversaries here.

I will mention what is important in this bill. There are some good things. I mentioned to members one aspect of the bill that is penalizing people. I believe the government can make changes. We have a good finance minister. If he understands what is happening, he can move some amendments.

It is important to find solutions. As the Liberal member for Stoney Creek was saying earlier, there could be changes over the next year. However, I would like these changes to be made immediately and to see airport taxes abolished. We will keep on fighting.

But that does not mean that I am ready to vote against my government. I will not vote against my government because we are working very hard. However, I am certainly allowed to speak to Bill C-49 and to state my opinion publicly with regard to this bill. That is what is important.

**Some hon. members:** Oh, oh.

**Mr. Guy St-Julien:** I understand the members opposite, but I speak up to defend my constituents.

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, I would like to say what I think of the speech of my colleague, the member for Abitibi—Baie-James—Nunavik.

Like my friend from the Liberal Party, I come from regions and I stand for the regions of Quebec. The area I live in is next to my colleague's. It is true that this bill implementing the December 2001 budget will squeeze the regions more than ever.

I do not know if the government is aware of what is going on in the regions. For Canada, regions are comprised of Quebec, the maritimes and Ontario. I would like to talk about sub-regions, and in particular those in Quebec, the area where my colleague lives, my own region of Saguenay—Lac-Saint-Jean, the Abitibi, where I had the privilege of living for three years. Therefore, I am very well aware of the situation in the Abitibi.

I believe my colleague has identified the problems. However, I deplore the fact that the hon. member is not taking his argument to its logical conclusion. When one is against three quarters of a bill introduced by the Minister of Finance, one should be logical and say "There might be something good in it, but all the rest is bad; therefore, I will vote against it".

I call upon my colleague to say "I am part of your government, but I will vote against this bill, because it penalizes the regions. This bill implements measures that are detrimental to the regions".

• (1350)

**Mr. Guy St-Julien:** Mr. Speaker, as we know, the government is active in a number of areas. The hon. member for Outremont was involved with the regions. He has now taken up other duties as Minister of Justice.

We know that remote areas such as ours are adversely affected not only in the transportation sector, but also in mining, forestry and raw materials.

But today, the purpose of my speech was to tell the government a solution must be found for airports in remote regions. This may be a minor issue, but it is an important one for me.

I will always support my government regarding the budget as a whole. This is a given. I will never vote against my government. However, I will not refrain from saying what I think of a bill. This is what I am doing.

It is not a matter of saying "Will you vote for this or for that?" The Bloc Québécois could often vote with us, but does not because we have proposed good measures. This happens half of the time.

As I was saying earlier in my speech, I truly hope that this government will find a way to eliminate air security charges for airports located in remote regions.

[*English*]

**Mr. Tony Valeri (Stoney Creek, Lib.):** Mr. Speaker, I appreciate the comments of the hon. member. As he has indicated, he has every right to put forward his perspective and defend his constituency. He has done a good job of doing so.

He made reference to the exemption for remote areas and small aircraft. I am sure the hon. member realizes there is a provision in the bill that speaks to remote areas and exemptions for smaller aircraft. The question is whether the communities he is speaking of fall into that category. When the bill was proposed there was concern for the more remote areas. There is such a provision in the bill.

I would ask the hon. member to look at the bill and see whether the areas in his riding fall into that category and meet the exemption. I hope they do.

[*Translation*]

**Mr. Guy St-Julien:** Mr. Speaker, I mentioned the list earlier. The hon. member for Stoney Creek should know one thing: on the left are the 20 airports already targeted in the bill dealing with the ways and means motion, a bill that was tabled on January 29, if memory serves. It is about 125 pages long and this information is on page 80.

We have just received the list of the 45 airports that should be considered to be located in remote regions. This is what is important. We have the list and I read it all earlier. This is what we must find a solution for. Transport Canada knows the airports located in remote regions. When we say remote, it means north of the 49th parallel, or perhaps the 45th in Quebec. We should not talk about the 49th parallel in Vancouver. Let us talk about the 49th parallel in Quebec, above the 50th parallel. This is where it is important to eliminate the charges. This includes the Magdalen Islands, Rouyn-Noranda in the Abitibi, Nunavik and the Lac-Saint-Jean region. We must find a solution to eliminate these charges.

[*English*]

**Mr. John Williams (St. Albert, Canadian Alliance):** Mr. Speaker, I will be sharing my time with the hon. member for Nanaimo—Cowichan.

*S. O. 31*

I am pleased to rise and speak to Bill C-49, another piece of legislation by the government that seems a little disastrous and roughly drafted. I was going through the bill a minute ago. The first thing I draw to the House's attention is on page 3 of the bill. Clause 5, Establishment and Mandate of the Authority, says:

(2) The Authority is for all purposes an agent of Her Majesty in right of Canada.

It says for all purposes.

Clause 28 on page 9 says:

(1) The Authority may enter into contracts, agreements or other arrangements with Her Majesty as if it were not an agent of Her Majesty.

We can have it one way or the other way but we cannot have it both ways. This is the attitude of the government. It wants everything its way. Will the agency be an agent for the Queen in all ways as subclause 5(2) says?

The hon. member for Nanaimo—Cowichan has reminded me he would like to say a few words. They will be important words because he will bash the government as much as I am doing.

The point is it will either be an agent of the Queen at all times or it will not. Let us be specific and get these things clarified. This type of drafting of legislation should never get this far.

In a typical Canadian way we have had the private sector running airport security. There has been a big debate in the United States about whether it should be private or public. The United States decided it would be public. In a true Canadian way we said we would create an agency that was neither private nor public but somewhere in between. It is rather strange. The government still does not know whether it will tax the Canadian travelling public or charge it a fee.

We had a briefing yesterday at the finance department. The department told us it will charge \$12 per ticket. Of that, 78 cents will be GST and \$11.22 will be a fee. The money will be taken from people with no debate and no chance to object. It will be spent not only on the travelling public but on the entire airline industry.

It is a tax. The government did not get rid of the GST. It now wants to charge GST on a tax it will impose. Not only that, it will not put it into the consolidated revenue fund. It will give it all to the new agency.

The government does not know what it is talking about. I wish it did because the Canadian travelling public's safety is at stake. The bill seems like something thrown together by the government on a whim at the last minute when it realized it had no real objectives.

My colleague pressured the minister into getting air marshals on planes. After months of stalling and saying there was no way we would have air marshals in Canada the minister said yes, we would have them. This happened courtesy of our member. It is more of the same.

I am concerned less about the bill's security provisions than about its secrecy. I know the auditor general would be the auditor because the bill tells us that in clause 31. However clause 32 says no information could be made public without the authorization of the minister. On the next page it goes even further. Subclause 32(2) says:

The Authority, authorized aerodrome operators and screening contractors must keep confidential any information the publication of which, in the opinion of the Minister, would be detrimental to air transport security or public security, including financial and other data that might reveal such information.

Not only is the government saying it would not tell us what it was doing. It would muzzle private industry subcontractors who work in the airline security. We would not know what was going on. If I read the act properly I am not sure the auditor general would be able to make public her analysis and audit of the institution.

We need to seriously examine this piece of legislation. I hope to have much more to say when we resume after question period.

• (1355)

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## STATEMENTS BY MEMBERS

[*Translation*]

### GALA DES MASQUES

**Ms. Carole-Marie Allard (Laval East, Lib.):** Mr. Speaker, it is indeed an honour for me to rise today to congratulate the winners and the nominees at the Gala des Masques, which was held last Sunday and which I attended with the Minister of Canadian Heritage.

Twenty-four masks were presented to artists and to productions. Among the actors who received awards were Benoît Brière, Rosemary Dunsmore, Annie Berthiaume and Guy Jodoin. Denis Marleau received a mask for his staging of *Le Petit Kôchel*.

All members of the theatre community do great work. Thanks to them, we experience some unforgettable moments. I urge my colleagues to join with me in expressing our gratitude.

\* \* \*

[*English*]

### B.C. WINTER GAMES

**Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance):** Mr. Speaker, the 2002 British Columbia Winter Games open on February 21 in the city of Williams Lake, the heart of the colourful Cariboo in central British Columbia. It is a great four day party and everyone is invited.

This gold rush of competition features 27 different sporting events at 19 venues in Williams Lake, Quesnel, 100 Mile House and Lac La Hache. About 2,500 world class athletes will be competing for places in the Canada Winter Games.

Local individuals and community groups have been working with great enthusiasm to make this the best British Columbia Winter Games ever. We will be ready to welcome the athletes, their families and their fans. With our average annual snowfall of about 166 centimetres and an average temperature of minus five degrees we have great weather for this year's events.

I congratulate the organizers and the army of volunteers for a great job in getting these games running. I extend my best wishes to the athletes as they test themselves in the competition.

Let the games begin.

\* \* \*

• (1400)

#### SCIENCE AND TECHNOLOGY

**Ms. Anita Neville (Winnipeg South Centre, Lib.):** Mr. Speaker, I am pleased to announce to the House today that the University of Manitoba recently benefited from just over \$8 million in grants from the Canada Foundation for Innovation. These grants from the CFI will be used for 10 different research projects at the university.

Three of these projects are centred around health issues: new methods to detect the biological markers of breast cancer; infrastructure for spinal cord injury research; and funding to a centre for molecular signalling and genetics research to study the body's protective immune responses.

Other projects focus on new technologies for engineering and construction, enhancing the university's research into sustainable crop and animal production systems, and data security for financial transactions online.

I offer my congratulations to all recipients and to the University of Manitoba. I wish them well in their research and development initiatives. I hope that ongoing research and important breakthroughs will help make our lives as Canadians better than they are already.

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#### DAWSON CITY

**Mr. Larry Bagnell (Yukon, Lib.):** Mr. Speaker, I rise today to pay tribute to Dawson City, Yukon, which is celebrating its 100th anniversary this weekend.

In the 1890s our country was mired in a depression. It was the Klondike gold rush of 1898 and its nuggets, kicked off after Skookum Jim, George Carmacks and Tagish Charlie discovered gold on the banks of Bonanza Creek, that helped put our country back on track.

The gold rush changed the face of our nation. People from all walks of life and all over the world ventured north to stake their claims in the gold fields of the Klondike. By the spring of 1898 Dawson City had more inhabitants than any place north of San Francisco and west of Winnipeg. Today Dawson City is the home of the Trondek Hwechin first nation, placer mining, a burgeoning arts scene, and of course the sour toe cocktail which is self explanatory.

A century ago the first mayor of Dawson City was Henry Macaulay and I am delighted that the mayor today 100 years later, His Worship Glenn Everitt, is in Ottawa. I invite all members here today to come with me tomorrow to Dawson City for the 100th anniversary ball where we will be kicking up our heels in fine Klondike style.

I wish Dawson City a happy 100th birthday.

*S. O. 31*

#### AGRICULTURE

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, today, February 7, is Food Freedom Day. It is a day of celebration for those who eat at least once a day but it is not as happy for those who produce our food.

Today Canadians have earned enough money to pay for their entire year's food supply. It takes just 37 days out of the whole year for an average Canadian to pay for his or her groceries. In 1999 Canadians spent 10% of their personal disposable income on food. This compares to 13% in France, 15% in Germany and 33% in Mexico.

Farmers are earning just a fraction of the average Canadian food dollar. While Food Freedom Day is February 7, January 9 is the day on which we have paid for the farmers' amount. That is right. It is January 9. It takes only nine days to pay the farmers for a year's worth of food. Nine cents of a \$1.50 loaf of bread is returned to the farmer. Sixteen cents goes to the dairy farmer for a \$1.50 glass of milk. A waiter or waitress in a restaurant earns more in tips for serving the food than the farmer who produces it in the first place.

We need to recognize our primary producers so that Food Freedom Day can be a day that everyone can celebrate including our farmers.

\* \* \*

[*Translation*]

#### ABORIGINAL COMMUNITIES

**Mr. Serge Cardin (Sherbrooke, BQ):** Mr. Speaker, February 7 marks the historic signing of the peace of the braves in Waskaganish between the Government of Quebec and the Grand Council of the Crees. This event will go down in history as did the signing of the Great Peace Treaty in Montreal 300 years ago.

The agreement seals a new partnership and a long-term vision of the development of nation to nation relations between the Cree people and the Government of Quebec.

By ratifying this historic agreement, the Government of Quebec is taking a further step forward in its recognition of the status of aboriginal communities and was held up as a model for all governments to follow by the Grand Chief of the Assembly of First Nations, Matthew Coon Come.

The Bloc Quebecois also wishes to pay tribute to the exceptional leadership and work of Guy Chevrette and Bernard Landry, as well as of Grand Chief Ted Moses, whose open mindedness will further the development of his people as equal partners with Quebec. The peace of the braves is the embodiment of the new vision of dealing with aboriginal nations and, more than ever, will pave the way for more harmonious and dynamic relations, which respect and serve everyone's interests.

*S. O. 31*

•(1405)  
[English]

#### AGRICULTURE

**Mr. Dick Proctor (Palliser, NDP):** Mr. Speaker, today is Food Freedom Day in Canada, the day when Canadians have earned enough money in this calendar year to pay their groceries for the entire 12 months. This year it took 38 days for the average Canadian family to earn enough money to buy food for the year. Two years ago it took 42 days.

Today farm leaders on Parliament Hill pointed out that Canadians spend but 10% of their income on food and they want a lot more Canadian consumers to be aware of it. In many other parts of the world the cost of food is significantly higher.

Thanks to our farmers Canadians enjoy one of the safest, high quality and most affordable food supplies in the world. Although Canadian consumers benefit from the tremendous effort made by farmers, the share of the consumer dollar that actually reaches the farm gate has shrunk to levels no longer sustainable.

On behalf of farmers everywhere in Canada the government must begin to provide significantly more financial support to address the farm income crisis across the country.

\* \* \*

#### AGRICULTURE

**Mr. Paul Steckle (Huron—Bruce, Lib.):** Mr. Speaker, happy Food Freedom Day. It is kind of like tax freedom day except it pertains only to our food bill. If we put 100% of our total income toward our basic food requirements, today is the day we would have our yearly bill paid in full.

This day is possible because Canadians enjoy a safe and affordable food source produced by the Canadian farmer. Despite the fact that our farmers generate a safe and accessible product the portion of the bill that goes directly to them was paid in early January.

If we were to eat a meal worth \$9.20 excluding tip in a restaurant, only 50 cents would go to pay the people who produce all the food. By comparison a respectable gratuity for the server on that same meal would be about \$1.38.

To continue to have a reliable food supply our farmers need our support. I am calling upon every member of the House to support our primary producers with a lobby for cash. Let us make food freedom day a celebration for everyone in Canada.

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#### INFRASTRUCTURE

**Ms. Val Meredith (South Surrey—White Rock—Langley, PC/DR):** Mr. Speaker, when the budget was introduced in December the \$2 billion strategic infrastructure fund was to be administered by an arm's length foundation. However when the legislation was introduced this week, surprise, a Liberal cabinet minister will get to decide where the money goes. Yesterday the Prime Minister said this change occurred because he believed that decisions about the fund should be made by people who report directly to parliament.

If this is the case, perhaps the government could explain why it rejected a transport committee report recommendation that a secretary of state for transportation security be created to be responsible for aviation security and report directly to parliament. Instead the government created an arm's length authority to administer the \$2.2 billion air travellers' security fund.

Why the inconsistency? Could it be that the Liberals have not quite figured out how to use the air travellers' security fund for patronage purposes?

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#### JASON DEVLIN

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):** Mr. Speaker, I would like to pay tribute to Jason Devlin, a young man from my hometown of Sundre, Alberta. Jason recently received the Governor General's award for bravery.

As Jason was in-line skating by Bearberry Creek near Sundre last spring he spotted a seven year old boy being pulled into the icy water by a dog caught in the current. Without hesitation and with skates still strapped to his feet Jason jumped to the boy's rescue and pulled him to safety.

Since receiving the award Jason has developed a strong desire to help others and is considering pursuing a career as a firefighter. I am sure that any fire department would be more than pleased to work shoulder to shoulder with such a brave individual. It is not every day we hear about such a selfless act.

On behalf of all the residents of Wild Rose and Canada I thank Jason for his courage and wish him well on whatever the future has in store for this extraordinary young man.

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#### JOHN DREWERY

**Mr. John Harvard (Charleswood St. James—Assiniboia, Lib.):** Mr. Speaker, funeral services are being held at this time for John Ronald Drewery who died at the age of 77 early last Sunday morning in his home in Cornwall, Ontario. John was a familiar face to Canadians as a parliamentary reporter, war correspondent and news anchor during his 41 years with CBC television.

Raised in Stouffville, Ontario, he joined the Royal Air Force during World War II and was awarded the Distinguished Flying Cross while serving in the 101st Squadron Lancaster bombers. He was a member of the first graduating class of the journalism program at Carleton University. He also worked in the motion picture division of the Canadian army and served in Korea, Cyprus and Germany.

As a former broadcaster with the CBC myself, I know how much his work for the CBC was appreciated. He will be greatly missed by his family, friends and colleagues.

•(1410)

[Translation]

#### JEAN-PHILIPPE ROY

**Mrs. Suzanne Tremblay (Rimouski—Neigette-et-la Mitis, BQ):** Mr. Speaker, Jean-Philippe Roy, who was born in Sainte-Flavie, a beautiful coastal community that is part of the La Mitis regional county municipality, will participate in the Olympic Games, which will be held from February 8 to 24.

Jean-Philippe will take part in the downhill skiing competition and will race in the slalom, giant slalom, super G and combined events.

Jean-Philippe Roy was aiming for the 2006 Olympic Games, but his talent and his work earned him a spot on this year's team. Last year, he was the Canadian champion in the slalom and giant slalom events. His coach, Thierry Meynet, likes to say that, in 2001, Jean-Philippe was one of three skiers in the world born in 1979 to earn World Cup points.

I am asking hon. members to join me in wishing the best of luck to Jean-Philippe and to all the athletes and coaches who will be taking part in the Salt Lake City Olympic Games.

Congratulations to all. The Bloc Québécois is proud to see that you are among the world's best athletes.

\* \* \*

[English]

#### BLACK HISTORY MONTH

**Ms. Bonnie Brown (Oakville, Lib.):** Mr. Speaker, February is Black History Month and therefore an opportunity for all of us to recognize the important contributions and achievements of African Canadians both historically and today.

Through a variety of activities, organizations across the country will help to: highlight the achievements of black men and women; dismantle stereotypes; and provide role models for young black Canadians. We officially recognized Black History Month in the House through a unanimous vote in 1995. We know that black Canadians have been making important contributions to Canadian society for over 400 years. They have been a part of many milestones in Canadian history.

I am sure that my colleagues in the House will join me today in recognizing and celebrating February as Black History Month.

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#### AGRICULTURE

**Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance):** Mr. Speaker, today we celebrate Food Freedom Day. Food Freedom Day is a calendar date representing when Canadians have earned enough income to pay the entire year's food bill. This is that day. Unfortunately it is not farmer freedom day. Under the government, while it takes six months to pay our tax bill and it takes 39 days to pay our food bill it takes only nine days for the farmer to be paid for his contribution to the Canadian food supply.

Farmers continue to be held back by the Liberal government with its outdated farm plans, its stifling regulatory control and its constant failure to respond to income crises. Farmers have little freedom,

*S. O. 31*

particularly western Canadian grain farmers held captive and held back by the Canadian Wheat Board. Today we should be thankful for the low cost of food in this country but should take a minute to consider those who are paying the price so that we can have cheap food.

We should never, ever cuss a farmer with our mouths full.

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#### NATIONAL DEFENCE

**Mr. Gerald Keddy (South Shore, PC/DR):** Mr. Speaker, the Liberal spin machine is going full speed. The Prime Minister in an effort to cover for the minister of defence has decided the best defence is a distraction.

We listen to the Prime Minister crow that somehow the opposition parties who question the lack of integrity of the minister of defence are soft on terrorism. Talk about the rooster crowing from the top of the manure pile. The truth is the Liberals are soft on terrorism. The truth is Canada would not even have troops in Afghanistan if we had not forced the Prime Minister's hand.

We know the Prime Minister's record on defence. We have troops in Afghanistan forced to ration water and to eat American rations because our supplies have not arrived. This is the Prime Minister who refuses to purchase helicopters just to satisfy his own ego. This is the Prime Minister who stated Canadian troops in Iraq should return home when the fighting started.

The government's record on defence is abysmal and embarrassing and will stick to the Prime Minister and the minister of defence like scum on a pond.

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#### JUSTICE

**Mr. Gurbax Malhi (Bramalea—Gore—Malton—Springdale, Lib.):** Mr. Speaker, police recently raided 189 homes and seized over 50,000 marijuana plants worth \$56 million through Operation Green Sweep and this is only the tip of the iceberg.

However, most of the people arrested will only get a fine or some form of community sentence such as house arrest.

We must do everything we can to show all people, especially the younger generation, that this kind of behaviour will not be tolerated, to help lead them in the right direction.

We need stiffer sentences for these people. We must do everything possible to discourage this dangerous and illegal activity.

*Oral Questions*

●(1415)

**HEALTH**

**Mr. Scott Reid (Lanark—Carleton, Canadian Alliance):** Mr. Speaker, I rise today to draw attention to a very serious environmental and health issue.

Health Canada has still not issued the report that it started 10 years ago on the dangers of wood that has been treated with chromated copper arsenate, CCA. Arsenic and chromium are listed as toxic substances under the Canadian Environmental Protection Act, yet CCA pressure treated wood continues to be used throughout Canada for building purposes. CCA is proven to leach from the pressure treated wood and can cause serious or debilitating illness yet this toxic wood continues to be used for our homes, decks and children's playgrounds. Other forms of pressure treatment that do not involve chromium or arsenic are now available.

CCA has been banned or restricted by six countries. It is time that Canada also addresses this issue and gives serious consideration to ending the use of CCA treated wood for any purpose through which it can contaminate environments in which Canadians live, work or play.

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**ORAL QUESTION PERIOD**

[English]

**SOFTWOOD LUMBER**

**Mr. John Reynolds (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the government has cancelled talks on the softwood lumber dispute because the U.S. will not come to the table with a serious proposal.

The government has been talking for over six months and has come up with nothing. When will the Prime Minister intervene personally on this file and directly deal with the U.S. administration?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, my information is that there are good communications which have resumed today. I think that probably the statement of yesterday has helped. We are in discussions today and progress is being made at this very moment.

I have had the occasion to discuss this file with the president more often than any other file that faces this government in relation to the Americans.

**Mr. John Reynolds (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the Deputy Prime Minister, the foreign affairs minister and the Prime Minister's foreign affairs adviser have been burning up the phone lines with their American counterparts to ask the U.S. to set up tribunals for prisoners in Afghanistan, but on our number one, cross the border economic file we are content with slow paced talks between junior level officials.

Why is this government spending more time and effort fighting for the rights of the al-Qaeda terrorists than for the 20,000 softwood lumber workers and their families laid off because of this U.S. protectionism?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have talked, as I will repeat, I have talked with the president of the

United States more often in the last six months about that than any other time. I am informed that today the negotiations have resumed, that we are making progress. There was some tabling of some clarification by the provinces that is helping in the circumstances, and I am very hopeful that there will be a resolution of this problem in the weeks to come.

**Mr. John Reynolds (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, we have been getting that same answer for six months and Canadian families are going hungry because of the ineffectiveness of this government. There are 20,000 people in my province out of work and their families are suffering.

The federal bond program is so poorly designed that not a single Canadian forest company has been able to use the program.

Now that it looks like this lengthy dispute is going to drag on for months and months to get to the WTO, what is the government prepared to do to support softwood lumber producers and the laid off forestry workers in my province?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is a file that we are discussing with the American government and with the provinces, for many weeks, and I want to congratulate the Minister for International Trade who has been working very closely with all the provinces. It has been a long time since we have seen a file where the provincial governments and the federal government are working hand in hand to find the proper solution to this very important problem.

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, Canada has tens of thousands of forest workers in dire straits. Forest companies are hurting.

There is a federal bonding program run by Export Development Canada that has been so poorly contrived that not a single Canadian forest company has been able to use it.

The government has made no attempts at dialogue or any movement of assistance for laid off workers who are exhausting their medical, dental and EI benefits.

Why is this government ignoring rural Canadians, rural Canada and our most important export earning industry?

●(1420)

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, it is clear that the opposition is very isolated on this file, because we have been in dialogue with the industry very closely. I was in conversation two days ago with the British Columbia lumber council. I was speaking with l'Association des manufacturiers du bois de sciage du Québec.

I have spoken with industry time and time again. It supports our strategy. It supports the provinces who have been doing a great job. The problem on softwood lumber is not north of the border, it is south of the border. It is time these people realized it.

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, the minister is good at empty ultimatums and empty statements.

*Oral Questions*

The U.S. lumber lobby thrives on one sided negotiations where it takes and we give. It wants offers from Canada until it gets exactly what it wants. These are not negotiations. They are one sided demands.

Will the Prime Minister assure us that he will not allow another round where the provinces are pitted against one another?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, this is exactly what we have been doing for a very long time and that this government takes great pride in. We will not allow one province to be pitted against another.

This is why I called off the talks yesterday. I heard that the United States was not ready to come with a counter proposal on market access provision guarantees. As long as the Americans are not ready to table that, I have said there will not be a meeting. Obviously when these resume it will be on the basis of a true dialogue. Further, we are continuing our work at the WTO on the litigation track as well.

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[Translation]

**FOREIGN AFFAIRS**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, yesterday in the House, the Prime Minister accused Bloc Québécois members of being “defenders of terrorists” simply because it is our firm belief that, even in times of war, international rules must be respected, and that in the case of prisoners captured in Afghanistan, the Geneva convention must apply.

Is the Prime Minister, who, when this crisis first began, spoke about defending civilization, now saying that, in his view, all those defending the Geneva convention are friends of terrorists?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, what I said yesterday and what I wish to repeat today is that I am a bit frustrated. While I am looking at soldiers who will be facing combatants in a war situation this evening or next week, they and their families here in Canada see a parliament which is interested only in this other aspect, rather than the real problem, which is the battle against terrorists.

I am not saying that because anyone defends the Geneva convention they are taking the side of the terrorists. On the contrary, I too am defending it. I know that today, for example, the White House has clarified this, and the Americans intend to respect the Geneva convention.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, when one is frustrated, one should control oneself and try to react in a polite and rational manner.

Canada's Minister of Foreign Affairs said that the combatants captured in Afghanistan should be considered prisoners of war. U.S. Secretary of State Colin Powell also asked that they be treated like prisoners of war. The British Prime Minister, the German Minister of Foreign Affairs, and the Secretary General of the Council of Europe also say that the Geneva convention must be respected.

Does the Prime Minister really believe that, because these international players are voicing this opinion, they are, like the Bloc Québécois, friends of the terrorists? Are all those who do not think as he does friends of the terrorists?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we want these people to be treated like prisoners, pursuant to the Geneva convention. The fact of the matter is that, right now, they are in prison, they are allowed visits from Red Cross representatives and may communicate with them. We are assured that they are not being mistreated.

As for their legal status, there will be a debate in the press, in embassies, and throughout the world for weeks to come. But the decision regarding the Geneva convention lies with the government responsible for the prisoners and, in this case, that is the American government.

● (1425)

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, since the days of Lester B. Pearson, Canada's foreign policy has consisted mainly in promoting peace in the world under the aegis of the UN, while respecting international conventions.

By making a connection between those calling for adherence to the Geneva conventions and terrorists, are we to understand from the Prime Minister's words yesterday that we are witnessing a split in Canada's foreign affairs policy?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, this House approved, and virtually unanimously I believe, participation by Canadian troops in the defence of the freedoms we believe in, and in the fight against the terrorists who committed atrocities in the United States.

This was all approved and carried out under a Security Council resolution and with NATO's approval. It is all in keeping with the great tradition of the Liberal Party and of this government to respect the United Nations, to respect NATO, and at the same time to fight terrorism.

**Ms. Francine Lalonde (Mercier, BQ):** Mr. Speaker, in this debate we have made it clear that, out of respect for the soldiers, they needed to be informed under what conditions they would be respecting the Geneva convention.

Will the Prime Minister acknowledge that the best service he can render to democracy is to make it clear to our American friends that respecting the Geneva conventions, respecting them one hundred percent, is the best weapon against terrorism, far superior to reducing the whole thing to a battle between good and evil, between good guys and bad guys, as the terrorists have?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, right from the start we have insisted on respect for the Geneva conventions, and this has been debated here in the House for the past few days.

The pressure the Canadian government has brought to bear on the U.S. administration in recent days has today resulted in a clarification being issued by the Americans, that they will respect the Geneva convention.

I believe we have done a very good job of ensuring that international law would be respected under these circumstances.

*Oral Questions*

[English]

**SOFTWOOD LUMBER**

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, certain kinds of religious fundamentalism are not the only kind of fundamentalism that Canadians should be worried about.

At the moment our softwood lumber industry is under attack by American free market fundamentalism and a kind of economic terrorism and hostage taking of many tens of thousands of workers in B.C. and elsewhere.

I want to ask the minister of trade or the Prime Minister, if negotiation is going nowhere, what are they going to do to ensure that certain companies and workers at risk survive the litigation? What are they going to do? Are they going to get the EDC to put up a bond to help these people survive until the WTO renders a decision? What are they going to do for these people?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, what we are doing for the workers is exactly what we have to do. We are working with the provincial governments and the industry to make sure that the Americans will respect the free trade treaty that we have signed with them and we have taken other action in case they did not want to follow the international rules. We have made a case in front of the WTO to show again to the Americans that they have to respect the international laws of commerce, particularly the treaty that they signed with Canada in the free trade agreement between Canada and the United States and Mexico.

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** A supplementary, Mr. Speaker, to the Prime Minister: If this case does go to the WTO, as the Prime Minister has suggested it might, what is the government going to do in the meantime for those companies and workers who cannot survive for the time that it takes to litigate this in front of the WTO?

There have been suggestions made about the EDC having a more effective bond program, et cetera. Could the minister of trade or the Prime Minister tell us, concretely, what they are going to do for these people in the meantime so they do not go under?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, let me be very clear that the government's favourite course remains the bilateral solution to identify a long term solution to this one. We do continue the litigation road, and indeed, if we have to be on that road we are very confident that Canada will win there.

As to our relationship with industry and that we are able to withstand that pressure, I can say that we have been speaking with industry this week. We are still in touch as we have been every week since the beginning. We are acting very closely with industry and the workers on that front.

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• (1430)

**FOREIGN AFFAIRS**

**Mr. Chuck Strahl (Fraser Valley, PC/DR):** Mr. Speaker, the Prime Minister is apparently frustrated, poor boy, but he is also consistent.

If we point out problems in the justice system, for example, he says we are a friend of prisoners. If we point out problems in the immigration policy, he says we do not like immigrants. If we do not like the makeup of his cabinet, he tells the women in his own caucus to just be quiet and sit in the backbench. When we question his terrorist policy, he calls us a defender of the terrorists.

Why can he not accept that in the long run seeking clarification of how prisoners are handled is called the rule of law, for pity's sake, and will actually mean that terrorists get what is coming to them and none of them will slip through the cracks?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, we have debated that for days and we have said and insisted that the Geneva convention be respected by the Americans and that the prisoners there are under the responsibility of the American government, not under the responsibility of the Canadian government. We tell them we insist that they respect this convention.

As for a personal attitude, I think that I have no lessons to receive from a person who is still looking for a political party.

**Mr. Chuck Strahl (Fraser Valley, PC/DR):** Mr. Speaker, when it comes to shortchanging our military, the Liberals have hit a new low. When they sent our troops to Bosnia, for example, the troops had to share helmets and boots with one another. When we do not have ships or aircraft to transport our troops and equipment, we have to borrow them from other countries. When we do not have proper uniforms, we tell our troops to wrap a blanket around their shoulders if they feel vulnerable.

Now we have sent our brave but ill-equipped soldiers to Afghanistan where they have to beg supplies and rations from our well-equipped and generous American friends.

Why, when we send our troops to defend freedom, do they have to go over there and fend for themselves?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, it is terrible to talk like that about Canadian soldiers. They are very well-equipped.

One of the reasons the Americans wanted to have Canadian soldiers with them was that we were better equipped and better trained to do that type of job than any other nation.

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[Translation]

**IMMIGRATION**

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, my question is for the minister of illegal immigration.

We have learned that two years ago, 1,600 other Tunisians entered the country and that the government has no idea as to their whereabouts.

Will the minister stop bragging, go back to Dorval, and announce a new investigation into his department's poor management?

*Oral Questions*

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, the hon. member should know about grandstanding.

Quite simply, we must be extremely careful. To begin with, we were vigilant. We met with the Tunisian community; we did what we needed to do. We investigated, and we are already seeing the benefits.

[*English*]

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Mr. Speaker, that is so far from the truth. Not only is the government losing track of phoney Tunisian tourists, it is breaking its promise to the U.S. to require visas from Saudi Arabia.

Fifteen of the nineteen September 11 hijackers were Saudis, as are the 100 of the 150 al-Qaeda terrorists being held by the U.S., yet Saudi nationals can enter Canada without visas.

How can we expect the United States to allow easy border access to Canadians when the government's immigration policies put out the welcome mat for terrorists?

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, maybe it is a new recipe for bouillabaisse, because he is mixing everything.

I would like to say one thing. I would like to thank Saudi Arabia for its work during the gulf war. It was there for us and it was very helpful.

To put a label to a country is very dangerous. We need to be very careful. Terrorism does not have a nationality.

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[*Translation*]

**FOREIGN AFFAIRS**

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, the Prime Minister claims that our questions regarding the treatment of prisoners taken by Canadian soldiers in Afghanistan show that we are not concerned about Canadian troops in the field. To the contrary.

Does the Prime Minister not agree that Canadian soldiers in Afghanistan need clear rules of engagement, otherwise the situation could end up being extremely dangerous for them?

[*English*]

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, all our troops, on the ground, on the ocean or in the air, serving in the campaign against terrorism have clear rules of engagement and follow those clear rules of engagement, which follow Canadian law and international law.

The Canadian troops respect and abide by the Geneva conventions, and so does the United States.

• (1435)

[*Translation*]

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, I think we effectively demonstrated all last week that Canada is not fully respecting the Geneva conventions in regards to the status of prisoners. In the unfortunate event that a Canadian soldier is

captured, do the Prime Minister or the minister think that our enemies would feel compelled to respect the conventions?

How could Canada, with any credibility, demand that the Geneva conventions apply to Canadian soldiers, when we have not applied them to Afghan prisoners taken by Canadian soldiers?

[*English*]

**Hon. Art Eggleton (Minister of National Defence, Lib.):** Mr. Speaker, the member is absolutely wrong. We do apply the Geneva conventions to anybody we may capture, and we have done that. We would expect that would apply to any Canadians who may, and hopefully not, be captured. We expect people to abide by the Geneva conventions.

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, the speaker of the Palestinian national council will meet today with the Prime Minister, the Deputy Prime Minister, the Minister of Foreign Affairs and the Minister of Finance.

The Palestinian authority recently attempted to smuggle 50 tonnes of weapons and explosives to Palestinian terrorists.

The Canadian Alliance understands there is no room for neutrality in the war against terrorism. It appears the government does not.

Canada must refuse to give financial support to anyone associated with terrorism.

Is that the unequivocal message that all members of cabinet will deliver to their Palestinian guests today?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I had an opportunity to meet with the gentleman in question this morning. I told him that Canada totally disapproved of the armed shipment to which the hon. member referred.

We disapprove of any act that takes away from the opportunity of building peace in the Middle East, which has been our strong policy.

I want to assure the hon. member that when I met with the speaker of the Palestinian authority, I was reminded that he had recently met with the prime minister of Israel himself, the foreign minister of Israel and Mr. Powell. We are all working to try to bring peace to the Middle East.

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, that work needs to extend to the limiting of financial aid to those same people. The Palestinian authority worked with the terrorist group Hezbollah in the foiled arms shipment, yet Hezbollah can still fundraise in Canada and get tax receipts in Canada.

Hezbollah is dedicated to pushing Israelis into the ocean. Hezbollah is responsible for hundreds of attacks against Israeli civilians. Hezbollah has a machine gun for its logo.

Will the government immediately ban Hezbollah fundraising in Canada?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, we did that several weeks ago.

*Oral Questions*

[Translation]

**INFRASTRUCTURE**

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, clause 4 of the—

**Some hon. members:** Oh, oh.

**The Speaker:** Order, please. I assure the hon. member that we will now be able to hear her. The hon. member for Jonquière.

**Ms. Jocelyne Girard-Bujold:** Mr. Speaker, clause 4 of the Canada Strategic Infrastructure Fund Act reads as follows, and I quote “The Minister may enter into an agreement with an eligible recipient—” These eligible recipients include the municipalities, which are under provincial jurisdiction.

My question is for the Deputy Prime Minister. How can the government justify that it is, once again, giving itself permission to deal directly with municipalities, whereas these fall not under federal jurisdiction, but provincial jurisdiction?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, there is money available to build strategic infrastructure. On the national level, we can negotiate with anyone, including the private sector, in order to try to establish here in Canada infrastructure which will help move Canada well into a leadership position for the 21st century.

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, the Liberal ministers and MPs have been traipsing all over Quebec, telling people that the federal government is prepared to invest in the projects but Quebec is holding things up.

How can the Deputy Prime Minister reconcile the statements by his colleagues with his statement of yesterday that we had to wait for the bill to be passed before discussing whether or not the funds were available?

**Hon. John Manley (Deputy Prime Minister and Minister of Infrastructure and Crown Corporations, Lib.):** Mr. Speaker, yesterday the hon. member inquired as to which projects we were going to finance. I must repeat today that we must wait. We have not yet enacted the legislation implementing the provisions of the budget. As well, a process needs to be put in place to determine which projects are truly strategic.

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● (1440)

[English]

**HEALTH**

**Mr. Rob Merrifield (Yellowhead, Canadian Alliance):** Mr. Speaker, two years ago the former health minister said that the status quo was not an option, that we had to improve medicare, and that we had enough reports and commissions.

He said that in March 2000. Yesterday we got another report, one with no direction.

It is obvious to Canadians that the government is stalling. How much time does it need?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, let me remind the hon. member, far from stalling, the Prime Minister and the premiers signed an agreement in September 2000 in which

they all recommitted to the five principles to the Canada Health Act and agreed to an eight point plan for the renewal of health care.

In addition, at that time the federal government added 21 billion new dollars over the next five years through the CHST for the funding of health care.

The government has not been standing still with its partners in the provinces in relation to the renewal of health care in this country.

**Mr. Rob Merrifield (Yellowhead, Canadian Alliance):** Mr. Speaker, the provinces are threatening to pull out of the social union if something is not done in 90 days, while the Romanow report is all questions and no answers. We are no closer to a federal solution now than we were when Mr. Romanow started last May.

Since 1993 the government has spent \$243 million just studying health care and it is still studying. The train has left the station and the provinces are already on their way so when will the government get on board?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, the government has taken a leadership role in the renewal of health care. That is what the accord was about in September 2000.

In fact I am a little surprised that the Canadian Alliance, of all parties, should suggest that it is the federal government that would impose a solution upon Canadians and the provinces in relation to the renewal of health care.

Health care is a national program, a national asset. That is why Mr. Romanow is going to begin a national dialogue with Canadians. I am committed to working with the provinces and the territories to renew health care in this country.

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**AIRPORT SECURITY**

**Mr. Mac Harb (Ottawa Centre, Lib.):** Mr. Speaker, my question is for the Minister of Transport.

Would the minister tell Canada's multicultural community that he is aware of their concerns and assure them that visible minority groups and individuals would not be subject to unwarranted or overly harsh treatment at security points in Canada's airports.

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, I am glad the hon. member raised that question. Transport Canada does not conduct racial profiling and we will never do so. We will respect the basic dignity of Canadians no matter what their racial origin. This is the hallmark of the government. It will be the hallmark of the new security agency that will soon be established.

## HEALTH

**Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP):** Mr. Speaker, based on the comments the health minister made a few moments ago, I trust she agrees with us that the interim report on the future of health care, tabled yesterday by Roy Romanow, is significant in terms of the tone it sets out and the issues raised for this very critical decision for all Canadians. She may also realize that the worst thing that can happen is for any province to pre-empt the outcome of this very important and constructive process.

Will the minister seek an agreement from all provinces and territories that no precipitous action will be taken before the outcome of the Romanow commission?

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, we have already indicated that we would like the provinces to await the outcome of the Romanow national discussions and recommendations before undertaking major changes to their delivery of health care in their respective jurisdictions.

I do hope the hon. member is not suggesting that any of us in the delivery of our health care services can afford to stand still and not make the kinds of decisions that are part and parcel of the operation of any health care system.

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## JUSTICE

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, access to justice is a fundamental right in our democracy and that is why the 40% cut to legal aid by the B.C. Liberals is a devastating blow to justice. In fact the chief justice has said that legal aid to low income Canadians is an essential public service.

Why then is the Minister of Justice so silent when Mr. Campbell is clearly violating the federal-provincial agreement to maintain current levels of funding?

What action will the minister take to stop Mr. Campbell from stomping on the constitutional rights of low income Canadians?

•(1445)

**Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the member is pointing at a very important question today.

The question of legal aid is of course about access to justice. A decision on that side is always taken by the provincial government. Indeed the Canadian government is getting involved through funding.

I am pleased to announce that we increased the funding to the provinces last year. We went from \$80 million on a yearly basis to \$100 million.

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## MINISTER OF NATIONAL DEFENCE

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR):** Mr. Speaker, I remind the House what the Minister of National Defence said on January 28 during the take note debate. He said:

Canadians will treat people in our care as detainees...and that means treating them as prisoners of war until such other determination has been made.

## Oral Questions

We know that they have not been treated as prisoners of war and no determinations were made. This is once again about the integrity of the minister's word in parliament and nothing in the world will change that.

Does the minister stand by his earlier statement and, if so, has he not in his response provided inaccurate information to the House once again?

**Hon. Art Eggleton (Minister of National Defence, Lib.):** No, Mr. Speaker. What I said was that while any prisoners were in our custody they would be treated according to the Geneva conventions in the standard of a prisoner of war, but that we would turn the detainees over to the United States. That is where the determination would be made.

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## FISHERIES AND OCEANS

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR):** Mr. Speaker, I expect a more straightforward reply from the minister of fisheries.

The minister of fisheries is aware of the crisis in Canso, Nova Scotia over the inability to access fish resource to keep its plant operating.

I know the minister has agreed to meet with the stakeholders next week to discuss the 30 redfish proposal submitted last December and to look for solutions, but will he give assurances that all stakeholders, including the town, province, union, trawlermen and Seafreez, will be invited, and will he bring to the table a concrete proposal for quota to be processed in Canso to put the people in this hard working, hard luck town back to work?

**Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I thank the member for his genuine interest in the plight of the people of Canso. The member will realize that I get a lot of requests for quota allocation. The government can do a lot of things but it cannot multiply fish. I understand that left to their own devices in their natural habitat fish have been known to multiply.

Within the limits of the quota allowed in proper conservation of the resource, I hope to have a favourable answer for the people of Canso.

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## AIRLINE INDUSTRY

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, today Air Canada announced a \$1.25 billion loss, Canada 3000 is dead and the transport minister still has not figured out that he is partly to blame because of his destructive policies.

In the December budget the government announced that it would collect \$430 million with the new airport tax, yet it will spend \$340 million on the new security regime. That means in the government's own numbers there is a \$90 million surplus in year one going to general revenue. This is a huge tax grab by the government which will provide a huge disincentive to flying.

*Oral Questions*

Why is the transport minister surprised that seven air carriers are dead on his watch?

**Hon. John McCallum (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, unfortunately the hon. member across the Chamber does not understand the facts. The fact of the matter is the government has guaranteed that over the course of the five year program this will not be a revenue enhancing measure at all. Indeed, the legislation now before the House commits us to reduce the charge to the extent that the revenues over that period exceed the costs.

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, in year one it is a \$90 million surplus that will go into general revenue. In year five it is a \$140 million surplus will go into general revenue. It is a huge tax grab.

On September 11 it was the United States that was attacked. The Americans have a much firmer air security regime than we have. They have done much more in reforms. They are doing it for one-third of the cost. Why? Because they do not have a government that is using the September 11 attacks to fill up its coffers with a huge tax grab.

Why is the government not learning a smart lesson from the Americans?

**Hon. John McCallum (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, once again the member does not understand the facts. In the early years when the government is buying equipment we will spend more than we receive. In latter years it will be the opposite. We are committed in legislation. It is very simple. If there is an excess in revenue, we will lower the charge.

\* \* \*

•(1450)

[Translation]

**HUMAN RESOURCES DEVELOPMENT**

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, as we know, the RCMP is pursuing its investigation in the case of the Conili Star company, which received a grant of more than \$700,000 from Human Resources Development Canada to create 160 jobs.

Could the Minister of Human Resources Development tell us what progress has been made so far in this investigation?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, clearly that would be a question for the RCMP.

[Translation]

**Ms. Monique Guay (Laurentides, BQ):** Mr. Speaker, since all the employees were fired and no job was created, could the minister tell us if she intends to ask Conili Star to refund Human Resources Development Canada for the grant that it received?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, as the hon. member rightly pointed out,

the information is with the RCMP and those questions are best put there.

\* \* \*

**ACCESS TO INFORMATION**

**Mr. John Williams (St. Albert, Canadian Alliance):** Mr. Speaker, the shutting down of the Access to Information Act and the bringing down of a veil of secrecy on ministerial exempt staff expense accounts is very disturbing indeed. However there is at least one ray of light shining through that dark Liberal fog because the Minister of Indian Affairs and Northern Development has said "The treasury board guidelines don't stop the minister of Indian and northern affairs from releasing whatever information he wants to release. You can call me and I'll give it to you".

Therefore, I am calling the minister of Indian and northern affairs. Will he give me his expense account statements and those of his exempt staff for last year?

**Hon. Robert Nault (Minister of Indian Affairs and Northern Development, Lib.):** Yes, Mr. Speaker.

**Mr. John Williams (St. Albert, Canadian Alliance):** He deserves applause. Mr. Speaker. Let me also quote the solicitor general on his expense accounts, "I have no big issue with this. Every cent I've ever spent has been published from day one and I'm not too fearful of anybody seeing what I have done".

Therefore my question for the Prime Minister is this. Does he have the decency to follow the lead of his minister of Indian affairs and his solicitor general and produce his expense account statements and those of his exempt staff for us to see them too?

**Hon. Lucienne Robillard (President of the Treasury Board, Lib.):** Mr. Speaker, the member for St. Albert is trying to play games. He knows exactly what the guidelines are and what the advice of the Treasury Board Secretariat is to all departments. The fact is we should find a balance between the Access to Information Act and the Privacy Act, and we should respect both legislations. In that sense, it is clear that all departments should follow those guidelines.

\* \* \*

**VETERANS AFFAIRS**

**Mr. David Pratt (Nepean—Carleton, Lib.):** Mr. Speaker, my question is for the Minister of Veterans Affairs. Today members of the Subcommittee on Veterans Affairs visited the Perley-Rideau Veterans Health Centre in Ottawa. They heard how Ontario government cutbacks to the centre have slashed the operational budget from \$30 million per year to less than \$15 million per year. While the community resident care will be hardest hit, there remains concern among veterans and their families about the care they receive.

What is the minister doing to ensure the best possible level of care for our local veterans in the Ottawa area?

**Hon. Rey Pagtakhan (Minister of Veterans Affairs, Lib.):** Mr. Speaker, the Government of Canada shares the sentiments of the member and those of the subcommittee that indeed we should ensure the quality of care in the long term for our veterans. It is our duty to do this.

We are closely monitoring the situation around the country, not only at the Perley-Rideau Veterans Health Centre. Moreover, about three weeks ago, on January 15, we set an agreement so that the level of funding is there to ensure that the quality of care for our veterans is in place.

\* \* \*

#### THE ENVIRONMENT

**Mr. David Chatters (Athabasca, Canadian Alliance):** Mr. Speaker, depending on who one speaks to and where one is at the time, the government's message on Kyoto seems to be all over the place. Today's message was that the environment minister plans to ratify the Kyoto agreement as early as June at the G-8 in Kananaskis.

Yesterday the Minister of Natural Resources promised to produce a plan to demonstrate to Canadians how they would reach the Kyoto targets by 2010 before we ratify, I guess because the only one who really knows for sure is the Prime Minister.

Could the Prime Minister tell us when Canadians will see the plan to reach the Kyoto targets?

• (1455)

**Mrs. Karen Redman (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, the Government of Canada is serious about taking action to address global problems with climate change. The goal is to ratify the Kyoto protocol and Canada intends to meet its Kyoto target for greenhouse gas reductions. The decision on ratification will follow full consultation with the Canadian public, interested parties and the provinces.

First ministers have committed that no region will bear an unreasonable burden as a result of this plan.

\* \* \*

[Translation]

#### HIGHWAY INFRASTRUCTURE

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, the Trans-Canada Highway between Rivière-du-Loup and Edmunston has become a top priority, since it is the deadliest highway in Canada.

Quebec has already pledged to invest up to \$225 million. All that is missing is the federal contribution to make this stretch a safe four lane highway, as promised by the Prime Minister during the election campaign.

Does the Minister of Transport, who will meet a delegation from KRTB and Edmunston this afternoon, intend to sign the agreement that was proposed by the Quebec government and which has been on his desk for a number of weeks, and does he intend to invest the some \$400 million that are required to upgrade this highway?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, we have an infrastructure program for the country's highways. It is quite possible to allocate funds to the Canada-Quebec and Canada-New Brunswick agreements to upgrade this highway in New Brunswick.

I am sorry, as are all my colleagues, that the lives of four children were lost in an accident. This is a very serious situation, but

#### Oral Questions

highways can be improved. We have the funds and we intend to use them in co-operation with the provinces.

\* \* \*

[English]

#### AGRICULTURE

**Mr. Rick Borotsik (Brandon—Souris, PC/DR):** Mr. Speaker, the Minister of Agriculture and Agri-Food knows that unfair American farm subsidies have been devastating to Canadian farmers. There is a new U.S. farm bill right now that is sitting in the senate. That new bill has more money for American subsidies and expands the list of crops it will subsidize.

Yesterday when I asked the minister if he knew about this farm bill he said that it was very complicated and he really did not understand it. When will he get to understand it and when will he do something about it?

**Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, I suggest the hon. member go back and read the transcripts of the meeting yesterday. What I said was this. The ways in which the United States have been paying and subsidizing its producers are very complicated. The Minister for International Trade, the Prime Minister and myself have had discussions. Later today I will have further conversations with my counterpart in the United States and will point out the detrimental effect of their subsidization of producers in the United States.

\* \* \*

#### FOREST INDUSTRY

**Mr. Lawrence O'Brien (Labrador, Lib.):** Mr. Speaker, on January 25 the Canadian Forestry Association officially recognized Corner Brook, Newfoundland and Labrador as Canada's forest capital for 2002.

Could the Parliamentary Secretary to the Minister of Natural Resources highlight for the House the valuable role that forestry plays in the economic and environmental health of our communities?

**Mr. Benoît Serré (Parliamentary Secretary to the Minister of Natural Resources, Lib.):** Mr. Speaker, Natural Resources Canada is very proud to be a part of the forest capital program. Over the next 12 months we will provide funding, staff resources and facilities to Corner Brook to celebrate the historic community-forest relationship with a focus on the future through public awareness and education on forest conservation.

Corner Brook is also the home of the western Newfoundland model forest, a federally sponsored program. By working together with local industry partners, they are advancing our knowledge of sustainable forest development for the benefit of all Canadians.

*Points of Order***AIRLINE INDUSTRY**

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, we get the sense with the Minister of Transport and his air policies that he could not spill a glass of water if the instructions were written on the bottom of the glass on how to do it. On top of the \$24 air security charge we now understand that Ottawa will raise the rent at the nine largest airports in the country. This on top of the \$24 air security tax.

Why is the transport minister so committed to taxing Canada's air industry deep into the ground?

**Hon. David Collette (Minister of Transport, Lib.):** Mr. Speaker, it must be embarrassing for the constituents of the hon. member for him to come into the House day in and day out not having done his homework, not understanding the national airports policy and not understanding the fact that his party supported the government on the airline policy which has been a success despite September 11.

Why does this member not do his homework, get the facts and engage in legitimate debate instead of acting like a buffoon in the House?

\* \* \*

● (1500)

[*Translation*]

**CINAR**

**Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ):** Mr. Speaker, almost three weeks ago, the attorney general of Quebec had to abandon the idea of laying criminal charges in the CINAR affair for lack of sufficient evidence, because the Canada Customs and Revenue Agency refused to co-operate with the RCMP, citing the confidentiality of tax files.

This is particularly offensive because we know that when individual citizens cheat the system out of even a paltry \$1,000, proceedings are immediately launched against them.

How can the minister justify this double standard?

[*English*]

**Hon. Elinor Caplan (Minister of National Revenue, Lib.):** Mr. Speaker, there is no double standard. I can assure the member that investigations are carried out as appropriate by the department, the agency or the RCMP.

\* \* \*

**AIRLINE INDUSTRY**

**Mrs. Bev Desjarlais (Churchill, NDP):** Mr. Speaker, Bill C-49 ensures it gives the Minister of Finance more tax dollars for his general revenue fund but does nothing to ensure security at airports.

The new airport security agency can contract security to airport authorities who can subcontract to the lowest bidder, the same system that was in place September 11. Dollars from the \$12 GST, the greedy security tax, are going into the hands of Liberal appointed airport authorities, the same authorities that made donations to the Liberal Party in the last election.

My question is for the minister responsible. Will the government change the Elections Act to ban political donations by airport authorities or will it continue to accept money from them so that a portion of that \$12—

**The Speaker:** The hon. Minister of Transport.

**Hon. David Collette (Minister of Transport, Lib.):** Mr. Speaker, there are so many untruths in that particular statement that it would take an hour to give a factual answer. The fact is that under the new air security regime we will enhance standards. We will have federally regulated employees from coast to coast. They will be better paid and do a better job. They will be discharging the will of the House as enunciated by the hon. member and other hon. members.

This agency will do its job and will continue to give Canada the best air service in the world.

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** I draw the attention of hon. members to the presence in the gallery of His Excellency Ahmed Qurei, Speaker of the Palestinian Legislative Council.

**Some hon. members:** Hear, hear.

**The Speaker:** I also draw the attention of hon. members to the presence in the gallery of Senator Roberto Castelli, Minister of Justice of Italy.

**Some hon. members:** Hear, hear.

\* \* \*

**POINTS OF ORDER**

## ORAL QUESTION PERIOD

**Mr. Brian Pallister (Portage—Lisgar, Canadian Alliance):** Mr. Speaker, I rise on a point of order. During question period the Deputy Prime Minister, in response to a question from me in which I asked him if his government would take immediate steps to eliminate fundraising in Canada by Hezbollah, replied that had been done. I have documents here from the Department of Foreign Affairs and from the Office of the Superintendent of Financial Institutions which speak to the fact that is not the case.

I want to avoid a repeat of what happened with the defence minister earlier. I would like to give the Deputy Prime Minister an opportunity to clarify the situation and table any documents that support his contention that the government has in fact eliminated Hezbollah fundraising opportunities.

**The Speaker:** I am sure that tomorrow the hon. member may have more questions to ask in question period on this matter. I think he has made his point. I have no doubt there will be discussions between the hon. member and the Deputy Prime Minister. He can ask for documents. No doubt there will be some discussions with the media. Those things will happen. We will read about it tomorrow.

## PRIVILEGE

### REFERENCE TO STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS

The House resumed from February 6 consideration of the motion, and of the amendment.

**Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, as the various House leaders of all parties in the House know, over the last number of days there have been some extensive discussions among the parties on the outstanding privilege that has been before the House. I want to commend all of those involved in those discussions for acting seriously and in good faith to find an appropriate solution. I would particularly like to mention for our side the deputy government whip, the hon. member for Brossard—La Prairie.

I understand, Mr. Speaker, you will find unanimous consent in the House that all questions necessary to dispose of the privilege motion by the hon. member for Portage—Lisgar be immediately put and decided now without further debate.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

• (1505)

**The Speaker:** The hon. opposition House leader might wish to ask his Thursday question.

**Mr. Randy White:** Mr. Speaker, I would rather address what just happened here.

**The Speaker:** What has happened is that consent was refused and it is not a debatable matter at this point. The hon. member may wish to ask the question and I would be pleased to entertain it since it is Thursday.

\* \* \*

## BUSINESS OF THE HOUSE

**Mr. Randy White (Langley—Abbotsford, Canadian Alliance):** Mr. Speaker, if this is the Thursday question, then I would like to ask the government House leader what on earth we are going to debate next week. Is it possible to ever get those people over there to understand what we should be debating in the House of Commons?

**Right Hon. Jean Chrétien:** Randy for leader.

**Some hon. members:** Oh, oh.

**Hon. Ralph Goodale (Leader of the Government in the House of Commons, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.):** Mr. Speaker, the latter part of the hon. gentleman's remarks tend to go a bit beyond the normal Thursday question. Far be it from me to try to fathom the conservative mind. I would have to leave that to those opposite at either end of the House.

We will continue this afternoon and again tomorrow with consideration of Bill C-49, the budget implementation bill. As noted

## Privilege

in the House earlier today there is agreement among all parties that the debate on second reading stage of Bill C-49 will be concluded before the end of the day tomorrow. If time permits tomorrow, we will then turn to Bill C-50, the WTO legislation pertaining to China.

[*Translation*]

Our intention when we return on February 18 is to commence report stage of Bill C-5, the species at risk legislation. Tuesday, February 19, shall be an allotted day.

\* \* \*

[*English*]

## PRIVILEGE

### REFERENCE TO STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS

The House resumed consideration of the motion, and of the amendment.

**Mr. Peter MacKay:** Mr. Speaker, I rise on a point of order. For clarification, if the hon. government House leader wants to put the question, and the vote on the amendment is to take place immediately, this can happen. It is that simple.

**Hon. Ralph Goodale:** Mr. Speaker, I believe I said in my earlier remarks that all questions that need to be put to dispose of the matter should be put now without further debate.

**The Speaker:** Is there unanimous consent to proceed as outlined by the government House leader, that all questions be put now on the privilege motion?

**Some hon. members:** Agreed.

• (1510)

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

**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:** Call in the members.

\* \* \*

• (1515)

[*Translation*]

(The House divided on the amendment, which was negated on the following division:)

*Speaker's Ruling**(Division No. 227)***YEAS**

## Members

Anders  
Hearn  
Keddy (South Shore)  
Meredith  
Strahl— 9

Grey  
Hill (Prince George—Peace River)  
MacKay (Pictou—Antigonish—Guysborough)  
Pankiw

**NAYS**

## Members

Allard  
Assad  
Asselin  
Bachand (Saint-Jean)  
Beaumier  
Bellehumeur  
Bennett  
Bergeron  
Bevilacqua  
Binet  
Blondin-Andrew  
Bourgeois  
Brien  
Bryden  
Burton  
Caccia  
Calder  
Caplan  
Carignan  
Casson  
Catterall  
Charbonneau  
Chrétien  
Collenette  
Cullen  
Dalphond-Guiral  
Desjarlais  
Dion  
Drouin  
Duceppe  
Easter  
Epp  
Farrar  
Folco  
Fry  
Gallant  
Girard-Bujold  
Godin  
Goodale  
Grewal  
Guay  
Harvard  
Hilstrom  
Jaffer  
Johnston  
Karetak-Lindell  
Keys  
Knutson  
Laframboise  
Lastewka  
Lee  
Loubier  
MacAulay  
Malhi  
Manley  
Martin (Winnipeg Centre)  
Matthews  
McCallum  
Ménard  
Mitchell  
Murphy  
Nault  
Normand  
O'Reilly  
Pagtakhan  
Paradis  
Patry  
Perron

Anderson (Cypress Hills—Grasslands)  
Assadourian  
Augustine  
Bagnell  
Bélangier  
Bellemare  
Benoit  
Bertrand  
Bigras  
Blaikie  
Boudria  
Bradshaw  
Brown  
Bulte  
Byrne  
Cadman  
Cannis  
Cardin  
Carroll  
Castonguay  
Cauchon  
Chatters  
Coderre  
Crête  
Cuzner  
Davies  
Desrochers  
Dromisky  
Dubé  
Duncan  
Elley  
Eyking  
Finlay  
Fontana  
Gagnon (Champlain)  
Gauthier  
Godfrey  
Goldring  
Graham  
Grose  
Harb  
Harvey  
Ianno  
Jennings  
Jordan  
Kenney (Calgary Southeast)  
Kilgour (Edmonton Southeast)  
Kraft Sloan  
Lalonde  
LeBlanc  
Leung  
Lunney (Nanaimo—Alberni)  
Macklin  
Maloney  
Marleau  
Martin (LaSalle—Émard)  
Mayfield  
McLellan  
Merrifield  
Moore  
Myers  
Neville  
O'Brien (Labrador)  
Owen  
Pallister  
Parrish  
Penson  
Pettigrew

Pickard (Chatham—Kent Essex)  
Price  
Proulx  
Redman  
Regan  
Reynolds  
Ritz  
Rocheleau  
Roy  
Scott  
Sgro  
Skelton  
Sorenson  
St-Hilaire  
St. Denis  
Stewart  
Szabo  
Thibault (West Nova)  
Thompson (Wild Rose)  
Toews  
Torsney  
Ur  
Vanclief  
Wasylycia-Leis  
White (Langley—Abbotsford)  
Williams

Pratt  
Proctor  
Provenzano  
Reed (Halton)  
Reid (Lanark—Carleton)  
Richardson  
Robillard  
Rock  
Savoy  
Serré  
Shepherd  
Solberg  
Speller  
St-Jacques  
Steckle  
Stoffer  
Telegdi  
Thibeault (Saint-Lambert)  
Tirabassi  
Tonks  
Tremblay (Rimouski-Neigette-et-la Mitis)  
Valeri  
Venne  
Whelan  
White (North Vancouver)  
Wood— 188

**PAIRED**

Nil

**The Speaker:** I declare the amendment lost.*[English]*

The next question is on the main motion. All those in favour of the motion will please say yea.

**Some hon. members:** Yea.**The Speaker:** All those opposed will please say nay.**Some hon. members:** Nay.

**The Speaker:** In my opinion the yeas have it. I declare the motion carried.

(Motion agreed to)

\* \* \*

● (1520)

*[Translation]***PRIVILEGE**

## ORAL QUESTION PERIOD—SPEAKER'S RULING

**The Speaker:** I am ready to rule on the question of privilege raised by the hon. member for Laurier—Sainte-Marie yesterday.

It often happens that members on both sides of the House make general statements concerning an entire party or caucus without these statements being ruled out of order or falling into the category of unparliamentary language.

*[English]*

Indeed just today the hon. Leader of the Opposition in his opening question expressed his indignation that the government, and I paraphrase, spends its time defending al-Qaeda terrorists rather than working to solve the softwood lumber crisis.

*[Translation]*

As my predecessor, Speaker Parent, said, and I quote:

*Government Orders*

Paramount to our political and parliamentary systems is the principle of freedom of speech, a member's right to stand in this House unhindered to speak his or her mind. However when debate in the House centres on sensitive issues, as it often does, I would expect that members would always bear in mind the possible effects of their statements and hence be prudent in their tone and choice of words.

This citation is taken from *Hansard*, September 30, 1994.

That being said, the exchange today between the Prime Minister and the leader of the Bloc Québécois seems to have satisfactorily dealt with the question raised yesterday by the member for Laurier—Sainte-Marie.

I therefore consider the question of privilege to be resolved. However, I urge all members to be judicious in their choice of words during oral question period.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, I want to thank you for using your great wisdom to set the boundaries of our debates.

Following today's debates, I notice that being merely frustrated is justification to get into gutter politics. I will remember that in the future, but I want to tell you that we will never stoop as low as the level that you are proposing. We think that it would be insensitive and wrong to use the unique instrument that the House of Commons is.

As for us, we will not allow ourselves to stoop so low. We will never allow ourselves to make as undignified remarks as the ones made by the Prime Minister, which you allow, in your great wisdom.

I thank you for being so understanding and for creating an atmosphere that promotes democracy. I am extremely grateful for that.

**The Speaker:** The Chair always appreciates the support of the hon. members in exercising its duties.

[*English*]

**Mr. Joe Jordan (Parliamentary Secretary to the Prime Minister, Lib.):** Mr. Speaker, I rise on a point of clarification. I appreciate the points you made and the standard that you have set, but my understanding is that the standard was not reached. Is that your finding?

**The Speaker:** The hon. member will be able to read my words with great care tomorrow. However, no, I indicated there had not been a breach of the standards of the House in this case and urged members to be more judicious in their use of language, a constant reminder from the Chair.

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## GOVERNMENT ORDERS

[*English*]

### BUDGET IMPLEMENTATION ACT, 2001

The House resumed consideration of the motion that Bill C-49, an act to implement certain provisions of the budget tabled in parliament on December 10, 2001, be read the second time and referred to a committee.

**Mr. Reed Elley (Nanaimo—Cowichan, Canadian Alliance):** Mr. Speaker, I am pleased to rise in the House to join the debate on the budget. I could use my time today to discuss a great many things

concerning this subject. Like my colleagues on this side of the House I could raise the issue of the way the Liberals sleepwalked the nation into the recession, yet they failed to put effective countermeasures into place.

My own riding of Nanaimo—Cowichan has been particularly hard hit economically for some time now. My constituents shake their heads in dismay when they hear of questionable grants that have been passed out by the government, fountains in the Prime Minister's riding and the Enron-like style accounting practices of many government departments.

I could discuss the government's mismanagement of the sinking Canadian dollar and how the Prime Minister has made the low dollar a very low priority. Sometimes people ask if Canadians are really interested in this sort of discussion and issue. I want to say that they are interested. In fact yesterday I received an e-mail from a constituent in my riding about the falling Canadian dollar. He wrote:

It's almost unbelievable; our dollar was starting to improve and then [the Prime Minister] went down to New York and turned it around again. I don't know if you or any of the caucus happened to watch his speech, but any American seeing that performance would pack up his assets in Canada for sure...I have relatives down there who can't believe we could elect such a—

I will not repeat the word he used.

Our dollar is not only dropping against the U.S. dollar, it is also dropping against the Mexican peso if you can believe it. Last year at this time a Canadian dollar bought 6 pesos. I checked at the Credit Union yesterday thinking of purchasing pesos before I went to Mexico later this month and it is now 5.2 pesos for a Canadian dollar. When [the finance minister] says that it is the strength of the U.S. dollar that is causing the problem; how can he explain our dollar crashing against the Mexican peso as well? Does this mean that the Mexican economy is stronger than ours?

These are the kinds of questions that ordinary Canadians are asking about their government and the handling of our finances. I could go on. Although Canadians have an appetite for fiscal accountability and real debt reduction, there has been no planned debt reduction included in this budget. I could speak to a myriad of different things including security and the needs of our armed forces and our intelligence gathering capabilities. My colleagues have already spoken to many of them.

Unfortunately the mental drift of the government has left our fiscal policy in disarray. We have gone for almost two years without a budget. During the past decade we have seen our standard of living drop dramatically. While our American cousins have greater purchasing power than they did in 1989, Canadians now have less. This is simply unacceptable and we in this party are very concerned about our economy if the government is not.

However I really do not want to talk about those issues. I want to talk about the need for greater accountability starting with our national budget. As the senior critic for Indian affairs for the Canadian Alliance, I am particularly interested in how this budget will affect aboriginal people in Canada. Accumulatively with all departments combined, the federal budget for aboriginal people amounts to almost \$7.4 billion. That is a staggering amount of money.

*Government Orders*

One would think that with a budget that size, the economic well-being of aboriginal people would be increasing. Unfortunately we all know that many of our on-reserve aboriginal people live in some of the most deplorable conditions that could be found across North America or even many parts of the world. We must ask why this is happening.

● (1525)

At the same time there are many good examples of money being well used by aboriginal bands in Canada. There is the Six Nations reserve in southern Ontario. There are aboriginal businesses such as the gravel mining business of the Sechelt band on the west coast and the Membertou band which achieved ISO certification last week. These types of aboriginal businesses should set the standard for others. Unfortunately such good examples are often overshadowed by the negative aspects of federal government policy, financial mismanagement by the bands or, even worse, a combination of both.

Here is a case in point. The third party management policy of the Department of Indian and Northern Affairs is clearly not working. I believe the minister is aware of the problem but changes must be made to the existing system because it is failing everyone.

Recently in Winnipeg aboriginal leaders, private businesses, banks and the Canadian Alliance member for Selkirk—Interlake met to discuss the problem. It is highly unusual to have all these players at the same table and agreeing on the main issue of the day. I am pleased we in our party could play an important role in the meeting and in bringing the matter to the attention of the House of Commons.

Simply put, under existing federal policy when a band is placed in third party management the directive is to only address the current and future primary needs of the band. If a band has mismanaged its financial affairs outside assistance may be necessary. We recognize that. However the private businesses that have provided goods and services in good faith and under contractual agreements are left out in the cold.

The minister has stated that the federal government has no responsibility for private businesses. He says if private businesses want to be paid they should resort to the court system and sue the band. Have hon. members ever tried getting blood out of a stone? Most of the assets of the band are the property of the crown and therefore cannot be seized or have a lien placed against them. Sure, private businesses can undertake the expense of going to court and even win a successful judgment. However they can do nothing when they have claimed the judgment because it is worthless.

If the minister wants accountability let us start by introducing budgetary changes that address the problem. When the few bands placed in third party management default on bona fide contracts the good reputation of all other bands is tarnished as well.

Peace Hills Trust, an aboriginal bank owned by the Hobbema band, has stated that the current policy is causing it to be far more cautious in its lending practices. A number of businesses across Canada are refusing to do any kind of business with aboriginal peoples. This is unacceptable. It will not help economic stimulation on reserves if this keeps going on.

In the midst of all these problems houses and schools still need to be built. Roads still need to be plowed in the middle of winter and

dust retardant laid down in the summer. Funeral services still need to be conducted. The government's policy on the issue remains unresolved.

If people own lumber companies, chemical supply companies or funeral homes and have default judgments against previous aboriginal clients, why on earth would they continue to do business with other aboriginal clients? Many businesses are saying the same thing: Once bitten, twice shy. The defaults of a few bands are harming the business relationships and opportunities of the remaining bands. Yet possible solutions are not apparent in the budget or the government's legislative agenda.

If I could make recommendations to the minister and his officials they would be something like this: First, he should level the playing field for everyone. Second, he should bring accountability to the forefront for both his department and the bands. Third, he should use the good examples of many bands across Canada today as a training model for others. Fourth, he should set up a system that will ensure businesses that provide goods and services to bands are not left holding worthless court judgments.

The reputation of aboriginal people has been harmed enough over the years due to poor government policy. If the government drafts new workable changes it will have the full support of the aboriginal community, private businesses, banks and, yes, perhaps the opposition parties. If it introduces this kind of legislation we will all work to speed it through the House.

● (1530)

In conclusion, I am disappointed in the budget and in the aspects of the bill before us. The last throne speech promised big things for aboriginal people. The Prime Minister says that is one of his pet projects. The budget was an opportunity to address many of the issues before us today. However it has failed aboriginal people, private businesses and all Canadians in general.

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ)** Mr. Speaker, I listened attentively to the speech by my colleague from the Canadian Alliance. If there is one thing that caught my attention, it was when he referred to the Prime Minister's visit to New York on the weekend, to the World Economic Forum. The member spoke about the Canadian dollar and the effect of the presence of the Prime Minister of Canada and his speech on the Canadian dollar. He actually made it drop. The Prime Minister managed quite the feat in making the Canadian dollar drop while he was in New York.

But I have a question for my colleague from the Canadian Alliance. There is much concern about the instability of the Canadian dollar, about its constant and structural decline over the last 30 years, about the violent swings in the Canadian dollar over the last few weeks and last few years, since the Asian crisis. The same question is always raised, regarding the causes.

There are two things that need to be considered. First, when it comes to businesses being competitive, I think that everyone would agree that Canadian businesses have a problem competing, with American businesses in particular. Second, when it comes to the Canadian dollar, I think that there is less consensus on this, because every time we raise the issue, the member seems to have an acute attack of Canadian nationalism. However, on the currency markets, the Canadian dollar is considered a secondary currency, which falls victim to speculators who can make money with every infinitesimal change in the value of secondary currencies, such as the Canadian dollar.

The member mentioned that he was concerned about Canada's economy. If such is the case, would it not be a good idea to agree to have the debate that we in the Bloc Québécois have raised, on the issue of the monetary integration of the Americas, so that we can prepare ourselves for having a single currency some day?

Whether it is the American dollar or something else, that is not important. But let us stop being victimized by speculators and provide some support for Canadian business to help them become more competitive and stop this decline in the Canadian dollar.

• (1535)

[English]

**Mr. Myron Thompson:** Mr. Speaker, I rise on a point of order. That was such an excellent question I know there is an excellent answer coming. However there ought to be more than two Liberals in the House to hear it. I call for a quorum.

*And the count having been taken:*

**The Deputy Speaker:** I see a quorum.

**Mr. Reed Elley:** Mr. Speaker, my hon. colleague has elicited such an incredible response from the party across the way that maybe he should answer the question.

The whole question of a low Canadian dollar is not something that will be easily solved in the near future. As long as the government's policy is to keep the dollar at a low level in comparison to the American currency because it feels we need to do so as an exporting nation, we will not see any great rise in the value of the Canadian dollar.

My hon. colleague raised a question about integration of our currencies. We in the Canadian Alliance have not taken a position on the issue. There is no question this is a subject that will receive a good deal of debate in the near future. All of us in the House will need to think cogently and rationally about this subject before we go into it. However I appreciate what my hon. colleague has said today.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ):** Mr. Speaker, I want to thank especially my Bloc Québécois colleagues for their support. I am very pleased to rise today to speak to the December 2001 budget implementation bill.

The curious thing about an implementation bill is that it always contains measures we support. Often they are measures put forward by the Bloc Québécois, in this case the provisions dealing with mechanics, which were championed by the member for Beauport—

### *Government Orders*

Montmorency—Côte-de-Beaupré—Île-d'Orléans. I believe he deserves our support.

At the same time, we find measures such as the air security charge. For that we have nobody to applaud on either side. Today, we even heard a Liberal member arguing very strongly in favour of amending this part of the bill. His argumentation was very convincing, since he talked a lot about small airports in the remote areas of his riding.

Unfortunately, I fail to understand the logic of his reasoning. He said during questions and comments that in the end he would still vote for the bill. This is the downside of his presentation.

I urge everybody to read what he said regarding the air security tax, which is going to be entirely paid for by travellers. This means for instance that in airports in Alma, Bagotville, Baie-Comeau, Chibougamau, Gaspé, the Magdalen Islands, Kuujuaq, La Grande Rivière, la Grande-3, La Grande-4, Blanc-Sablon, Mont-Joli, Montreal, Quebec City, Roberval, Rouyn-Noranda, Sept-Îles et Val-d'Or, in every single one of these small or medium size airports, travellers will have to pay this surcharge, when we know full well that the whole issue of terrorism is going to require the implementation of new technologies, but mainly in major airports.

This morning, another member from the Canadian Alliance said that the Standing Committee on Transport had made a very constructive proposal. It suggested that half of the bill be paid by users and the other half by the government. This way, we would reduce the negative impact on the development of these regions.

For this reason alone, we have no choice but to vote against the bill, unless the government decides to withdraw this half-baked measure that has seemingly been hastily put together, a bit like the infrastructure foundation.

In the same bill, in the same December budget where they come up with this new air travel tax, they also invented a new method for dealing with infrastructure expenditures, via a foundation.

Everybody has spoken out against this and attacked it, because it makes no sense that we elected representatives should totally delegate this responsibility to people who have not been not elected, particularly since this government very much had control over the appointment of the foundation's members. As well, this delays investments.

Municipalities throughout Quebec and Canada have proposed projects to their governments. Some have been approved by the Government of Quebec, but cannot be accepted by Ottawa because no money is available for investment. One might therefore have expected this in the budget.

Today, in the implementing bill, there has been a backtrack on this, because the government has realized that the foundation was not workable, and did not meet governmental accountability requirements. I think what was done was appropriate, but now we have another obstacle. Looking at the bill, we see that the government wants to invest directly in the municipalities, without going through Quebec City.

*Government Orders*

During today's oral question period, I was thinking about this and said to myself "I hope it is not true that we are headed for another hassle like the one over the millennium scholarship foundation. We will end up being forced to spend months and years negotiating to find a way to get the money to the municipalities of Quebec, and of course it will all be blamed on the Government of Quebec, taking advantage of this, the last year of its mandate. A fine way to strangle a government".

The federal government is allowing the money to go to the English speaking provinces because they are not going to make a problem about it going directly to the municipalities. That is their view of Canada. But in Quebec we want infrastructure expenditures to be co-ordinated, so it would not yet be possible.

We are going to fight in order to bring the federal government at last, after the foundation idea, which made no sense, followed by the fund idea, which would have the money going directly to the municipalities, back to its senses so that it will decide—and I think this could be done very readily—to enter into negotiations in order to have the Canada-Quebec infrastructure program apply to this \$2 billion fund.

• (1540)

This way, it would only take one or two days' worth of meetings. There is a mechanism that already exists that could be used to meet infrastructure needs.

And there are considerable needs to be met. In my riding, there are projects to protect water quality. These are important projects. This is a priority for everyone. I think that this work needs to be done in the short term, in order to avoid finding ourselves in a situation where we cannot obtain satisfactory results.

What would happen if in one year or in a year and a half, suddenly, we had another Walkerton situation on our hands and some municipality experienced a terrible crisis like the one that happened in Ontario? If that were to happen, a number of people would say that if they could have spent the money this year, if they could have carried out the projects this year, the situation could have been avoided. When we look at it this way, I would describe the government's attitude as somewhat irresponsible.

They are attempting to save face after realizing that the foundation was not working. Now, why not allow for this money to be quickly injected into the system so that it can quickly be spent? For this, I think that there is still another step that this government has yet to take.

I mentioned earlier that an implementation bill contains both good and bad measures. There is one measure that it contains, regarding employment insurance and parental and maternity benefits in some cases, which we support. It will help people who were hindered by a system that was too rigid and that prevented them from taking full advantage of their maternity or parental benefits if they left the hospital after several weeks. This situation will be rectified. There will be more leeway. This is appropriate.

But between this small step and what could have been done had the government agreed to implement the parental leave plan proposed by the Quebec government, there is a long, long way to go. On the one hand, we have this small measure, which, thankfully,

will correct a situation, but on the other hand, there was a parental leave option that would have allowed all self-employed workers to be eligible.

In the end, all workers could benefit from it, whereas the existing federal parental leave program is not flexible. It provides for one year of benefits at 55% of the person's salary. It is not possible, for example, to have 40 weeks at 75%. Low income families might prefer to have that.

For instance, 55% of a weekly salary of \$300 is not much. If people could at least get 75% for a lower number of weeks, that would be a start. This is an option that could have been included, but that the existing federal program does not allow.

I am asking the government to continue to look at the issue, so that it can arrive at a solution and agree with Quebec to establish this parental leave program, which several provinces in Canada want, by the way.

When Mme Goupil, the Quebec minister responsible for this issue, proposed this measure to her counterparts from the other provinces, the reaction was very favourable. It is hoped that the system will be operational as soon as possible. Why not begin with Quebec, which has often taken the initiative on social issues and has served as an example for the other provinces, and sometimes for Canada as a whole?

This is like the \$5 a day daycare program. It is in the same spirit. We have got a lot of praise for this initiative which, among other things, has resulted in a significant drop in the number of single mothers who rely on welfare. Thanks to this program, these women can now go to work and have access to quality daycare services, at a much lower cost.

In this way, we not only fulfill the need to generate wealth but, in some ways, we are doing our share in ensuring that this wealth is properly distributed and in allowing people to make a contribution by using their potential. These are very appropriate efforts.

We must also get to the bottom of things as regards the impact of another aspect of this bill. We must find out what will happen with the surpluses. Initially, it was said that the foundation would have a budget of \$2 billion. That was conditional on the amount of the surpluses. The \$500 million fund for Africa would also be set up under the same terms.

• (1545)

On the basis of today's figures and given the practice that we have been seeing for the last few years, the Minister of Finance always announces small surpluses so that, at the end of the year, he has huge amounts with which to pay down the debt. We are not against money being used to pay down the debt but, during a major economic downturn, we would have liked to see some balance and to know the exact figures so that there could be an informed debate. Once again this year, this is not the situation we are being presented with.

*Government Orders*

During Oral Question Period, I asked the Minister of Transport about highway 185, the segment of the Trans-Canada between Rivière-du-Loup and Edmunston. In this budget, I was not necessarily asking that this particular highway be mentioned, but I would have liked to see more than the \$500 million currently earmarked for Canada's highway system. Five hundred million dollars over five years is \$100 million a year, which means, for Quebec, \$25 million a year, when highway 185 alone, the Trans-Canada between Rivière-du-Loup and Edmunston, will cost a total of \$500 to \$600 million.

This highway is a deathtrap; 30 people have lost their lives on it in the last three years. With the disappearance of the railway line, this highway has had to serve an entirely different set of needs. Today, there is the heavy vehicle traffic of the Trans-Canada travelling from the maritimes to central Canada, as well as heavy local and tourist traffic. It is almost the only highway in Quebec where, despite my experience as a driver, I personally do not feel safe because I never know what is going to happen next.

I would have liked to see additional money in the budget for this, so that highway 175 or other highways could be maintained. This was one of the promises made during the election campaign—which was one year ago, not ten—by the Prime Minister himself, who promised that large amounts of money would be earmarked for highway 185; still today, nothing has been confirmed. It is hard to imagine how the Minister of Transport will manage to meet the needs in this area when he was unable to get the Minister of Finance to include additional money in the budget for this.

I hope that the money set aside for infrastructure will find its way into this area of concern, but there are many other needs. It would have been helpful to have this information in the budget.

For some weeks now, since before Christmas in fact, the Minister of Transport has had on his desk memoranda from the Quebec Minister of Transport on highways 185 and 175, and other highways in Quebec, saying “We will finance the project on a 50-50 basis, or since highway 185 is the Trans-Canada Highway, we will finance it on a 20-80 basis”.

The Quebec government has already invested \$225 million. Money was spent last year, and more will be provided this year. But if we had an extra amount from the federal government, we could speed up the work. Larger amounts would be put toward engineering and architectural studies, so that work can be properly planned. We are still awaiting the government's answer but none has been forthcoming. There is nothing in the December 2001 budget implementation bill to that effect.

The budget also includes Canada's \$500 million Africa fund to help reduce poverty, develop primary education programs and promote sustainable development in Africa.

In this area, we realize that in spite of all the rhetoric on the need to increase international aid and write off the debt of the poorest countries in the world, the federal government has not really increased our contribution to international aid. Yet, it would probably be the best way to permanently resolve crises like the terrorist crisis that we are facing now.

I do not believe that the long term solution would be to equip our military as it has never been equipped before. This is not the solution. Terrorists will always find ways to bypass the systems in place.

• (1550)

We must ensure that there no longer is a breeding ground for terrorism, a totally unacceptable behaviour. There must be a better distribution of wealth. Summits like those that took place last week must work toward common goals. I am thinking here about the Pôrto Alegre summit and the New York economic summit, which was usually held in Davos, Switzerland. The Canadian government has a responsibility to do its share in terms of international aid.

I have worked with various players in this field. The government organized round tables. We realized that, as elected representatives, we had to raise awareness of this issue in our communities. When there is not enough money for our constituents, they do not always understand why we should be giving money to other countries.

If we want to smooth the rough edges of globalization, we must ensure that people living in developing countries have the means to progress and to enjoy the benefits of our society, instead of only having the disadvantages and the low paying jobs. People must have access to adequate training and be able to use their skills in their own community. There is a lot of work to be done in this area.

Finally, with this budget, we see many contradictions in the finance minister's statement. In a few weeks, or in two months maybe, the government will have the financial results for the year. Again there will be huge surpluses, including surpluses coming from the employment insurance fund. I will conclude my remarks on this note.

Last fall, I was expecting to receive the report from the chief actuary for the employment insurance fund, as I had in previous years. In January, I still had not received it. I wrote to the minister asking her to send it to us. Two days later, the answer was “There is no report”. Four days later, I was told “Sorry, we made a mistake the first time. There is a report, a copy of which you will find attached”.

And to top it all off, it is obvious that the report was not produced by the chief actuary. The federal government has now decided that the chief actuary at employment insurance will no longer produce an annual report. For the next two years, according to Bill C-2, the government will be the one to set the contribution rate. This is a cover-up operation. Bill C-2 makes it possible to disguise the fact that there is too much money in the EI account. Every year, some \$6 billion is taken from it to be used for other government expenditures. They have decided to eliminate that possibility and the public will no longer be able to ask any questions.

*Government Orders*

The second phase of the cover-up is that the decision was made in the fall for the chief actuary not to report any longer, and all this is because of Bill C-2. The Minister of Human Resource Development remains the one responsible, however, and there are questions that need to be asked in order to ensure that the fund will really be used to enable EI to serve the purpose for which it was created.

We are faced with a situation where, once again, there will be a four, five or six billion dollar surplus, despite the economic downturn, despite the economic fallout of September 11 as well as of the entire softwood lumber crisis and other such things. The means have not been put into place to enable our local workers affected by this crisis to stand behind the position of Quebec and Canada on this. Today, I have listened to what the Minister for International Trade has had to say. As far as his contacts with the Americans are concerned, I can say that it is all right, but they have had to be monitored very closely.

As for the necessity of worker solidarity, the government has not done anything. Today people are going to exhaust their EI benefits and within weeks or months there is going to be a terrible furore. What people expected to find in this budget was some measures that would in whole or in part reflect the plan proposed by the Bloc Québécois, a recovery plan that would have made it possible to cope with these negative situations. That is nowhere to be found in either the budget or the 2001 budget implementation act.

• (1555)

For all these reasons and despite the positive elements in this omnibus bill, the Bloc Québécois has no choice but to vote against it unless the government finally amends it. We have already made some gains. The concept of a foundation has been dropped. If we keep repeating our arguments, we may score more points. In the meantime, if the government does not change its position, our constituents would not accept our supporting a bill that does not provide for an adequate distribution of wealth.

For all these reasons, I hope many parties and members on both sides of the House will do just like the Bloc Québécois. I hope that the Liberal member who spoke out against the tax on air transportation will think it over and vote against the bill, as we will do, because it is the best option for the time being.

• (1600)

[*English*]

**Mr. Roy Cullen (Etobicoke North, Lib.):** Mr. Speaker, I listened to the comments of the hon. member for Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques and was pleased that he acknowledged some of the positive measures in budget 2001.

I wonder if the member perhaps inadvertently created a wrong impression with respect to infrastructure, because of course the strategic infrastructure program is an addition to the Canada-provincial infrastructure programs that are in place already. In fact, in budget 2000 the third infrastructure program was launched with over \$2 billion. The intent of this new strategic investment in infrastructure is not really to deal with those projects that were not funded under the existing infrastructure programs but to deal with projects of national significance.

I am sure there are many projects in Quebec that have national significance. I know that in my province of Ontario there are many projects that need funding. For example, there are the corridors into the United States markets where our goods are travelling back and forth frequently. Of course the advantage of a foundation is that you are not posed the dilemma of lapsing funding every year. There is time needed to ramp up projects so they can be put in place. Nonetheless, the reorientation of the strategic investment program will give parliamentarians more hands on input. I know that I and others will be pleased to engage in that debate.

I have a question for the member. I wonder if he has any concrete ideas for strategic infrastructure investments in the province of Quebec which would be of national significance.

[*Translation*]

**Mr. Paul Crête:** Mr. Speaker, I am grateful that the hon. member pronounced my riding's name correctly. I know it is a rather difficult because of the sheer length of it.

Now, maybe the hon. member was not here during question period or maybe he did not understand. First, the Deputy Prime Minister and Minister of Infrastructure and Crown Corporations said that we have not yet passed the bill we need to implement this program. Second, we need a procedure of some kind to determine which projects are really strategic.

In other words, the minister just told us that the existing Canada-Quebec financing program, with an equal contribution by the municipalities, the provinces and the federal government, does not apply in this case. We have to negotiate from scratch again. We may end up in a situation similar to the Canadian millennium scholarships, with negotiations between governments to reinstate a program. But in the end, the money will be spent much later.

I say that in view of the many projects now on the table—Quebec surely has some 50 if not 100 major strategic projects that could be funded under this program—if the agreement were signed tomorrow morning, all these projects would be under way within a month. Everybody would be in a position to move forward.

With the government's current decision, things will go slower than that. The hon. member is asking me whether there are major strategic projects. There are lots of projects. I know that in my riding there are major road construction projects. There are also some across the province and in other areas such as tourism and municipal works.

There is also the whole issue of water quality, which is a very major challenge. That will help ensure that we have quality products and a healthy population. That will also help ease the pressure on health networks.

So there is no problem with the projects and their quality. The only problem we have now is that federal money is not available because visibility is being sought.

*Government Orders*

As for us, we are able to live with a large maple leaf. That is not what is bothering us. Quebecers are so bombarded by federal advertising that they are not listening anymore. It no longer influences them. It has now become something of a broken record.

However, we want the projects to get underway and the money to be spent. At present, the only impediment is the federal government's indecisiveness, the fact that it wants to create a new operating structure, whereas the existing one would allow those projects to get under way very quickly.

• (1605)

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, my question to my colleague from Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques will be quite simple.

We hear about a crisis in the softwood lumber sector. In fact, there is a major crisis in the forestry sector across Canada. Company profits are dropping and, to deal with that, to cope with the crisis, workers are turning to the EI system.

I would like my colleague to explain this program to me. In 1996, the federal government withdrew from the EI program, which now belongs to the workers and employers who contribute to it. But they have no control on it, as surpluses are transferred directly into the government's consolidated fund and used for purposes other than to improve the system at a time when the workers badly need it.

I would like my colleague to explain that to me if he can.

**Mr. Paul Crête:** Mr. Speaker, I would like to thank my colleague for his question. Indeed, if we had a system controlled by the ones who fund it, that is employers and employees, we would find ourselves in a completely different situation as far as the crisis in the softwood lumber industry is concerned. We could have signed a MOU saying that, when a particular industry is faced with an exceptional situation, the number of weeks of benefits could increase, as suggested by the Bloc Québécois last fall when the lumber crisis started.

Over a decade ago, the government was paying into the fund. At the time, it felt justified in saying that the government's unique interests should be taken into account. The government no longer pays into the fund, yet dips into the surpluses to cover other expenses unrelated to the EI program.

This is where the problem lies. The \$5 billion it takes each year to cover other expenses, such as advertising campaigns, and all sorts of other expenses in the system, is money that is not available for workers and the unemployed who would need it when they are out of work.

It has been demonstrated that, as in all other sectors, less than 3% of the unemployed are cheats. Therefore, the solution to this problem is not a system that penalizes workers, that limits the period for benefits and that requires them to work a greater number of weeks in order to qualify. We had proof, when the intensity rule was abolished, that this was not the approach to take. People want to work. They want to have jobs.

Allow me to give an example. In my riding, in my region, there are 3,500 people every year who exhaust their EI benefits period and

wind up in the gap, the period during which they receive no income. Meanwhile, the minister came to visit and announce a project that would allow 75 workers to find jobs. That is great for those 75 workers, that is a fine program. But what about the 3,400 or 3,500 with nothing? We need to find something, a balance to avoid the spring gap, so that our seasonal workers—who have worked for a certain number of weeks every year and who cannot do so because the industry in which they work cannot employ them—can receive benefits for enough weeks.

In my region, from 1992 to 1998, there was an annual drop of \$100 million in benefits. Imagine the impact that has in terms of the distribution of wealth. It is not hard to imagine what kind of a difference that makes, in terms of the distribution of wealth. This instrument, or this role, is completely controlled by the government. It cannot blame it on the provinces if it does not work. It is not using EI to improve the distribution of wealth. It has broken the agreement that existed, the agreement between the resource regions and the central regions. Before, we guaranteed resource regions an employment insurance program for down times when there were no jobs. This allowed communities to survive. The government broke this agreement, without providing any opportunities for economic turnaround, which we should have been able to expect. This is why even a bill such as this one today contains none of the measures that the people in our regions wanted.

[English]

**Mr. Myron Thompson (Wild Rose, Canadian Alliance):** Mr. Speaker, it is a pleasure to rise and speak to Bill C-49. I would like to welcome the three Liberal members of this huge majority government to the sitting today. It is too bad we do not have more.

I promise those members who showed up that I will not try and bore them by talking about the budget with which they are very familiar. I will talk a little more about what is not in the budget, what is missing, what is wrong, and how it could be improved.

I know that the government goes through the motions. The government likes to take tours throughout the country and do a lot of consulting and visit with Canadians, so that Canadians can have input as to what should occur in this land.

Canadians are often asked what their priorities are. We all do that in our ridings. There is not a great deal of difference between Canadians from province to province and riding to riding. We are all on the same government structure. We pay the same taxes. Many Canadians pack their lunch, go to work, head down, elbows out, tail up and try to make a living and have a good standard of living to bring their families up and enjoy themselves. The priorities of Canadians are very similar in respect to what they would like to see.

The finance minister puts on a phenomenal speech every time he presents a budget. He is overwhelming in attracting the attention of the public with the way he puts it forward. Members would think that this status quo budget was the greatest and newest idea to have hit Canada in years, yet it has absolutely changed nothing.

*Government Orders*

Let us take a look at the list of priorities. They are not in any particular order, but they are the priorities I heard. The three members of the Liberal government majority here today would hear the same things in their ridings. They would hear that health care is important. Let us take a look at health care. When we were first elected in 1993 there was a deficit thanks to the Conservative government prior to the Liberals. The Conservatives kept the deficit going instead of reducing it as they said they would.

There was a commitment to reduce the deficit. How do we do that? Do we take care of wasteful spending, money that should not be spent in areas that might be considered nice to do, but certainly not spending money on areas that are totally unnecessary.

No, we did not do that. We kept the spending going. This particular budget has even got more money for what I call the flowery spending, the unnecessary stuff. There is a little here and there for some of the things that are necessary, but nothing for health. There is absolutely zero for health.

The government began reducing transfer payments to the provinces in 1993 and after a few years it finally got the House to balance the budget. There was no deficit for a year. It was done on the backs of transfer payments to provinces as well as increasing taxes at every opportunity.

We have had some good years now and a real economic boost. The government is showing huge surpluses and is bragging about that. It can brag but it must not forget that because of what it did to the provinces earlier on put a huge strain on them to be able to deliver health care. The provinces were unable to do it in the same manner that they could because of the severe cutbacks. We begin to ask that some of the surpluses be put back into health care to bring the levels back to the 1994 levels.

It is now 2002 and we still have not come anywhere close to the 1994 levels. By this time of course it is all the fault of the provinces. We have to blame the Ralph Kleins and the Mike HARRISES and the likes throughout the provinces who have done their best to try and change the system so they can deliver and bring better service to Canadians. These cutbacks have produced huge lineups, days of waiting for operations, hip replacements, et cetera.

• (1610)

The government now has an opportunity to move once again. It did not bother presenting a budget last year, which is very unusual. I believe it is the first time in history.

We have had some good years. We have some surpluses. Let us put some money back into the transfer payments so the provinces can indeed do something more than they are able to do now.

When the health care system came into being, it was supposed to be 50:50 proposition; 50% funding by the feds, 50% funding by the provinces. Thanks to the government, we are now at 88% province and 12% federal, with no notion that the spread will narrow in any way. Certainly not in this budget. There is a zero increase for the spending in health care. I apologize. There were a few additional dollars for research. I agree with the necessity of good research.

In the meantime, we have huge lineups all across Canada. Every member in the House knows they have these problems in their ridings and in their provinces, yet nothing is done.

The next priority is education. We do not deliver a lot for education, but we do assist in every way that we can with post-secondary work. The revenue department has a lot of people working overtime as it passes over the student loan indebtedness that it created by giving out big loans to various students. It is now trying to collect them all back and is having a tough time doing that. It will have to get more help with that.

There is nothing of any significance in the budget to enhance post-secondary education programs, while at the same time, the cost of tuition for attending university and getting trained goes up and families struggle more and more to try to cope with the situation. There is nothing in the budget to address another priority of Canadians: good education.

Let us talk about taxes. We are the highest taxed nation among developed countries. If we are not the highest we are right on the doorstep of being the highest.

Canadians are looking for tax relief. They agreed to higher taxes in the beginning to reduce debt and control deficits. The deficit is taken care of. We have a balanced budget. Where is the tax relief? The finance minister announced huge tax relief. However, it is a strange thing. A phenomenon is going on.

I challenge everyone in this House and every Canadian across the land to take a close look at their pay stubs and compare them to a year ago. Everyone will find that there is a lot less money coming home than there was a year ago. This is all across the country. Some have done better thanks to different promotions or whatever. However in the majority they are getting less. Our standard of living is going down.

What is the answer? We have a great solution from the department of revenue. One of my favourite departments and everyone's favourite department.

We cannot hire more police for better security, we cannot hire more guards on the borders for better security, and we are running short of personnel in so many vital areas that they keep crying for more help. Yet the department of revenue has hired 9,600 new employees specifically to collect outstanding taxes and do further audits. Is that not wonderful?

• (1615)

There are young families across the country whose kids suddenly have a \$3,000 dental bill that there is nothing they can do about. In order to pay the dental bill they become delinquent in their taxes. Yet the compassionate and caring Liberal government has hired more tax collectors and auditors. They will go after those delinquent taxes and make these families pay up. These are the families that visit our offices and come April 30 there will be a whole lot more visiting our offices. They will want to know what they can do because they cannot pay their taxes and they are being harassed daily.

*Government Orders*

Well, there is good news. Our compassionate and caring government has hired 9,600 high paid employees to collect this money. Those people who have a few dollars in their bank accounts should not be too sure that it will be there tomorrow because the revenue department can go in and take it whether people know about it or not. This is great, wonderful and free Canada. It is the land of pride and freedom. Yet people can lose their bank accounts just like that if the revenue department decides that is what should happen.

However, it goes beyond that. Members will recall the teddy bears that were taken out of a family's home. This young family could not pay its back taxes and was suffering. The government went in and took their furniture, their vehicles and even the kids' toys. It was talked about in the House for quite some time. That was a shame and a disgrace. Yet the caring and compassionate government allows these things to go on. In fact it encourages it by hiring another 9,600 employees.

I wonder how much longer Canadians will put up with the kind of attitude that comes from the other side of the House. I wish I could convince people not to put their x next to a Liberal name because it means disaster. It has been that way for years and it is getting worse.

It is tough for older couples who have been living in the same home for most of their lives to live on a fixed income and collect an old age pension. A fellow may want to do some work on a golf course by cutting the grass to make some extra money so he and his wife can enjoy retirement a bit more.

Lo and behold, the compassionate and caring government has news about a little extra income coming into fixed income families. The government has to make sure it gets its share. These people end up toddling into my office asking for help. They say they do not know how they can meet these commitments. They do not know what to do. I know what they can do. They can go on time payments. The government will set them up and they can pay it every month.

Then along comes the young family asking what they can do, saying they have three kids who all need serious dental work and they do not have a dental plan. The income tax people are down their necks day in and day out, constantly phoning.

When is this going to end? When will we get some tax relief? Why is it continually going up?

Members opposite say we have a tax break and ask whether we did not hear it in the speech. Look at the pay stubs, folks. It is not there. Why? Because for every dollar that was taken off income tax another \$1.50 was added on the payroll taxes. CPP is going up. All of a sudden there is a big wake up call.

There is a \$36 billion surplus in unemployment insurance or EI I guess we call it now. That is good news. Does that \$36 billion not belong to the employees and the employers of the country? No, it does not, it belongs in the government's coffers. The person who truly deserves some employment insurance is having a terrible time getting help, while the government flounders away and wastes more money doing its little pet projects which support friends in the Liberal Party.

● (1620)

People are crying for better law and order and better services. Put the victims first and not the criminals. Stop protecting criminals so much. Porno movies and pizza are provided to penitentiaries in order to stop the inmates from rioting. That is what has to be done in Canada to keep control in a prison, bring in porno movies and pizza, have a new year's eve party so there will not be a riot.

A sex offender registry was a good idea a year ago but just the other night the government said it was not necessary. The wonderful, compassionate government killed that idea but it wants to keep the gun registry going. And it is so effective the criminals must be lined up by the hundreds waiting to register their guns. The government spent \$700 million on registering guns. Is that not amazing.

We talk about security. We are worried that there are not enough guards at the border, not enough police. The G-8 summit is coming up. There are all these things to care about so \$200 million extra was put in the budget to take care of the military, to take care of CSIS, to take care of the RCMP and to fight terrorists. But \$700 million was spent to register duck hunters, farmers and trap shooters. There is \$700 million to go after duck hunters and farmers and \$200 million to go after terrorists. I do not think Canadians like that priority one bit.

It continues with the wonderful, caring, compassionate Liberal government which has about as much compassion as a coral snake. It should just pay attention to what is going on. People across the country are suffering. How many times have I brought to the attention of the House and how many times has the United Nations brought to the attention of the House, that there are third world conditions on the native reserves?

We have been fighting for years to get an ombudsman, someone to help the grassroots people on the reserves. They are truly suffering because of the corruption and mismanagement. If they have received any training from the government, then they have had real good training in mismanagement and corruption.

One of the Liberals recently said that if the member for Wild Rose had his way he would form a posse, jump on a horse and go after all these guys. I might do that, but the first thing the posse and I would go after would be the corruption right there on that front bench.

Maybe we need a posse to go after Mr. Gagliano. Maybe we should bring him back and make him accountable, but no, the government will not do that. When someone does something bad, it is time to move on. He was made the ambassador to Denmark. If something is done that is not quite so bad, the person can get a nice cozy seat in the bedroom down the hall called the Senate. The government will find some caring, compassionate, patriotic position.

*Government Orders*

When are Canadians going to stop allowing these things to go on? I have seven grandchildren. They are not very big yet but I hope before I go to my grave that Canadians will wake up and realize what kind of government has been ruling this land. I say ruling because the Liberals are rulers, not servants. The Liberals had better start learning whom they are working for. They are not working for themselves. They are not working for the bureaucrats. They are working for Canadians and they had better start reflecting that in what they accomplish.

Someone said that the budget was written by the Prime Minister, not the Minister of Finance. What difference does it make whether it was Tweedledum or Tweedledee? The whole notion of what is going on and how money is spent was pointed out quite clearly by the auditor general. She said that the government is wasteful and to stop it, that it is absolutely the worst managing government she has seen in a long time and to stop it, but no, it keeps on going.

• (1625)

I have had just about enough of it. I sure hope that 30 million Canadians are with me on that one.

**Mr. Roy Cullen (Etobicoke North, Lib.):** Mr. Speaker, I know the member for Wild Rose gets caught up in his rhetoric from time to time, but I wonder if he was actually reading the budget for 2001 when he made his notes because his comments did not really reflect what was in the budget.

One aspect that he totally ignored was the \$2 billion tax deferral for small businesses until 2002. This will help small businesses pay their tax bills.

The member talked about payroll taxes. Of course the EI premiums have come down since 1994, saving employees and employers about \$7 billion a year. In fact in budget 2001 EI premiums came down again. Yes, the CPP premium did go up, but to try to intimate that the net change in payroll taxes goes farther than the income tax cuts is total nonsense. We all know that in budget 2001 the tax cut of \$100 billion was protected. That was because we listened to Canadians. That means a Canadian family will save about 27% in their personal income taxes.

The member talked about the elimination of the deficit. Yes, the government has eliminated the deficit because of the good management of the finance minister. Perhaps the member forgot about the some \$550 billion in debt that is still outstanding. Our government has brought down the debt to GDP ratio from 71% in 1994-95 to less than 50%. It is actually an economic miracle. The member opposite conveniently forgets the fact that notwithstanding those superb accomplishments, we still have to pay attention to the debt.

The bottom line is we have to have some balance in our approach to the budget. We cannot just forget about the people who need support. We cannot forget about investing in infrastructure. We cannot forget about preparing Canadians for the future in terms of innovation, training, science, research and development because that is where the future lies. In the budget the Minister of Finance has struck a very fine balance.

Does the member not understand or appreciate that corporate taxes in Canada are going to be about four to five percentage points lower in the next couple of years compared with the major U.S. states?

Does he not understand that the average Canadian is going to save 27% on their personal income tax bill? Does he not understand that we have to go after tax cheaters and the underground economy?

It would probably be that very member who would stand in the House and say there is a big underground economy and ask what we are doing about it. I will tell him what the government will do about it. We will send auditors out and I am sure the cost of those auditors will be repaid many times over. When someone does not pay the GST or their income tax, that puts an unfair burden on the taxpayers of the country who are trying to be fair and honest with their tax returns.

• (1630)

**Mr. Myron Thompson:** Mr. Speaker, I did not conveniently forget anything. The budget really is not worth talking about. What is in there is very minimal.

In terms of the tax collectors, the government is hiring 9,600 more people. This is not to fight underground economies. We know what it is for. There is a \$12 billion tax deficit that needs to be collected and it happens to be from good, hard working, honest Canadian businesses, men and women who get harassed daily. The government wants that money. The Liberals will do anything to get their hands on money. Boy, do those guys love money.

Let us talk about the debt for a minute. Had it not been for the Liberal government in the beginning, there never would have been deficit spending to begin with, but that was the thing to do. Then the government changed to the Conservatives and they liked the idea so they did it. Then it went back to the Liberals and they did it even more. Then it went back to the Conservatives and they did it. It was back and forth for 40 years until we ended up with a \$600 billion debt. The Liberals are now saying they are the wonderful people who are going to come along and fix it. They are very slow about it. And they started it in the first place.

I mentioned my seven grandchildren. I am afraid it will be their grandchildren who will end up paying off the debt at the pace the government is going. It has missed opportunities over and over again in the last five years when the economy was super with surpluses pouring in. Instead the government pocketed it.

The member talked about the reduction in EI. Then why do we still have a \$36 billion surplus? The Liberals think it is their money. That is how they reduce the debt a little bit. That is how they get rid of the things they should do to some degree. They took the Canadian taxpayers' money. They took the employers' and the employees' money to reduce the debt. That money should have been returned to where it came from.

A lot of businesses in my riding would love to reduce their payroll taxes. If they were able to do that, they might just be able to show a better profit than they are capable of doing right now.

However, the government has the kind of power to go into people's homes and take their belongings. They are not underground criminals. They are honest, hard working taxpayers who have become delinquent on their taxes through no fault of their own in a number of cases. However, our compassionate, caring Liberal government will look after it.

*Government Orders*

The member talked about the deferrals. It is amazing that in the same breath he said "Look what we have done. We have provided deferrals to small businesses so they can pay their taxes". How about a deferral so they can make a decent living? It is always to pay their taxes.

People will have to pay an extra \$24 on their airline tickets. That will put small airlines out of business, but that is the business caring Liberal government. A normal flight of \$60 from Calgary to Edmonton will now cost so much that people will drive to Edmonton from Calgary. It will save them money. Guess who suffers? The airline industry that is providing this service to people and it is doing a fine job of it. WestJet is doing a fine job. Maybe it should run the government for a while and the government would learn how to manage its money.

•(1635)

**The Deputy Speaker:** It is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Pictou—Antigonish—Guysborough, Anti-terrorism Legislation.

We will now proceed to the next stage of the debate, limiting members to a maximum of 10 minute speeches without questions or comments.

**Mr. Roy Cullen (Etobicoke North, Lib.):** Mr. Speaker, obviously the member for Wild Rose has not read the budget.

I would like to focus on some of the realities of budget 2001 because I think that Canadians listening to this debate would be quite confused. We need to look at the context of that budget. When the finance minister stood up in the House on December 10, 2001, we had a slowing economy and we had the terrible events of September 11.

The House of Commons finance committee travelled across Canada. This is what Canadians have asked for, that the members of parliament reach out to the west, to the east, to Quebec, to the prairies, right across Canada, and listen to what people have to say. I was at those meetings. Canadians told us that they wanted the government to deal with the national security agenda and protect the \$100 billion tax cut and the \$23.4 billion set aside for health care and early childhood development, and they told us they did not want us to put Canada into a deficit.

When the finance minister stood up in the House on December 10, he delivered. He responded to the priorities of Canadians. Therefore I can tell the member for Wild Rose that he is absolutely wrong to say that the finance committee goes across Canada and listens but does not really have any impact on the budget, because the finance minister and the government did listen to Canadians.

In addition to that, because of the finance minister's good financial planning and prudence and with his contingencies, the government was able to find money to put into research, innovation, investments and strategic infrastructure. That strategic infrastructure investment will have many benefits. It will make us more competitive. As well, as we ramp this program up it will create jobs and economic activity.

All Canadians and all provinces have ideas about what kinds of strategic infrastructure investments are required. I am sure there are very worthwhile national projects in Quebec. I know there are very

worthwhile national projects in Ontario and in the west and in Atlantic Canada. There has to be a process to assess them and to move as quickly as possible to respond in the most meaningful way, because these are taxpayers' dollars and they will be spent well by this government, as has been done in the past.

We talk about taxation. The finance minister protected the largest tax cut in Canadian history. As I said earlier, he also deferred to 2002 some taxes for small business in order to help small business, which clearly is facing some challenges this fiscal year. If we add up the tax cuts and the stimulus to the economy through infrastructure and R and D, that is a stimulus this year of about 2.4% of GDP. One does not have to be an economist from the University of Laval or the University of Toronto to understand that 2.4% of GDP is a very large stimulus to the economy. In fact, next year it will go up to 2.8% and will be more than what is being discussed in the congress and the senate of the United States. They are still discussing it. We are actually putting it into action, so that at the same time our debt to GDP is coming down from a high of 71% in 1994 to below 50% in 2002.

We have more to do on our debt, but the fundamentals are coming together. The debt in relation to the size of our economy is shrinking and it is shrinking very fast. I am sure that with the change in the budget from a foundation for strategic infrastructure to an annual appropriation, there may well be some surplus funds in the upcoming fiscal year that will end in March. Because the foundation idea will not be pursued I am sure there will be some surplus funds and they will be applied against the debt. As the debt comes down, the amount of interest that the government has to pay against the debt is reduced. To date, with the \$36 billion that this government has paid against the debt, Canadians are saving \$2.5 billion a year in interest costs. The money that will be saved this year as a result of debt reduction will be applied to the strategic infrastructure program as those projects come through. They are vetted in a way that looks for economy, efficiency and bang for the buck. We want to make sure we have the best investments to benefit all Canadians.

•(1640)

There are some things that have gone unmentioned in the House with regard to this budget. A member opposite said that nothing had been done for aboriginals. The member obviously had not read the budget because there was significant emphasis placed on helping aboriginal children in their communities and on head start programs.

With regard to health care, former premier Romanow has just come out with his interim report confirming what we on this side of the House have said all along. It is not so much a question of pouring more money into health care. These are taxpayers' dollars. The pressure will become even more intense in the future with the changing demographics. There will be more older people. As well, improved technology means we will have higher expectations. What we must have is a health care system that is sustainable into the future. That is why our government signed a \$23.4 billion agreement with the premiers last October. That is why we need to look at things other than quick fixes and throwing money at health care. Compared to other countries, Canada is right at the top in terms of how much is being spent on health care per capita, but if we look at the value we are getting from our health care system, Canada drops to about fifteenth or twentieth.

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We need to look at improving the delivery of our health care system. That is why the provinces and the federal government agreed to a set of principles last fall. That is why we all have to work together to make our health care system more efficient and accessible and affordable for all Canadians.

It is incredible that when we debate health care members opposite refuse to acknowledge that tax points are delivered to the provinces every year. These are tax points that we ceded. The federal government told the provinces to take the tax points and it would back out of that area. The tax points were to be used to fund health care, post-secondary education and social programs. To just ignore tax points in the discussion is absolutely scandalous and the people of Canada deserve better than that. We of course have cash transfers as well, which can be used as leverage against the provinces if they do not respect the principles of the Canada Health Act and medicare in this country. I am sure we will continue to do that.

There were provisions in the budget for apprentice mechanics facing challenges with respect to the cost of their tools. This government responded in a very constructive and very fiscally prudent way by providing in the budget measures allowing apprentice mechanics to deduct the extraordinary costs of their tools so they can get on with their lives.

A \$1 billion investment in science and technology and research was included in this budget. The government also put up roughly \$200 million to help universities and post-secondary education institutions across Canada with their overhead costs and administration costs. This goes hand in hand with the money put into research and development. As well, there are now 2,000 university chairs across Canada and the Canada Foundation for Innovation received \$3.5 billion. This, plus the help with overhead, will help these institutions fund research.

We have an excellent budget. I would like to hear more candid comments, real comments, from across the floor.

• (1645)

[*Translation*]

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, I am pleased to rise today to speak to Bill C-49, an act to implement certain provisions of the budget tabled in Parliament on December 10, 2001.

Basically, it implements the measures announced in the budget; it is a stand alone bill. To explain to Quebecers and Canadians who are listening, it is stand alone legislation implementing the budget provisions.

I will use an example to explain to our listeners what the Liberal government is doing in the budget it brought down, in particular to air transportation.

This is an area of our economy that has been seriously affected by various factors, including the events of September 11. No other area has been so catastrophically hit in a single day in the whole history of Canada.

I will try to explain what the Liberal government has been doing to revive the airline industry, which definitely collapsed. This is the

only way to describe what has been happening to this industry since September 11.

This industry has collapsed. Thousands of jobs have been lost across the board, not only in the airline industry, but also in the aircraft industry and in the parts industry. Workers in the airline and aircraft industries have been hard hit by the events of September 11.

What has the Liberal government done? Of course, it was quick to announce measures to compensate the industry for the losses incurred as a result of September 11, meaning losses suffered over the eight days the airspace was closed to air traffic. Every airline was compensated for its losses. It made sense. The federal government decided to do so.

Later, it put in place a system to compensate the industry for the increase in insurance premiums. Of course, an event such as September 11 results in very high costs for the insurance industry. The federal government paid for the increase in premiums.

Then, nothing, except for an aid package. The 105 major airlines needed help. Those who have followed the whole saga of the airline industry after September 11 will recall that a \$160 million aid package in loan guarantees was offered to 50 major airlines.

Canada 3000, for which a \$75 million loan guarantee had been announced, was to be the first one to get some help. It did not even have time to receive that help, because it had already closed down. As a result of that bankruptcy, thousands of jobs were lost in the airline industry.

That is what happened. For all those who were expecting some help for the airline industry in the budget, here is what we find today, and I quote:

11. (1) Every person who acquires from a designated air carrier all or part of an air transportation service that includes a chargeable emplanement shall pay to Her Majesty a charge as determined under this Act in respect of the service.

So, in order to help the airline industry, to make up for additional investments in security costs, the government has decided to make all the users pay a charge, that will be paid, and I quote:

—to Her Majesty—

Therefore, a \$12 charge will have to be paid for each chargeable emplanement included in the service, to a maximum of \$24. That is \$12 for the outward journey and \$12 for the return journey, to a maximum of \$24, that will be paid by the users as compensation.

So much for help. All the workers in the land transportation sector who spoke to my colleagues in the Bloc Québécois, as well as all the workers in the shipping industry who spoke to my colleagues in the Bloc, also suffered losses in the wake of the tragic events of September 11. The whole transportation sector felt the repercussions, except rail transportation, which benefited from the loss in the airline industry. The train had a new appeal.

For the rest, however, for freight, the economy collapsed. Thousands of jobs were lost in transportation, but all the Liberal government could come up with to help the airline industry was to provide for a new tax, to a maximum of \$24, that is \$12 for the outward journey and \$12 for the return journey, payable to Her Majesty.

• (1650)

When the government wants to deter smokers from smoking, it increases taxes on tobacco. This is what will happen. The government wants to deter people from flying; therefore, it will impose a tax on air transportation.

That tax will not apply everywhere. The bill refers to chargeable emplanement. This is where the charge will be collected. What is a chargeable emplanement? I am quoting the bill:

“chargeable emplanement” means an embarkation by an individual at a listed airport on an aircraft—

This individual will have to pay that charge.

Which are the listed airports? I will read the list of designated airports for the Province of Quebec and not burden the House with the others. The designated airports are the following: Alma, Bagotville, Baie-Comeau, Chibougamau/Chapais, Gaspé, Îles-de-la-Madeleine, Kuujuaq, Kuujuarapik, La Grande Rivière, La Grande-3, La Grande-4, Lourdes-de-Blanc-Sablon, Mont-Joli, Montreal International (Dorval), Montreal International (Mirabel), Quebec City (Jean Lesage International), Roberval, Rouyn-Noranda, Sept-Îles and Val-d'Or. There are three international airports; the others are regional airports.

What the federal government is proposing will kill air transportation in the regions. I cannot overemphasize this: if we want to deter people from smoking, we increase taxes on tobacco. And if we want to deter people from flying, we do what the Government of Canada is doing: we create a tax on emplanement in regional airports. This is the harsh reality that will result from the measure proposed by the Liberal government.

In the history of Canada, this industry was the one that was hit hardest in a single day. All the other industries and the workers in all the other industries are asking my Bloc Québécois colleagues to help them. Every week, workers are losing their job in the forestry industry, in the transportation industry and in every other industry. These people are asking us to help them. Considering what the Liberal government is doing to the women and men who work in the

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airline industry and who have worked all their lives for it, people in other Canadian industries can forget about getting help. This is what we have to explain to Quebecers.

In this budget, there is good news in the fact that apprentice vehicle mechanics will now be allowed to deduct the cost of their tools on their tax returns. This is not an issue that was put forward by the Liberals. It has been advocated by my colleagues in the Bloc Québécois, particularly the member for Rivière-des-Mille-Îles and the member for Beauport—Montmorency—Côte-de-Beaupré—Île-d'Orléans. They are the ones who defended this issue in the House, and this is why the government thought of doing something about it. We will have to continue our work on this issue.

All workers who have to use tools and equipment in their jobs should have the right to deduct the cost of these tools and this equipment on their tax return. Members of the Bloc Québécois will be leading this fight in the months and years to come.

In closing, I will say that I am sad for workers in the airline industry. I am sad for towns in the regions, the small towns that are listed in this bill. These towns have built Canada with their natural resources and will continue to support Canada. I find it very sad that the government has decided to abandon them again.

• (1655)

[English]

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, I am pleased to rise in the House today to speak on behalf of the New Democratic Party to Bill C-49, an act to implement the budget that was presented to parliament on December 10, 2001.

In speaking to the bill, I want to respond to what was said by my colleague on the government side. He said that the budget and the bill were as a result of the government listening to Canadians. I think that has to be rephrased slightly. The government listened to some Canadians. It listened to its friends.

When people in my riding of Vancouver East, working people, low income Canadians, look at the provisions in the budget, they see nothing that will help them in terms of improving the quality of their lives.

One of the main features of the budget is to establish the Canadian air transport security authority, CATSA. As my colleague from the Bloc Québécois said, this is nothing more than a tax grab. Why on earth would Canadians want to write a blank cheque for \$2.2 billion to the federal government without knowing where that money was going?

We need to point out to Canadians that the establishment of this new air transport security authority is nothing more than a new agency of Liberal appointees and that it will have very little to do with providing security at airports. In reality, of the \$24 that will be charged to people for a round trip, only about \$2 per flight will actually go to fund the new agency and for security measures. When one looks at the bill there is something like 56 pages devoted to the administration of the new tax and not a word about how security will actually be improved.

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It is an incredible situation that under the guise and illusion of providing security, something for which people are legitimately concerned when they are travelling, that a \$2.2 billion cheque will be handed over to a new agency with no credibility or legitimacy, and without the assurance that security will actually be improved. We in the New Democratic Party have serious problems with that proposition and we will fight it tooth and nail all the way.

Another provision in the bill has to do with the \$2 billion infrastructure fund. Originally this was set up as a separate foundation. I think many of us had serious concerns about how a Liberal appointed foundation would operate and what accountability there would be. Now we have a situation where the Deputy Prime Minister will be in charge of the \$2 billion fund.

I do want to say that setting up an infrastructure fund is something that is critically important. I come from a municipal background. Today members of the NDP caucus met with the president of the Federation of Canadian Municipalities, Mr. Jack Layton, who laid out for us the serious situation facing municipalities where they are grappling with huge infrastructure costs around public transportation, bridges, roads, water plants, treatment plants and so on. The issue is very important because many of our municipalities, particularly in the larger urban centres, are at a critical point where they do not have the financial resources to meet the growing infrastructure demands.

Mr. Layton pointed out that the cost for municipal government was actually increasing through the property tax revenue. If we look at the European and American experiences, we see it is a much more direct relationship between the federal government and the municipalities in terms of a financial arrangement that provides direct infrastructure support to municipalities.

• (1700)

While \$2 billion sounds like a lot of money, when it is put in the context of what is actually required by municipalities, it is actually a very minor amount in terms of what they actually need. While the NDP supports the idea of creating an infrastructure fund, we feel that the establishment of a \$2 billion fund without a clear sense of how municipalities will be involved in a direct way, is of very serious concern to us.

I also want to comment on what the act fails to do. Yesterday, students in dozens of communities across the country took to the streets in the tens of thousands because they were fed up with higher and higher costs for education. Their student loans and debtloads were getting worse and worse, and they were basically graduating into poverty.

In my home province of British Columbia, where tuition fees have been frozen for four years and were actually rolled back by 5%, we are now facing the prospect of a massive tuition fee increase. Thousands of students demonstrated at Queen's Park, in Halifax, in Vancouver, in Victoria and even Carleton University students here in Ottawa protesting the fact that education was becoming less and less accessible.

Studies show that the chance of a young person from a low income family actually getting a post-secondary education is less than half of what it is for someone who comes from an affluent

family. I point this out because I heard the hon. member say that the Liberal government was doing a wonderful job when it came to post-secondary education and that it had 2,000 research chairs. Although that may be well and good, when it comes to direct support to students who are struggling with high tuition, we have seen absolutely zip from the government.

What we need to see is a national grants program, not the millennium fund which my colleague mentions. The millennium fund helps less than 12% of students. In some provinces it is a slight decrease in the amount of assistance that they actually get. The millennium fund is not a grants program. The millennium fund does not improve or increase accessibility for students who want to go to post-secondary education.

I think the assessment of any student in this country or an organization like the Canadian Federation of Students, would be that this budget has failed on that score.

I also want to touch briefly on the question of housing. A couple of days ago the National Council of Welfare, which is a federally appointed advisory body, produced a very excellent report called "The Cost of Poverty". It received some attention but very little attention for the very significant and dramatic information contained in it.

The report showed us that neglecting our social policy, our social fabric and our social safety network has produced a growing inequality in incomes. The cost to our health care and judicial systems, and to our young kids who need to get a good start in life, to have equal opportunity and to have a future, has taken a terrible human toll as well as an economic and a social toll on society.

The budget and the act before us today is about a big tax grab. It is not about helping Canadians improve their quality of life. It is not about helping unemployed Canadians. It is also not about changing inequalities that exist in Canada.

• (1705)

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, after the September 11 attacks in Washington, D.C., New York, and over the fields of Pennsylvania the transport committee wrote a report called "Building a Transportation Security Culture: Aviation as the Starting Point". To date there is no indication whatsoever that the report has been read by even one cabinet minister. Frankly, if it had I would not be here opposing Bill C-49 on the basis of its transportation components.

Bill C-49 fundamentally violates the standing committee's recommendations. There are two parts of the bill I find particularly troubling. The first would establish a corporate body called the Canadian Air Transport Security Authority which the government would put in charge of air security in Canada while giving it the mandate to delegate its powers to airport authorities.

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At first this seems reasonable. It would appear to let large airport authorities manage all security activities on their premises while offering a helping hand to smaller airports. However when one examines the bill more closely and compares it to both the standing committee's recommendations and the U.S. aviation security bill its failings become obvious.

The U.S. introduced Bill S. 1447 10 days after September 11. It was a study in clarity. It specified what should be done, by whom and when. Under the bill the secretary of transportation and the administrator of the FAA are both charged with specific responsibilities and required to report to congress.

The standing committee was inspired by the bill's clarity. It recommended that a transportation security authority be created and that its mandate, methods of operation and accountability be prescribed by law. The committee further recommended the regime be subject to a statutory review one year after the legislation came into force. The authority was to be headed by a secretary of state for transportation security who, as a member of the House, would be fully accountable to Canadians through the House.

The government instead created yet another stand-alone agency whose board members would be named by the Minister of Transport. Subclause 34(b) would allow cabinet to compel the security authority to provide such information as the minister may require. However there is no real accountability mechanism. Subclause 32(1) would allow the minister to refuse to table any information if he felt its publication might be detrimental to airport security, air security or public security in general.

The Air Line Pilots Association issued a press release two days ago saying the government was "creating yet another bureaucratic layer, in which the airlines and the airports would each have two of the eleven patronage seats on the board of directors".

Had clause 6 of Bill C-49, which spells out the Canadian Air Transport Security Authority's responsibilities, specified that the authority's mandate be handed over to Transport Canada in a regulatory capacity we might have seen some accountability. However accountability is not one of the hallmarks of Bill C-49.

It is not surprising the government would like to isolate the Minister of Transport, on whose watch seven Canadian air carriers have gone bankrupt, from further responsibility and spotlight. Only the lion in the *Wizard of Oz* would consider it brave to hide behind a stand-alone agency and pretend it was accountable.

The first part of Bill C-49 bears the fingerprints of a government that is afraid to take responsibility, look after things and be accountable for its actions. It leaves one thirsting for leadership and a little more aware of the arrogance of a government which feels it does not have to answer to Canadians on this important issue.

My second area of concern with the bill is even more troubling. It makes one feel as though one has been robbed. Once one reads it carefully one comes away with the knowledge that the government has used the tragic events of September 11 to reach deep into the pockets of Canadians and take a bit more of their hard earned cash.

The bill would enact a \$24 round trip air traveller security charge. For most Canadians this may not seem like a lot of money. For most

Canadians it is about the same amount it costs to get to and from an airport in a cab. The government is hoping we will not notice it is yet another tax grab. It is hoping we will believe its spin that members of the travelling public would pay the fee because they would be the true beneficiaries of the service.

As a general rule there is a big difference between a fee and a tax. A fee is associated with a tangible benefit. University students pay fees. Universities deliver classes in return. One pays a fee, one gets a service. Generally there is a relationship between what one pays and what one gets.

A tax, on the other hand, is defined by *Black's Law Dictionary* as:

A pecuniary burden laid upon individuals or property to support the government, and is a payment exacted by legislative authority.

There is no connection to a specific benefit. The money extracted goes into a black hole and, depending on the integrity of the government, may be spent on things citizens want such as health care and roads.

● (1710)

After much careful consideration I have come to the conclusion that the \$24 round trip air security fee is much more like a tax than a charge. There are four reasons to believe the charge would be a money maker for the government. First, in the first year of the new tax, 2002-03, clause 7 of Bill C-49 forecasts \$340 million in expenses yet table 5.1 of the budget forecasts \$430 million in revenues. That is a \$90 million surplus in year one. In year five the budget forecasts a \$139 million surplus.

Second, the fee is set at a level which exceeds the amount required to pay for the service. In Canada the charge would be \$24 per round trip. That is two to three times the level of similar fees introduced in the United States post-September 11. The U.S. fee is \$2.50 per flight to a maximum of \$5.00 per round trip. That is respectively \$4 and \$8 Canadian. In the U.S. if one flies from Dallas to Houston round trip on the same day one pays \$8 Canadian. If one flew from Edmonton to Calgary round trip on the same day one would pay \$24 Canadian. That is three times as much.

Let us think about that. The U.S. was the country attacked by terrorists on September 11, yet our security fees would be triple those of the U.S.

Third, there is no relation between the cost of the service and the charge being collected. If one flew one way from Montreal to Vancouver one would pay a \$12 air travel security fee. If one flew one way from Montreal to Mexico City one would pay a \$24 air travel security fee. In both cases one would walk through the same security checkpoint and board the same airbus A-320 for a five and a half hour flight to a destination 2,300 miles away. However in one case the fee would be \$12 and in the other it would be \$24. It would be the same service for double the price. That is a tax grab.

*Government Orders*

David Eckmire, chair of the Saskatoon Air Services Group, says the security fee collected at Saskatoon airport would be \$5 million annually. That would equal the entire operating budget of the airport in the fiscal year.

Fourth, the fee would target people who would not benefit from any of the services it proposes to offer. If one flew from Vancouver's south terminal to Victoria, Campbell River or Comox one would pay the \$24 round trip air travel security charge even though one probably would not go through airport security anywhere during the trip.

The real reason to fight the charge is not that it is another tax grab by the Liberal government. It is that it serves as a strong disincentive against people flying again. We all remember the efforts President Bush made to convince Americans to fly again. In Canada our government is taking a contrary position.

In the House last week I raised the issue of taxation on air travel security. It should be of interest that in Ontario as of February, 1998, the last year for which I could get reliable statistics, 56.69% of the price of a carton of cigarettes consisted of taxes in one form or another. That is high but deliberately so. It is government policy. It is done out of principle to discourage people from smoking.

If the air travel security charge were applicable today the \$119 Toronto-Detroit web saver fare Air Canada advertised yesterday would be \$285.12 after Canadian and U.S. fees and taxes had been added in. Taxes and fees would comprise \$166.12 of the total fare or 58.26% of the price. In other words, Canadian legislators believe a cigarette tax of 56.7% will stop people from smoking but an air ticket tax of 58.26% will not stop people from flying. Clearly that is ridiculous but it is Liberal logic in action.

In the same spirit that allowed seven air carriers to go bankrupt on his watch, the Minister of Transport quietly predicted airline passengers would not be deterred by the latest tax grab. He pointed out that the cigarette tax level is only reached when taxes and fees are taken as a percentage of transborder flights. However that is not true. The truth is even darker.

If we look at Air Canada's web saver fares for the coming weekend we find a \$99 fare between Calgary and Kelowna, an \$89 fare between Victoria and Vancouver and a \$79 between Toronto and Sarnia. All three fares are highly competitive. Air Canada is making an effort to get more people flying.

Then the government gets involved. If we added the \$24 round trip air traveller security fee to the other taxes and charges the Toronto-Sarnia \$79 fare would become \$163.10. We would pay twice the advertised price after all the taxes and fees were taken into account. Let us not forget that the government says a 57% tax on cigarettes is designed to discourage people from smoking.

● (1715)

With legislation like Bill C-49, fewer people will be flying and prices will go up. As always, quality will go down because there are fewer people holding air carriers to account for their products. Yet for some bizarre reason, the government is still surprised that seven carriers are dead on its watch. It should be ashamed.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR):** Madam Speaker, the hon. member has reminded me of so much that is lacking in the budget. We are seeing implementation coming about now and I think Canadians are starting to grasp with great disappointment the truth about what is actually delivered.

My colleague spoke about the airline industry. In the maritimes we know that we in particular are receiving real short shrift with respect to air travel.

**An hon. member:** In all of Atlantic Canada.

**Mr. Peter MacKay:** Yes, in all of Atlantic Canada, as my Newfoundland colleague reminds me. The airports there are having foisted upon them this additional charge, this tax grab that will result, in my opinion, in deterring more travel at a time when we want to encourage economic activity, when we want to see airports able to provide a safe service. This is simply an opportunistic tax grab, as we have seen so many times from the government.

For the most part the government has coasted through good economic times in its almost 10 years in office, yet what it has done is purely benefit from previous governments' administrative policies. It has benefited from the policies that it ridiculed while in opposition, those very same policies that it promised repeatedly to change throughout election campaigns. I am talking, of course, of the infamous red book that promised to get rid of the GST. It was based upon that promise that much support was garnered. As well there was the free trade agreement, which the Prime Minister was going to renegotiate but has very much embraced, as did his previous Minister of Industry, saying that it was a good idea, that it was one that the Liberals probably should not have been so quick to judge.

What has happened in the wake of benefiting from policies that the Liberals once rejected and very much disparaged is that suddenly, after just holding the economic rudder steady on policies that they once were so dismissive of, they are now experiencing the realities of what happens in an economic downturn.

What we have seen in this budget is that there really is no plan. This is a government that has simply sleepwalked through its administration, through its time in office. Now we are seeing the unemployment figures in the country begin to rise as a result of its mismanagement. Certainly we are seeing, in important areas of the economy like agriculture, the government ignoring its responsibility and the previous commitments it made to ensure a level playing field in world economies.

The softwood lumber industry is perhaps one of the most acute failures of the government. In British Columbia alone, over 13,000 forestry workers have been laid off. It is expected that another 15,000 to 17,000 will join them on the unemployment rolls in the near future.

*Government Orders*

The airline industry has already been touched upon. Under the government's mismanagement we have seen no less than three to five airlines completely disappear. These airlines have completely disappeared under the government's tutelage.

What we have seen with agriculture, as I have mentioned, particularly in provinces like Saskatchewan and Manitoba, is farmers struggling, struggling against the elements but struggling against policies, or lack of policies is another way of putting it, that have not been implemented by the government. In the west, prairie producers are expected to produce up to 30% less wheat, canola and barley due to the weather conditions. In the grains and oilseeds sector we are hearing from industry analysts that those estimated losses in one year alone could exceed \$2.2 billion.

What is the government doing about this? This year the new Canadian farm income program has budgeted only \$435.5 million for the year, compared with the more than \$600 million in disaster assistance that was delivered in the final year of the agriculture income disaster assistance program. As is often the case, we have to compare previous situations and previous programs that were put in place to address these crises to really get the full picture of what is going on. Time and time again what we are seeing is the absolute misinformation that can be spread by the government and the spin machine coming out of the PMO. The CFIP budget is expected to fall to \$353 million for the coming year, according to the main estimates.

• (1720)

What can we say about the dollar? When the finance minister was in opposition, as we have seen with many members of the government, there were bold predictions about what they would do. The finance minister suggested that he would manage the decline of the dollar to somewhere into the range of 77¢, which would have been the natural place for it to be in his estimation. What he has done, however, is shrink the dollar now to the point where it is threatening to go below 60¢.

Imagine Canadians essentially taking a pay cut every time the dollar continues to tumble and the Minister of Finance, the Prime Minister and many of the cabinet simply shrug their shoulders. It is like the Quebec situation. Only when they are on the brink of a disaster, when the train is about to derail or hit the wall will the finance minister and the Prime Minister snap to attention. Even then, what has the result been? The dollar is still languishing in the low 60s.

Canadian imports in goods and services from the United States equal up to 30% of GDP. Since the Liberals came to power in 1993, the Canadian dollar lost more than 13¢ against the American dollar. That was 16% or 12¢ that came off the dollar. That was prior to September 11.

The drop in the dollar means that Canadian companies may be using a weak dollar to try to compete rather than to increase productivity in Canada. This reduces incentives to be innovative and stagnates the quality of living in the country.

This year the Canadian dollar has lost 4.6% against the U.S. dollar, only .4% of which happened after the September 11 disaster.

Government waste was something else that was completely ignored by the budget. The government has continually shown poor management of the government's finances. It includes \$180,000 in the past year to renovate the RCMP commissioner's office. Over \$200,000 was spent on a speech writer for the Minister of Finance. The government squandered almost \$700 million by botching the ill-fated, ill-conceived gun registry, which is still in place and clicking along. Yet this week we bore sad witness to the government refusing to implement a national sex offender registry. In terms of government priorities what could be more important than implementing a national sex offender registry rather than implementing a registry that targets law abiding citizens in the country?

As far as any strategy for poverty and the increasing number of homeless people in the country, again I do not think we will find any solice or any comfort in the budget document that is before us.

**An hon. member:** What about the fisheries?

**Mr. Peter MacKay:** The fisheries, of course, did not even bear mentioning. What a slap in the face to Atlantic Canada yet again.

The lack of parliamentary control that we see is again something to be ashamed of and marvelled at, given the opportunity that the government had to address the problem.

With respect to the EI surplus, which itself should be the subject of a long and detailed debate, we know the surplus is in the range of \$36 billion. We did not hear this not from opposition sources or those in the media or anyone else, but from the auditor general who surely can be relied upon to present accurate figures. That is a staggering figure, and the money is being used for a purpose for which it was not intended. That insurance policy is there to protect workers who lose their jobs or those in the unfortunate position of being seasonally employed. The auditor general has informed us that \$36 billion is not necessary. It is nearly three times what would be necessary to sustain a huge unemployment rise, which we might expect in the coming year.

• (1725)

When I think of places like Canso, Nova Scotia and what they might find in this budget, I am left with the answer that there is really nothing to be found. In a community that faces massive layoffs which could devastate the entire town, there is little at all in the budget that would give these people comfort or hope.

For the people of Canso, we will look to the government to take a more active, innovative and hands-on approach to deal with situations like theirs. I hope that in the coming week the minister of fisheries, after he meets with stakeholders in Canso, will come with something in hand, with ideas, innovation and a spirit of openness to address the plight that they find themselves in.

[*Translation*]

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Madam Speaker, you are pronouncing the name of my riding well. I think you are beginning to get used to it and I am pleased about it. I do like to hear you say it.

Bill C-49 before us is entitled Budget Implementation Act, 2001. I do not know if taxpayers and listeners remember the date the budget was tabled. That was on December 10.

*Private Members' Business*

**An hon. member:** That was my birthday.

**Mr. Jean-Yves Roy:** It would appear that it was one of my colleagues' birthday. I was not aware of that. Allow me to wish him a belated happy birthday.

I do not think that any taxpayer remembers the date the budget was tabled: December 10. This budget is without a doubt one of the worst budgets ever brought down. It is a disaster budget the government felt compelled to introduce in response to the events of September 11.

The Minister of Finance, who was not going to introduce a budget at this time, decided to do so. He has invested—we will recall—\$2.2 billion into security, or so it seems. I say or so it seems, because we will see over the next few years where the \$2.2 billion earmarked for security will actually be spent.

This budget was brought down when none was expected. The Bloc Québécois would have liked a budget ensuring an equitable distribution of the collective wealth. Apparently, we had a good economic performance, and despite the September 11 tragedy, this performance, although not as good, is still acceptable. Some distribution of the collective wealth was therefore to be expected.

There were big expectations in so-called remote regions, such as the Lower St. Lawrence, the Gaspé, and the Magdalen Islands. But the latest federal budget quite simply ignored the regions. It contains no real measure to help those in trouble or to support the economy of regions affected by the September 11 tragedy.

In short, this budget ignores the unemployed. My colleague from Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques has made that point very clearly earlier. Seasonal workers, whose status is often precarious, are left out. This budget has nothing at all for seasonal workers, nothing to help them out.

It is also a budget that completely abandons seniors. My colleague from Champlain, who sits next to me, has been touring Quebec these past few weeks. He has told this House that in the last eight years, this government has taken more than \$1.2 billion away from seniors, the least well off members of our society. These are people who are entitled to the guaranteed income supplement. The government has been depriving them of that money for eight years, taking \$1.2 billion away from them.

This is a budget that abandons seniors, the disadvantaged and the poor. It is also a budget that abandons the workers. My colleague from Argenteuil—Papineau—Mirabel referred to this earlier, when he spoke of those who lost their jobs following the events of September 11 and those who are losing their jobs now because the economy has slowed down since these events. There is really nothing in there for the unemployed.

We must understand that these people are confronted to a difficult situation. It is not easy for them, particularly those in the airline industry, to find a new job.

It is also a budget that abandons the rural areas.

• (1730)

**The Acting Speaker (Ms. Bakopanos):** I am sorry to interrupt the hon. member for Matapédia—Matane, but the time is up. He will

have five minutes to wrap up his presentation when the House resumes debate on this bill.

It being 5.30 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

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## PRIVATE MEMBERS' BUSINESS

[English]

### SIR JOHN A. MACDONALD DAY AND SIR WILFRID LAURIER DAY ACT

The House resumed from January 30, consideration of the motion that Bill S-14, an act respecting Sir John A. Macdonald Day and Sir Wilfrid Laurier Day, be read the third time and passed.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR):** Madam Speaker, I am extremely honoured to speak to this Senate bill. I want to commend the member who sponsored the bill, as well as the originator of the bill in the other place, Senator John Lynch-Staunton.

It is important to keep in mind that the bill is really about capitalizing on an opportunity to educate Canadians about some of our founders, to engage school children in particular in reveling in our history.

Ours is a great story. We have much to be proud of. Much was accomplished. A great deal of that is signified in the opportunity to recognize two great prime ministers of our country, Sir John A. Macdonald and Sir Wilfrid Laurier. The bill would draw attention to that important founding history, that important principle that has always played a great deal in weaving its way through the country's history.

We have many tools at our fingertips for communicating ideas. But what greater opportunity would there be than to have a day on which the focus and recognition would be on these two great men.

Sadly we find that history is sometimes lacking in the education system today. More than at any other time we have the ability to communicate through technology and the Internet. We must always reach out. We must always make the effort to recognize the means to communicate a very positive message. This is a very positive story, the one of these two great men.

We want all Canadians to clearly understand that the bill is not about creating another statutory holiday. The bill designates January 11 and November 20 as the days which would carry the respective names of Macdonald and Laurier. Those two days would give the Government of Canada and particularly the Department of Canadian Heritage, as well as schools, institutions and the media opportunities to speak of these great men. In so doing it would make better known some of the history of the nation.

Earlier this month the *Globe and Mail* did a wonderful and innovative thing. It invited former prime ministers to submit articles about past prime ministers.

*Adjournment Debate*

The right hon. member for Calgary Centre wrote a compelling piece about a man he knew, respected and drew great inspiration from during their time together in the House of Commons. I am speaking about the Right Hon. John Diefenbaker. This insight was very novel, given the fact that there was a personal relationship.

Other former prime ministers have written articles as well. The Right Hon. Brian Mulroney wrote about Robert Borden who was a native of Nova Scotia. John Thompson came from Nova Scotia as well.

Former Prime Minister John Turner wrote an article about Sir John A. Macdonald. In that January 12 article the central theme was that we should do more to commemorate this great man, this founding father, who against all odds and through his sheer force of will and ability to seek compromise was able to bring the country together.

In writing his article, the Right Hon. John Turner made many references to support this cause, to support making January 11 as a day to celebrate and commemorate Sir John A. Macdonald as a national hero. In support of his thesis he quoted the many speeches that were given about Sir John A. upon his death. He referenced one in particular by Sir Wilfrid Laurier. I urge hon. members to read the article by John Turner which was published in the *Globe and Mail*. Mr. Turner enlisted the testimony of many others on the subject.

I would suggest that Sir Wilfrid Laurier would certainly be supportive of the case for Sir John A. Macdonald, as would Sir John A. in return. Here is part of what Sir Wilfrid Laurier had to say in the House of Commons upon the death of Sir John A. Macdonald:

As to his statesmanship, it is written in the history of Canada. It may be said without any exaggeration whatever, that the life of Sir John A. Macdonald, from the time he entered Parliament, is the history of Canada.

Those are very proud and powerful words.

• (1735)

That was Laurier on Macdonald, but I want to turn now to the words of the Right Hon. John Turner on Sir John A. Macdonald. He stated:

Britain will never forget her Cromwell, her Pitt and her Disraeli. The hero whose name we add to our...immortals, John Alexander Macdonald, had much of the force of an Oliver Cromwell, some of the compacting and conciliating tact of a William Pitt, the sagacity of a William Gladstone, and some of the shrewdness of a Benjamin Disraeli. To read the biography of John Alexander Macdonald is, essentially, to read a "New World Biography".

This is an opportunity for us to look into the lives of these great men and to pause and reflect upon their huge, incalculable contributions to Canada.

In the House of Commons Sir Wilfrid Laurier eloquently reminded us daily of the nature of our country as we look out on the majestic waters of the Ottawa River from this hallowed building. I would suggest that a great deal of inspiration can still be found in the words of these men.

Canadian history is more than the legends of politics or the accomplishments of government. It is often a time to reflect and look into the personal sacrifices these men made and the contributions their families and their parties made. It very much chronicles the history of the country at that stage of our development. At that

moment in time those men came forward to serve their country in a significant way, in a way we all admire, hope to emulate and look back on with hope for the future. We hope to draw some wisdom and inspiration from their actions and their words.

We are always challenged to find ways to draw people into this political process, to engage them again, to make it relevant to their lives. I would suggest that having a day which celebrates the accomplishments of these two founding fathers is a ticket to ride. That is a way in which we can very much encourage people to look at the accomplishments of these men and think of the accomplishments others can make in the future.

By marking the anniversaries of Macdonald and Laurier we can not only highlight the past but give Canadians a rallying point, a reason to draw together to speak positively about what the country has accomplished in the past and what we can do in the days and years to come.

I would ask all members to support the bill. I understand that there is a willingness to let the bill proceed to the next stage so we can bring this matter into being.

[*Translation*]

**The Acting Speaker (Ms. Bakopanos):** Pursuant to order made earlier today, every question necessary to dispose of Bill S-14 at third reading is deemed to have been put, and the recorded division is deemed to have been demanded and deferred until Tuesday, February 19, 2002, at the end of government orders.

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## ADJOURNMENT PROCEEDINGS

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

• (1740)

[*English*]

### ANTI-TERRORISM LEGISLATION

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC/DR):** Madam Speaker, the matter which is before the House results from a question that was put to the minister. It is very much an issue that is in line with what we have seen happen on numerous occasions where the minister made an attempt to avoid giving any substantive answer.

The government continues to be out of touch in many ways with the country by virtue of avoiding straight questions and clouding its responses in secrecy. It does little to encourage, as I mentioned earlier, the relevance of parliament.

On October 23, 2001, I rose to ask a question of the Minister of Justice and spoke of the new Bill C-36, which was in response to the terrible events of September 11. I raised the issue with respect to Canada's watchdogs who had clearly indicated that the new anti-terrorism bill went too far in denying disclosure of information to Canadians. As a result, I suggested that this was open to abuse.

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The legislation, as the Chair will recall, gives the government an opportunity to withhold information by denying access to information by virtue of the minister having at his or her disposal the issuance of certificates which essentially blanket the government's actions. Amendments to Bill C-36 will allow the Privacy Act and the Information Act to be subverted. The government overreacted in including this particular provision and this ability within the act.

I asked the government why it was using the security threat to justify a clampdown on the free flow of information. The response, as flippant as it was, was that the government was not involved in any kind of a clampdown. I suggest that there is ample evidence to the contrary, both at the time that the question was raised back in October and subsequent to that.

The Treasury Board ruling is a recent example of that. Expense reports and other documents relating to cabinet ministers and staff will not be released under access to information. This runs directly contrary to privacy laws. The Treasury Board president has said that the decision by her department to keep the ministerial expenses secret was an appropriate balance of the public right to know with privacy concerns.

That is simply not the case. It is a misinterpretation of the supreme court. The minister seems to be relying very much on the dissenting opinion of the court as opposed to the majority ruling.

We have expressed this frustration time and time again. I know the member for New Brunswick Southwest has a question on the order paper regarding the Lancaster Aviation cover-up and scandal. What Canadians are hoping, through their members of parliament and opposition, is that the government would reveal itself and keep those promises of transparency and openness that were so prevalent in prior election campaigns, literature and pamphlets. The government is letting down the country with respect to being open and revealing itself through information.

What comes from all of this is the suggestion that the country deserves better. The country should expect more. The government has not kept its word with respect to being open to Canadians. I hope that in the future we would see the government reveal itself more as to not only its past but its present intentions by addressing Canadians directly through the House of Commons.

[*Translation*]

**Ms. Raymonde Folco (Parliamentary Secretary to the Minister of Human Resources Development, Lib.)** Madam Speaker, I welcome this opportunity today to talk about the points raised by the hon. member for Pictou—Antigonish—Guysborough regarding Bill C-36 and the issuance of certificates by the attorney general, even if the member did not expressly mention it.

[*English*]

I would like to explain exactly how the new subsection 38(13) resulting from the coming into force of Bill C-36 works. The Attorney General of Canada has the power to issue a certificate that would prohibit the disclosure of information in connection with a proceeding for the purpose of protecting information obtained in confidence from or in relation to a foreign entity as defined in subsection 2(1) of the Security of Information Act or for the purpose of protecting national defence or national security.

The hon. member's question would seem to imply that the certificate could be used to deny the disclosure of all types of information held by the government, but this is simply not the case. Freedom of information remains the rule for the government rather than the exception. Full public access to the vast majority of government information will not be affected by the legislation.

The attorney general's certificate process is intended to apply in exceptional cases only as the ultimate guarantee that it ensures the protection of very sensitive information that is held by the Government of Canada.

I would like to add that there are a number of safeguards. I will mention only two, given the time limit. First, the certificate can only be personally issued by the Attorney General of Canada. Second, it can only be issued after an order or a decision for disclosure of that information has been made under the Canada Evidence Act or any other act of parliament that would result in a disclosure of the information.

Unfortunately time is short, but I would refer the hon. member to the subsections I just mentioned in my reply where he will find the exact information that develops my answer to him even more.

● (1745)

**Mr. Peter MacKay:** Madam Speaker, that was a nice canned response. I did very much refer to the issuance of certificates. What the parliamentary secretary has put before us confirms that a very vague and broad definition can be given to the issuance of certificates. National defence and national security are certainly wide parameters.

We are seeing the government backing away from the same type of broad and unchecked powers that will be issued through Bill C-42, but as far as this remaining the rule of law and this being the rule rather than the exception is concerned, I have already referred to a recent case where the government has done the complete opposite. It has actually clawed back the ability of the public to access information about the records of ministers, the expense accounts of ministers and those of their senior bureaucrats.

The Prime Minister's golf diaries and greens fees are also still not available to Canadians. I do not suppose we will ever see them. Thankfully for the Prime Minister, he has individuals like Jean Carle and others in the PMO who have been very effective in covering his tracks.

[*Translation*]

**Ms. Raymonde Folco:** Madam Speaker, I believe the hon. member is getting everything mixed up.

[*English*]

I remind the member that in the aftermath of the tragedy of September 11 all Canadians, no matter what party they belonged to, recognized that new measures were required to ensure our common security. These steps need to be taken in co-operation with our international partners to strengthen our defences against terrorist attacks.

One such step is the protection of highly sensitive information, which is the point of the bill. The fight against terrorism depends largely on our ability to gather sensitive intelligence relating to terrorist activities. It is imperative that we be able to protect not only the substance of our intelligence but also its source.

As a final note, Bill C-36, which is the bill we are discussing here and not any other so-called misdemeanour the member of parliament could raise, provides for a comprehensive parliamentary review of the provisions and the operation of the act within three years after the act receives royal assent. I think we have proven very well that there is—

[*Translation*]

**Mr. Stéphane Bergeron:** Madam Speaker, I rise on a point of order. I just want to indicate to you and to those who may be

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watching our debates at this time that, if I cannot do anything else, I still want to express my concern, not to say my dissatisfaction, with what happened earlier, which is an imbroglio—

**The Acting Speaker (Ms. Bakopanos):** I am sorry, but there can be no point of order at this time in the House. I already explained to the member that I said “resuming debate” three times and that nobody rose. I am just following the standing orders of the House.

[*English*]

It being 5.49 p.m. the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 5.49 p.m.)

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