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Tuesday, December 10, 2002

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, December 10, 2002

The House met at 10:00 a.m.

Prayers

•(1005)

[*Translation*]

BUSINESS OF THE HOUSE

The Deputy Speaker: Order, please. The hon. member for Rosemont—Petit-Patrie informed me in writing that he would be unable to introduce his motion during the hour provided for private members' business on Wednesday, December 11, 2002. Since it was not possible to arrange an exchange of positions in the order of precedence, I am directing the clerk to drop that item of business to the bottom of the order of precedence.

Private members' hour will thus be cancelled and the House will continue with the business before it.

ROUTINE PROCEEDINGS

[*English*]

FEDERAL ELECTORAL BOUNDARIES COMMISSION

The Deputy Speaker: It is my duty pursuant to section 21 of the Electoral Boundaries Readjustment Act to lay upon the table a certified copy of the report of the Federal Electoral Boundaries Commission for Saskatchewan. The report is deemed referred to the Standing Committee on Procedure and House Affairs.

* * *

ORDER IN COUNCIL APPOINTMENTS

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to table, in both official languages, a number of order in council appointments made recently by the government.

* * *

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 10 petitions.

[*Translation*]

DIVORCE ACT

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.) moved for leave to introduce Bill C-22, An Act to amend the Divorce Act, the Family Orders and Agreements Enforcement Assistance Act, the Garnishment, Attachment and Pension Diversion Act and the Judges Act and to amend other Acts in consequence

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

* * *

[*English*]

TAXPAYERS' BILL OF RIGHTS

Mr. Joe Peschisolido (Richmond, Lib.) moved for leave to introduce Bill C-332, an act to confirm the rights of taxpayers and establish the Office for Taxpayer Protection.

He said: Mr. Speaker, I am pleased to rise today in the House to introduce my private member's bill, an act to confirm the rights of taxpayers and establish the office for taxpayer protection.

The purpose of the bill is to confirm the rights of taxpayers and provide a fairer balance in dealings between taxpayers and the Canada Customs and Revenue Agency. It would establish the office of taxpayer protection, headed by an officer of Parliament to be known as the chief advocate. The role of the office would be to assist taxpayers in the assertion of their rights as enumerated in this act.

The Income Tax Act would therefore be amended to provide for greater certainty that where a taxpayer has cooperated with the minister and provided reasonable explanations, the burden of proof would be on the minister to show that taxes ought to be paid.

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

* * *

•(1010)

CHINESE CANADIAN RECOGNITION AND RESTITUTION ACT

Mr. Inky Mark (Dauphin—Swan River, PC) moved for leave to introduce Bill C-333, an act to recognize the injustices done to Chinese immigrants by head taxes and exclusion legislation, to provide for recognition of the extraordinary contribution they made to Canada, and to provide for restitution which is to be applied to education on Chinese Canadian history and the promotion of racial harmony.

Routine Proceedings

He said: Mr. Speaker, it is an honour to rise today in the House to table on behalf of one million Canadians of Chinese descent my private member's bill entitled, the Chinese Canadian recognition and restitution act. Members of the National Chinese Canadian Congress from across Canada are here this morning to witness this historic event.

Both my grandfather and my father paid the head tax. The exclusion act of 1923 has had a huge impact on my own life.

My bill calls for the recognition of the contribution that Chinese Canadians have made to Canada and calls for an apology for both the head tax in the 1923 Chinese exclusion act, as well as the establishment of an education foundation for the promotion of history and racial harmony.

I challenge the Liberal government to do the right thing and resolve this injustice, which is long overdue.

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

* * *

PETITIONS

GOODS AND SERVICES TAX

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, on behalf of Troy Francis, Vicky Ogren and more than 60 other constituents of mine, they call upon Parliament to strongly oppose any efforts by the Government of Canada to raise the GST from 7%.

CANADIAN EMERGENCY PREPAREDNESS COLLEGE

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance): Mr. Speaker, I rise today to present a petition on behalf of Westmeath residents and La Passe asking that the Emergency Preparedness College remain in Arnprior.

KIDNEY DISEASE

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to present a petition on behalf of the citizens of Peterborough who are concerned and who care for those who have kidney disease.

They point out that kidney disease is a huge and growing problem in this country but that real progress is being made in ways of preventing and coping with kidney disease.

They call upon Parliament to encourage the Canadian Institutes of Health Research to explicitly include kidney research as one of the institutes in its system, to be named the institute of kidney and urinary tract diseases.

CHILD PORNOGRAPHY

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have another petition from 1,000 people who live in communities such as Lindsay, Fenelon Falls, Bobcaygeon, Janetville and Kirkfield.

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

STEM CELL RESEARCH

Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance): Mr. Speaker, it is my pleasure to present two petitions today. The first petition asks that Parliament focus its legislative support on adult stem cell research to find the cures and therapies necessary to treat the illnesses and diseases of suffering Canadians.

ELECTORAL BOUNDARIES

Mrs. Betty Hinton (Kamloops, Thompson and Highland Valleys, Canadian Alliance): Mr. Speaker, my second petition is from the residents of Savona, British Columbia.

The petitioners ask that the community of Savona, British Columbia not be moved out of the riding of Kamloops, Thompson and Highland Valleys as proposed in the boundary redistribution plan.

MARRIAGE

Mr. Joe Peschisolido (Richmond, Lib.): Mr. Speaker, I have three petitions. The first petition contains the signatures of 29 citizens of Richmond who are asking Parliament to pass legislation to recognize the institution of marriage in federal law as being a union of one man and one woman to the exclusion of all others.

● (1015)

CHILD PORNOGRAPHY

Mr. Joe Peschisolido (Richmond, Lib.): Mr. Speaker, the second petition, also from my riding of Richmond, has been signed by 92 residents. It asks Parliament to protect our children by taking all the necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic actions involving children be outlawed.

STEM CELL RESEARCH

Mr. Joe Peschisolido (Richmond, Lib.): Mr. Speaker, my third petition comes from the people of Richmond, as well as Vancouver Quadra, signed by 113 residents. They call upon Parliament to focus its legislative support on adult stem cell research in order to find the cures and therapies that deal with all the illnesses and diseases which Canadians suffer.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would ask that all questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

PREBUDGET CONSULTATIONS

Hon. Denis Paradis (for the Minister of State and Leader of the Government in the House of Commons) moved:

That the House take note of the second report of the Standing Committee on Finance presented to the House on Friday, November 29, 2002.

[English]

Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I am pleased to participate in the pre-budget discussions.

Budgets are about choices, about making decisions that will affect the lives of Canadians across the country. Over the last nine years Canada has seen a remarkable change in the turnaround of its economy.

The sound fiscal management and prudent economic policies of the government over the last nine years have led us to a point today where we are the envy of the G-7. I point out that this has come about because of the support and sacrifices of Canadians. Canadians have made sacrifices in order to make sure that the economy grows and that we have the kind of prosperity that we all enjoy.

There was no question that when we took office we inherited a \$42.5 billion deficit, so getting the finances of the nation in order was the top priority of the government. As I said, when we are dealing with the development of budgets there are tough choices that we have to make. The government made some tough choices in the mid-1990s.

With the support of Canadians we were able to eliminate the \$42.5 billion deficit. I know that this is good news and I know some of my friends on the other side are not used to hearing good news which is why they keep yelling.

However there is no question that Canada has recorded five consecutive balanced budgets or better. That has not happened in this country for 50 years. That in itself is a remarkable achievement.

We have paid down more than \$46 billion of the national debt. Our debt to GDP ratio has dropped from 71% in 1995-96 to 49%. That again is the largest debt to GDP ratio of any G-7 country. I would compare that with Japan, which has been going up, and is now up over 130% of GDP. We are obviously, as a government and as a country, doing the right things.

The government's fiscal policies have been prudent and they have demonstrated a clear and unwavering commitment to make sure that we do not go back into a deficit. There is no one on this side of the House that wants to see us go back into a deficit. The last short term deficit we had lasted 24 years. Therefore there is no such thing as short term deficits. The days of deficit spending are behind us.

Canadians want us to continue with balanced budgets. They want us to continue with debt reduction and they want us to invest in key sectors of the economy, including health care, children, families and our environment.

Government Orders

The basic facts are that the second quarter growth in 2002 was 4.3%, annualized rate after a 6.2% growth in the first quarter. It was very significant.

The IMF and the Organisation for Economic Co-operation and Development both predict that Canada will lead the G-7 this year and next year in terms of economic growth.

Employment for the month of November rose by 42,000, bringing job gains to over 502,000 for the year, an increase of 3.3% in manufacturing employment, 33,000 new full time jobs in November. Real GDP grew at a slower rate but it was still a healthy 3.1%.

Exports and residential investments picked up strength and business continued to invest in machinery and equipment. Compare that situation to other G-7 countries and south of the border. In the first three quarters of 2002, the Canadian economy grew at an average rate of 4.4%. It was a full percentage point above the United States.

• (1020)

If my colleagues across the way would listen for a bit they might learn that the economy and the government have ensured we have been on the right road. We are ensuring we have a balanced approach in terms of responding to the needs of Canadians.

I mentioned the OECD and I would like to make a comment here. The OECD expects that Canadian real GDP growth would be about 3.1% for next year. It is positive about Canada's economic growth and notes that the Canadian economy is doing extremely well to date. The OECD predicts that Canadian growth would rank number 1 in the G-7 in both 2002 and 2003; not number 7, not number 10, but number 1. I know this is too much good news for some of my colleagues across the way, but these are the facts.

This reflects sound economic policies and I am sure my colleague here would agree that it is those kinds of policies that are sending out the right signals to Canadians.

We must look at the economy and realize that the support we have received across the country from Canadians has made possible the economic gains that we enjoy today. The government brought in a \$100 billion tax cut, the largest tax cut in Canadian history. This year alone \$20 billion of that cut was put into the system. That means more money in the pockets of Canadians. That means more opportunities for Canadians to invest, to spend, and to use for their families. It is important that the government has taken that initiative.

I am sure my colleagues would all agree that putting money back into people's pockets has resulted in more consumer confidence. As we are into the Christmas season we see people showing that confidence by spending and investing. That is really very important.

Governing is about choices. As we move toward the 2003 budget we must make some decisions as to what kind of Canada we want to see in the future, in terms of where we want to invest our priorities. I mentioned that one major area was health care.

Government Orders

The Prime Minister and the premiers had an historic agreement back in September 2000. An additional \$21.5 billion was pumped into the system over five years. Although the federal government is responsible for the five principles of medicare it is not the deliverer of health care services. That is up to the provinces.

Recently we have had the Kirby report and the Romanow commission. Those are two important documents in evaluating the direction of where we will go in terms of ensuring that health care services remain number one. It is what has identified us as a nation compared to the United States, where 44 million Americans have no form of health care insurance of any kind, and where over 12 million poor American children have no coverage. In this country we do not ask for Visa, we ask for a health care card. That is important.

The Prime Minister has made it clear that, at his upcoming meeting with the premiers at the end of January or early February, we will sit down and deal effectively and responsibly with the issue of health care. We will be there to do our share, along with our provincial partners. Investing in health care is extremely important and the government is committed to it. These investments cost money and we will ensure we do so in a fiscally responsible manner, not going back into a deficit.

It is too bad that some of my colleagues across the way had not listened earlier about fiscal management. They would have learned how positive the economy has been and how the government has managed very effectively the finances of the nation.

● (1025)

I will not go into Kyoto because there is enough hot air across the way, but I would point out that the environment is another important area. Canada has again stepped up to the plate rather than sitting back. We are doing our part in the area of the environment. That will require support and another choice that we must make.

Members in opposition can, on the same day, call for billions of dollars of spending cuts while at the same time call for billions of dollars of expenditures, because they do not have to account for a dime. That is one of the problems. On any given day in the House I often hear some hon. members across the way calling for us to spend and at the same time saying that we need to reduce in an area. That is certainly a role that the opposition has, but on this side of the House we want to ensure that we continue the strong performance that has made this country number one in terms of economic growth.

Other areas of investment would include the military. Over the last three budgets \$7.6 billion has been added. Defending Canada's sovereignty and ensuring that our troops have state of the art equipment is important and that is why there have been increasing investments, over the last three years in particular, in national defence.

One of the most important initiatives of the government over the last nine years has been the investment in our cities through the national infrastructure program. This is a program that languished for 10 years under the Tories and that the Alliance did not support. However the government, in collaboration with our cities and provincial partners, developed a strong national infrastructure program investing in sewers and water, and ensuring that we had roads and bridges. Transportation is very important.

In 1983, when the national infrastructure program was proposed, we had a \$17 billion deficit in infrastructure. Today there is over \$40 billion and that is why we have been responding now. Had the previous government responded when it was originally proposed, we would have been able to reduce that even faster. This has been one of the most effective and important programs, particularly for communities across the country, whether they are in Alberta, Ontario or Nova Scotia.

In the Speech from the Throne the government committed to another 10 year national infrastructure program. Why? Because it would help our communities plan effectively for investments in the infrastructure field, which is important to the quality of life for Canadians, whether they live in rural or urban areas.

I would point out that we have the strategic infrastructure fund, which is also important in terms of ensuring that we look at investing in major projects in this country. There are spinoff effects in ensuring we are putting people to work and that businesses are able to grow because of those important investments.

I know this is a lot of good news that some of my colleagues across the way find difficult, but again the facts speak for themselves.

One of the areas that I wanted to mention which is important is research and development. Canadians have been asking that we pay more attention to research and development and we have responded. Investing in research and development, ensuring that Canadian ideas and know-how are developed in this country, is extremely important. It is important to our universities, businesses and communities. It is also important for young people to know that as they go through the educational system there would be opportunities in the research and development field. Many of them would be able to do that. In fact we have committed over \$4.5 billion, the highest level ever in terms of R and D development. Our priority is to ensure that we respond to the needs of Canadians.

● (1030)

Nearly \$3.5 billion since 1997 was put in the Canada Foundation for Innovation and Genome Canada. This is extremely important because it is helping to put in world class equipment for research. The chairs of excellence across the country, CIHR, are strategic investments which make opportunities for Canadians. That is a very important commitment.

The government, in a balanced approach in terms of tax reductions and strategic investment, has demonstrated that it is a world leader. We have been attracting not only the best and the brightest to stay in the country, but attracting people from overseas to come here.

Government Orders

Hon. members should not take my word for it. They should look at the University of Toronto and what the president of the University of Toronto has said in terms of the research dollars that have meant so much to that university in the fields of science and medicine. It is important to the government and to Canadians that we continue to respond effectively in those areas.

The budget is about choices. We will be faced with the fact that we will have all of these issues on the table. A responsible government will have to ensure that we prioritize. I can tell hon. members, having been involved in the prebudget consultations both here in Ottawa and across the country, that there have been more than 400 presentations by people who are commenting about what they would like to see in the budget. Because of this debate, we will also be able to hear what our colleagues on both sides of the House would like to see in the budget.

The watchword is no deficit. It is important not to go back into a deficit. My colleagues on this side of the House support that. I am sure my colleagues across the way believe in a responsible approach and that whatever we decide to do, deficits are off the table.

In terms of the debate we will be conscious of the fact that as we move forward, health care, environment and investing in families are key issues. Continuing the personal and corporate tax cuts that we have been implementing is important. In fact, corporate taxes would be down to five points lower than the United States by 2006.

The good news is that a lot has been done and accomplished, but there is much more to do. That is why we would never break the confidence of Canadians by ensuring that we again respond effectively and appropriately in terms of the upcoming budget and obviously future budgets.

I would like to conclude by saying that on this side of the House we have received a lot of input. I have heard from my colleagues and I know that they are reflecting the issues in their communities. Whether it be Winnipeg or Peterborough, we have listened and we will respond. We are ensuring that cities like Toronto are able to continue to be the economic engines of this country and that rural communities, whether they be in British Columbia or Alberta, again have the economic tools. The role of government is to create the economic environment so that people would invest and businesses could grow. That is what has been the watchword of the government.

I remind all members that we must not forget the social deficit in Canada. We must continue to invest in the lives of Canadians and Canadian families. One of the most important initiatives that the government has taken in the social policy field was the child tax credit. The initiative of this particular government has meant so much to so many Canadian families.

• (1035)

I look forward to the debate and the comments on both side. As we move forward, I trust we will keep in mind that we will continue a balanced approach, no deficit, and that we will continue to invest strategically in terms of tax reductions, R and D and ensure that the quality of life of Canadians remains very high. We will continue to look at organizations like the OECD and the G-7 and say that Canada has moved right to the top and that it will stay at the top

because of the commitment of the government and working Canadians.

The Deputy Speaker: I take note that a large number of members on the opposition benches wish to ask questions, but according to our Standing Orders that is not the case. I know the parliamentary secretary would like to answer those questions.

Mr. Darrel Stinson: Mr. Speaker, I wish to ask for unanimous consent to ask questions.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

Some hon. members: No.

Mr. Charlie Penson (Peace River, Canadian Alliance): Mr. Speaker, I am pleased today to rise in the debate on the prebudget consultations and the process that will take place leading up to the budget to be brought down sometime hopefully in the new year.

The committee travelled extensively and heard from a lot of Canadians. It produced a report called "Canada: People, Places and Priorities".

The Canadian Alliance recognizes that fundamentally Canadians want an increase in our standard of living. They want a reversal in the long term economic decline. While the Canadian Alliance supports many of the recommendations contained in this report, we do not feel that these priorities have been adequately reflected in either last year's budget or in the report itself.

Last year the Canadian Alliance issued a supplementary report and it warned the government of the need to control expenditures to allow for further tax relief and debt repayments. However budget 2001 did not make these issues a priority, and therefore we feel compelled to raise them again this year.

Furthermore, this year's throne speech increased the pressure to spend with its many promises for new programs. Private forecasts have estimated the aggregate bill for these new spending programs at about \$38 billion over the next eight years and this does not include the cost of climate change commitments, especially to Canadian consumers and taxpayers. With recent speculation of a \$15 a tonne emissions credit cap for industry, the Liberals appear to be looking at the overburdened Canadian taxpayer to foot the bill again.

The throne speech hardly mentioned the need for further tax reduction and reform. Instead it stated that the government would maintain its commitment to fair and competitive taxes. The Canadian Alliance argues that Canadian taxes are neither fair nor competitive.

It is against this backdrop that the Canadian Alliance has felt compelled to submit a supplemental report. At a time when health care, security issues and taxation continue to be at the forefront of Canadian concerns, the Canadian Alliance insists that the federal government must not be distracted by costly and misguided legacy dreams.

We believe that these are the issues that require attention: government spending; taxes and the tax burden; ongoing productivity and competitiveness concerns; and the debt burden. I will address those one at a time.

Government Orders

Spending is the first issue I would like to address. The Canadian Alliance strongly supports recommendation 2 of the committee report which calls for a balanced budget, a cap of roughly 3% increase on spending to keep in line with the growth of population and inflation, paying down market debt and a ongoing review of federal expenditures. These have all been longstanding Canadian Alliance policies. However these recommendations can only work if they are carried out, which has not been the case to date.

The significance of recommendation 2 pales when one considers the government's recent increases in federal spending. We note the concerns expressed by the Canadian Chamber of Commerce about the increased government spending levels. President and CEO of the Canadian Chamber of Commerce, Nancy Hughes Anthony, said:

In the view of our members, this...creates a very dangerous precedent. If we look at the cumulative government spending, since the deficit was eliminated—very few years ago, 1997-98—that increase is almost 25%.

The Canadian Alliance strongly urges to federal government to discontinue its new spending spree. We agree with C.D. Howe Institute economist Jack Mintz when he said:

Those who believe governments have inadequate revenues to spend on critical public services have it wrong. The problem is that governments misallocate tax dollars by designing ineffective public programs. For example, in 1999 Canada spent almost the same as the United States on health, education and protection, about 16% of GDP—by the way, protection includes defence and law and order...However, Canada spent almost 25% of GDP on other programs and debt carrying charges while the U.S. spends only about 15% of GDP on similar expenditures.

Members can see that Mr. Mintz is saying that there is a 10% gap between Canada and the United States and it makes up that huge difference in the size of government in Canada.

Rather than increasing spending every year as the new priorities are identified, the Canadian Alliance recommends that the federal government show leadership and make the required spending cuts from lower priority areas so that the overall federal spending envelope does not grow faster than population and inflation.

● (1040)

I want to take a moment to talk about the taxes and tax burden. Our tax burden in Canada remains too high. Even after implementing the tax changes announced in budget 2000, Canada will still have personal and corporate tax rates far above the OECD average. Moreover, our overall tax burden remains about 10% higher than that of the United States, as Jack Mintz said.

Currently the federal government's revenues remain at about 16% of GDP. I want to make the point that they are only slightly higher now than they were in the mid-1990s, so revenues continue to grow for the government. In fact, Dale Orr of DRI-WFEA, in the spring of 2000 in a presentation to the finance committee, said:

Total revenues for all governments, netting out transfers, have only fallen from 41% [of GDP] in 1996 to 40.1% in 2002. It will be disappointing for Canadians to learn that this overall tax burden has not fallen that much.

The Canadian Alliance members note that Canada's tax burden will increase even further during 2003 through payroll taxes, as the Canada pension plan premiums are set to increase another half a per cent. That happened since the time the report was written. That works out to \$964 million more out of the pockets of Canadian employers and employees. We are not even sure whether that is sustainable.

The former chief actuary of the Canada pension plan was fired, if the House recalls, because he suggested it probably would have to rise to 15%. The former finance minister did not like what he said and therefore the chief actuary got the boot and the government brought somebody else in who would give the government the answer it wanted.

Mr. Don Maunders, the vice president of the Canadian Restaurant and Foodservices Association, had this to say about it:

So when I ask our operators what they need to hire more young people, they're very clear. They say, "Make it less expensive for me to hire that person, and I'll add them tomorrow". They look at payroll taxes as a particularly expensive barrier to hiring more staff. As labour gets more expensive, they look for ways to drive more hours out of the workweek.

The Canadian Alliance members reiterate our call for the elimination of the capital tax. We note that the finance committee has once again recommended this move but we urge the federal government to immediately commit to rid Canada of this damaging tax on productivity and investment. It was a recommendation in last year's prebudget consultations and report but it was not picked up.

Recommendation 4 on corporate taxes is somewhat disheartening as the goal of this Liberal Party seems to be to guard against an unacceptable divergence with the U.S. rates. Time and again witnesses before the committee stressed the importance of creating a Canadian tax advantage rather than attempting to keep up with our southern neighbour.

Thomas d'Aquino said in April 2002 that:

—the goal of tax policy should be clear. Competitiveness in taxation is not just a matter of playing catch-up with the neighbors. Rather, Canada should be trying to create a meaningful advantage over its major competitors.

Nothing much has changed since then.

Last, the Canadian Alliance members recommends that the federal corporate tax rate on profits from the resource sector be brought in line with other sectors. It is a drag on the economy. It is a drag on investment. We have had many submissions before us from people in the mining and petroleum industries asking why they are being treated unfairly and why they are not the same as all other industrial sectors in Canada.

The other is the ongoing productivity and competitiveness concerns. The Canadian Alliance is deeply concerned that the reports attempt to play down Canada's problems with productivity and international competitiveness. Many witnesses expressed concern that the productivity gap between Canada and the United States remains wide and continues to grow.

Government Orders

The report however appears to suggest that revised data has shown that the gap between Canada and the United States is smaller than previously thought. There is a well documented 30 year decline in Canada's standard of living that can hardly be made up by revising data. Unfortunately, this is typical of the denial of the Liberals of the role that public policy has played in Canada's long term economic decline.

•(1045)

According to the *Global Competitiveness Report 2002-2003*, Canada tumbled five notches to eighth spot among the most competitive economies in the world. Think of it: 25 years ago the United States was number one in terms of productivity and Canada was number two. We were very close. We are now in eighth place. The U.S. remains number one. Just think of where that puts our Canadian companies that try to compete. We have tumbled and we have the worst rating since 1996. Meanwhile, even with the current U.S. economic troubles, the Americans managed to improve their productivity by 4% in just the last quarter alone and I understand that gap is increasing and growing even today.

Here is what Jayson Myers, the chief economist of the Alliance of Manufacturers and Exporters, had to say about it:

The gap in productivity performance between Canada and the United States continues to grow. Productivity is a measure of the wealth-creating capacity of the economy. It's also a measure of return on investment. Our lagging productivity performance is therefore not only an indication that real incomes of Canadians are falling in relative terms to those of the United States, but is also a reason why Canada's share of foreign direct and portfolio investment is declining, and why the Canadian dollar, in spite of all efforts aimed at improving fiscal and monetary fundamentals in this country, continues to depreciate against its U.S. counterpart.

It is roughly 63¢, a big decline since the Liberal government came to office in 1993, and a huge decline in the last 25 years. That is what Jayson Myers had to say about it.

The most troubling matter is the government's longstanding refusal to acknowledge the failure of its own policies to encourage innovation and productivity. Liberal members who comprise the majority of the committee did not recognize the role that successive Liberal governments have played in hindering Canadian economic progress and development. This state of denial is negatively impacting Canada's standard of living, which is currently 30% lower than that of our American neighbours.

What about our debt burden? The Canadian Alliance believes that it is vitally important to control overall spending in order to accelerate debt repayment. Although our debt to GDP ratio has improved, our debt burden still remains very high, and the interest costs to cover that debt continue to be a drag on Canadians.

William Strain, chairman of the taxation committee of the Conference for Advanced Life Underwriting, had this to say about the debt:

Debt is currently at an unmanageable level in relation to the GDP. It's taking 23 cents of every tax dollar to pay the interest. That has to be brought down to a more manageable level going forward...We're certainly encouraged by the level of debt repayment that has occurred over the last few years, and a commitment, even on a five-year timeframe, in the order of magnitude we've seen over the last few years would be a step in the right direction, to have it up in that \$5 billion to \$10 billion a year committed repayment level.

That is what he said, but we see no line item in the budget that would deal with this issue. It is just left to happenstance. As the

report notes, reducing our debt will result in a permanent fiscal dividend, which can be used in strategic investments and other areas like defence, health care and further tax relief. And we certainly know there is pressure in all those areas as the Liberal government has mismanaged those entire sectors of our economy.

To that end, the Canadian Alliance recommends that planned debt repayment be a specific item within the budget and not left to chance at year-end.

Canada has an untapped potential for growth but Canadians need the proper environment to nurture our prosperity. The Canadian Alliance is confident that Canada can regain its prosperity and competitiveness. However, strong government leadership is required to provide crucial fiscal responsibility. Canadians deserve a significant reduction in taxes and prudent management by government departments. It is up to the government, however, to put those priorities into action in the upcoming budget.

I want to deal for a moment with the mismanagement we have seen, which has led to this 30 year decline in Canada's standard of living. It is pretty tragic, really, to see a great country like Canada brought down to this level, where we have had a decline in our standard of living relative to that of our major trading partner, our neighbour to the south, the United States. Our standard of living is something like 30% lower than that of the United States.

What I really want to get across is that the promotional spin of the Liberals as being good money managers is just that: spin and promotion. The mounting evidence clearly paints a very different picture, one of financial mismanagement and accounting deception.

As I stand here today, Canada's standard of living has been falling in comparison to that of our largest trading partner and competitor for the past 30 years. This decline has been even more dramatic since 1993, when this current Liberal administration took power.

How far have we drifted off course? Many economic commentators describe the last 10 years as Canada's lost decade. In the lost decade under this government, Liberal mismanagement and misguided public policies have translated into unfavourable comparisons between Canada and our southern neighbour.

According to the Centre for the Study of Living Standards, Canada's productivity gap was 19% when we were compared with the U.S., measured by GDP per hour worked. This means that Canadians were only 81% as productive as American workers, not because American workers are working harder but because they have better tools and technology than their Canadian counterparts. I would submit that the heavy hand of government on their backs, taking 12% more of the GDP in this country than it does in the United States, is a major contributor to that.

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• (1050)

Hand in hand with the Canadian productivity gap is our standard of living gap, which is now 29%, according to the centre. That means that Canadians are only 71% as wealthy as Americans, measured by real personal disposable incomes. This gap increased from 25% in 1993. It is huge and we are in this major drift. I suggest that it is even worse than drift; it is mismanagement, and even worse than mismanagement, it is wilful mismanagement in many areas.

Once Canada was a long term importer of foreign capital, but today Canada has a direct foreign investment gap of 2%. That means Canadians are investing more money abroad, mainly in the United States, than foreigners are investing in Canada. Why is that? They are investing it abroad because they are looking for better rates of return in other countries. Why can investment in Canada not get a favourable return? The first reason is the Canadian dollar. They have to buy machinery and equipment for their new plants. When they buy that with a 62¢ dollar it makes it very expensive.

Then, when they get their plants set up, what happens? There are higher tax rates in Canada. There are higher payroll taxes and there is higher regulation in Canada. In other words, they are not competitive. Then we throw in the issues like the security at the Canadian-U.S. border. Can we imagine what happens? Then we throw in Kyoto and the uncertainty of higher energy prices. Where is new capital flow going to go? People in Canada are voting with their feet on that issue.

Finally, the Canadian dollar gap is 38¢. The dollar is at about 62¢ as we speak. There was a 23¢ gap in 1993. This is another example of the decade of drift, a lost decade under the Liberal administration.

What about our international relations and security? Under the Liberals, Canada has declined not only economically but also in our political stature on the world stage. We now have gaping holes in our military capability and are letting down our international allies. Liberal disregard and anti-Americanism chauvinism have put the Canadian-American relationship in a dismal state. Our once unprotected border is now armed to the teeth by a distrustful American government. As I said, what effect does it have on two-way flow of trade when we have a slowdown to the extent that we have seen?

Meanwhile, even our Coast Guard cannot adequately patrol our shores because there is no money to put fuel in the boats, which have to sit idle.

The Liberals are more concerned with tweaking the nose of the United States than they are with safeguarding Canadian economic interests.

Another case in point: What have they done in regard to agriculture? And what have they done in regard to protecting us in softwood lumber?

Trade relations with the United States, our major trading partner, are at all time low level. I suggest that we do not have the kind of good relations between Ottawa and Washington that are required with the kind of trade relationship we have. It is neglect and it is worse than that. It is actually tweaking the nose, as I said, of Uncle Sam, and it is not acceptable.

Would good managers develop the kind of public policy that has allowed this to happen? I do not think so.

One of the most significant differences between the American government and the Canadian government is that our government takes up 12% more of the economy than the American government, even though the United States spends more public money per capita than Canada. If the money were going to productive spending such as usable infrastructure perhaps it would do some good, but it is not.

What did the Liberal government spend its tax dollars on? That is coming to light every day in the House. There was HRDC boondoggle from about two or three years ago. There was the case of the Hostess potato chip company, I think it was, which was enticed to move its plant from Niagara Falls down the road 40 miles to Brantford, to the constituency of the HRDC minister at the time. What kind of useful infrastructure spending is that? There was \$1 billion unaccounted for.

• (1055)

It is even worse. There is the gun registry. The Auditor General identified a cost overrun of at least \$1 billion. The Auditor General had to give up because the paper trail was so bad and the books were so bad that the audit could not be completed.

In fact, my colleague from Yorkton—Melville talks about how far the deficit may run on the gun registry. He says that there are only about two million firearms registered. There are some estimates that there may have to be another 10 million registered. This thing could accelerate to several billion dollars. It is out of control.

The Liberals are not good money managers.

What about Shawinigate? Do members remember that?

What about the ongoing advertising scandal, the wasteful spending through regional development programs and technology partnership scandals?

Why is the Canadian taxpayer in the business of funding business? General Electric, Pratt & Whitney and Bombardier were given industrial grants. Is that what we want to do as a government, give money to huge corporations? What is the trade-off? There is less money for things like health care. There is less money for tax relief. Canadians already know how heavily they are taxed.

These are the kinds of problems there are.

Then, of course, we have Revenue Canada and the GST scandal. CBC has reported that maybe \$1 billion has escaped through GST white collar fraud. A lot of it has apparently gone into Barbados and into offshore accounts that cannot be recovered. So someone does a couple of months in jail and when he gets out he has an account for \$1 million sitting in Barbados. And they get away with it. That is not just mismanagement. It is wilful mismanagement. It is awful.

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This is not even to mention the Enron style accounting practices of the government, such as throwing \$7 billion in multi-year funding to foundations, money that is sitting in bank accounts across Canada and should have been used to further pay down the debt. Successive Auditors General have said that this accounting standard is not acceptable.

Before the former minister of finance lost his job, he was in Toronto last spring lecturing the private sector about cleaning up their books and cleaning up their act in accounting. I suggest that he did not have any lessons to give anybody. The Auditor General has been on his butt for a long time in this area and this area needs to be cleaned up.

Under the Liberals, federal-provincial relations have also deteriorated, first under health care funding and now with Kyoto.

Some suggest that this all will be cleaned up. There is a lot of hope about how this will be resolved with the political future of the member for LaSalle—Émard, when he comes into the House as prime minister in a few months and turns the situation around. So I think it is only fair that we examine his record for the time he served as finance minister, from 1993 to the summer of 2002.

Unfortunately, the former minister of finance and the Prime Minister are not opposites, as he would have us believe, but are cut from the same political cloth. They both value political expediency over good policy, wasteful spending over restraint, and accounting trickery over transparency. The true legacy of the former Liberal tag team of the former finance minister and the Prime Minister is that they have ripped the fabric out of the health care system and have pushed it to near crisis by slashing funding for the provinces.

● (1100)

Provinces have told us, and we know in the House, that during the height of those cuts we saw \$25 billion lost out of the system in health care. Yes, the Liberals have restored the funding to where it was and to maybe even slightly higher than it was when they cut that funding in 1995, but in the process, \$25 billion has gone missing. And we wonder why the provinces have trouble funding health care?

Only out of political necessity did these two co-write the budgets that reduced spending. It was only after six years of tax increases that they finally capitulated to the demands of Canadians, in 2000, by grudgingly reducing taxes. From the highest to the lowest point, program spending fell 14%, or \$17.8 billion, according to the government's public accounts, which overstate the decreases and understate the recent increases. These financial statements have become, under this Liberal tag team, as genuine as those of WorldCom or Enron.

As the C.D. Howe economist William Robson remarked after the 1999 budget:

Canadians generally can no longer rely on federal budgets, nor on the figures presented in the Public Accounts at the end of each fiscal year, to give a straightforward account of the nation's finances.

What is he saying? In fact, up until about 1993, they were the standard. He is saying that we "can no longer rely on" the budgets or the figures presented in the public accounts to give a straightforward accounting of the nation's finances. What a strong condemnation.

From this perspective, it is outrageous that the current and former Ministers of Finance would have the audacity to lecture the private sector on its corporate governance and accounting rules. Unlike accounting firm Arthur Andersen, the Auditor General has reported the government's accounting failures many times and has repeatedly requested corrective action, just recently, in fact, on the gun registry and on many others.

However, one of the main legacies of this tag team is unapologetic accounting sleights of hand. Advertising, the gun control registry, and the lost tax revenues through GST fraud and international taxation loopholes are the most recent examples of the Liberals keeping Parliament in the dark. The Auditor General had something to say about keeping Parliament in the dark on the gun registry.

Fortunately for Canadians, the national accounts published by Statistics Canada are based on international standards and provide a non-politicized source of financial information. Unlike the public accounts, the national accounts measure peak to trough decline as slightly less than 9% or \$11.3 billion. Historically both sources of financial information were comparable. However, after 1992 the public accounts have presented a systemic understatement of program spending.

That is why, according to the public accounts, program spending was below the record high set in 1993, right through to 2001. In contrast, however, the national accounts reveal that the earlier high was surpassed in 1999. A significant reason for the over \$10 billion difference between the two accounts is the public accounts improper accounting of family child benefits and the year-end ad hoc spending such as the spending in the areas that I identified earlier as the foundations. The Auditor General has criticized both those practices. She has criticized the accounting of the family child tax benefits and also the foundations' spending.

While expenditure reduction was an integral part of taming the deficit, what was cut is important. Was it done fairly? No. This Liberal tag team effectively off-loaded its problem by slashing social spending transfers to the provinces. The national accounts reveal that transfers to other levels of governments were cut by just over 20% or \$6.6 billion. We must keep in mind that this category includes social transfers and constitutionally required fiscal transfers like equalization and therefore understates cuts to social transfers.

Since the fiscal transfers grow in line with GDP, let us consider the impact of reduced social transfers on Canada's largest province, just that alone. I know that it was not just Canada's largest province that was hit, but let us just look at Ontario alone. Federal cash transfers were cut by 36% or \$2.6 billion between 1993 and 1998. Therefore, the source of today's fiscal difficulties between provincial and municipal governments can be traced back to these Liberal cuts.

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•(1105)

In direct contrast to the dramatic cuts to social transfers, the Liberal government's reductions in its own backyard were relatively tepid. Spending on the federal bureaucracy fell 7% or \$2.6 billion compared to the 20% cut in provincial transfers. What does that say? The government cut its own spending by 7% and cut transfers to the provinces by 20%.

The dichotomy of all this in Liberal priorities extends throughout their time in power. Between 1993 and 2001 the finance minister and Prime Minister tag team increased spending on the Ottawa bureaucracy by 16% or \$6 billion. Transfers to businesses increased 9% or \$330 million. That was some of the money I talked about going to Bombardier and others. Transfers to the provinces increased just 6% or \$1.9 billion. It is clear that the Liberal government cut deeper where there would be less political backlash and reduced expenditures the least where repercussions would be stronger.

The government cut transfers to the provinces. It off-loaded its problem to the provinces to let them deal with it. The dramatic off-loading forced the provinces to reduce their own budgets and resulted in the premiers bearing the brunt of the backlash. This was not done by accident. I suggest the Liberal government knew very well what it was doing. Thus the expenditure reductions were shaped by political expediency rather than good policy.

Members may be thinking that the government cut taxes too and that is true. After six years of tax increases, the Liberals did reduce taxes just before calling an election.

In early 2000 the Canadian Alliance proposed a \$100 billion tax reduction program which the Liberals claimed was not affordable. We all remember the ridicule that went on in the House. I remember in 1993-94 the Canadian Alliance, and the reform party before it, had the zero in three program; we would balance the budget within three years. I remember the ridicule that came from across the way. The Liberals said it would be impossible. When they were forced to bite the bullet, the Liberal government actually did it in two years, but we must remember how the Liberals did it. The government did it on the backs of the provinces.

Getting back to the tax cut I mentioned earlier, in early 2000 the Canadian Alliance proposed a \$100 billion tax reduction program which the Liberals claimed was not affordable. There was an election in the offing and to ensure electoral success following strong Alliance polling numbers, the Liberals introduced their tax plan to appeal to the growing number of Canadians demanding a tax cut. Although the Liberal plan was smaller than the Alliance plan, it stole several key proposals to augment its political expediency. Members must remember those words, political expediency, because they come up quite often.

The former finance minister and the Prime Minister focused their cuts disproportionately on social transfers and dealt Canada's health care system a body blow. At the same time they increased taxes over 60 times, including bracket creep and CPP premium increases, before capitulating to electoral demands to reduce the tax burden. Yet they still managed to add \$40 billion to the over half a trillion dollar federal debt.

The Liberals came to power on October 25, 1993. The federal debt at that time was \$508 billion. The Liberal government ran it up to \$583 billion in a short period of time before it was stopped. The government has reduced it down to \$536 billion I think, but by those numbers that is still a net increase of some \$28 billion from \$508 billion to \$536 billion.

That is the Liberal legacy. They have increased the debt by more than \$36 billion. They put taxes up some 60 times in order for Canadians to pay back the debt, but it is still \$28 billion higher than when they took office. Out of every tax dollar, 23¢ goes just to pay the interest on the debt. Imagine what we could do with that if that debt was not there, yet there is no real program to pay it down. It is just by accident; if there happens to be a surplus at the end of the year, the government will put it toward the debt. There is no overall plan in the budget to do that.

I ask the Canadian public how the Liberal government would fare as a private company. It gives a lot of advice to private companies these days about getting their corporate governance in order. When I asked the former finance minister before he lost his job last spring about lecturing Canadian businesses in Toronto, he was pretty meek and mild. He knew the Auditor General had been on his case and had said that corporate governance of the federal Liberal government was not that good. In fact I would suggest the Liberals are not good money managers at all. That is being exposed more and more every day.

•(1110)

The gun registry has had overruns from \$2 million to over \$1 billion and counting. How could that happen? Not only that, the Auditor General said that it was not just an accident, but that the Liberals kept Parliament in the dark in those areas.

I suggest the Liberals are not being responsible when Revenue Canada does not pursue GST fraud by companies and individuals scamming the government. They were not responsible during the HRDC scandal.

The Liberals were not responsible when it came to the advertising contracts. In fact, Groupaction even got in on the advertising for the gun registry. It got a piece of that pie. The Minister of Public Works said that he cut it off, that it got no money but we still see money flowing to it even after it was supposed to be cut off.

I ask the rhetorical question, how would the government fare as a private company? What would its stock be? Perhaps its stock would be 62¢ on the dollar.

The Liberals got 38% of the popular vote last time, and the way they are going I suggest it will be less the next time as they are exposed for what they really are, poor managers. They are back to tax and spend with no regard for hardworking Canadians who feel very heavily taxed. Canadians are among some of the highest taxed people in the industrial world in terms of personal income taxes.

Canadians deserve better. I suggest it is time to turf those guys out of office.

• (1115)

Mr. Peter MacKay: Mr. Speaker, I rise on a point of order. In keeping with efforts to modernize debate in this place, of which I know the Speaker is a big fan and has always embraced, I am wondering if the hon. member would agree to take some questions on his statement before the House. I wonder if I could seek unanimous consent for that.

The Deputy Speaker: Does the hon. member for Pictou—Antigonish—Guysborough have the consent of the House?

Some hon. members: No.

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I would like to begin my speech on the prebudget consultations with congratulations to the Bloc Québécois for their wins in Berthier—Montcalm and Lac-Saint-Jean—Saguenay. I wish to congratulate Roger Gaudet and Sébastien Gagnon, who will soon be joining us to defend the interests of Quebec and promote its sovereignty.

Some hon. members: Hear, hear.

Mr. Pierre Paquette: I would also like to thank the people of Berthier—Montcalm and Lac-Saint-Jean—Saguenay. Yesterday evening they again made it clear that they reject the Liberal government's policies and are fed up with being shackled to the federal government, and reaffirmed the relevance, not only of the Bloc Québécois' presence in Ottawa until sovereignty, but also the relevance of the sovereignty project itself.

Certain people, the Minister of Justice among them, spoke yesterday of a moral victory for the Liberals. I hope the future of Quebec will be paved with more such moral victories, as well as real victories, with the election of Bloc Québécois members, true defenders of the interests of Quebec and great sovereignists. I am therefore most anxious to see these two colleagues come to reinforce our Bloc Québécois team.

This ties in with today's debate on what the Minister of Finance's priorities ought to be for the government's budget.

As I said, the people of Berthier—Montcalm and Lac-Saint-Jean—Saguenay again made it clear yesterday that they reject the federal Liberal government's approach and want to see an approach much more closely aligned with their priorities and realities.

In the report submitted by the Standing Committee on Finance, there is unfortunately nothing to reassure the people of those two ridings. Their only reassurance is the knowledge that they will have two fine representatives in the House of Commons.

The report of the Standing Committee on Finance is a kind of shopping list which leaves the Minister of Finance with all the

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leeway. Not only is it a shopping list, but it is one where the only common denominator is the fact that the provinces are being required to be accountable to the federal government for any policies within their own areas of jurisdiction.

In health, without giving any figures, they talk about restoring funds and about the provinces being accountable to the federal level. When I travelled with the Standing Committee on Finance, I was surprised to see that the people in English Canada believed in the validity of the Canada Health Act. This legislation has never stopped the Liberal government from making unilateral cuts in transfer payments to the provinces and from creating most of the problems we faced today in health, in all provinces of Canada, and in Quebec in particular.

You know that four Canadian provinces are at risk of running a deficit this year. This is not just a problem in Quebec. It is a problem across Canada. Most of the blame for the financial problems of the provinces, Quebec especially, can be placed on the Liberal government, the federal government.

Absolutely nothing in the report addresses this reality. The Bloc Québécois has rejected outright the approach by the Liberal majority on the Standing Committee on Finance, except for two small measures that I wish to point out nonetheless because I feel they are Bloc Québécois victories.

In the report there is a recommendation that the disability tax credit be refundable. The Bloc has been asking for this for several years. We are currently campaigning, with the member for Laval Centre, throughout Quebec, and collecting signatures not only to make the tax credit refundable, but also to improve access to this tax credit.

You know that recently the finance minister wanted to introduce draft legislation to limit the definition of a disabled person. More than 100,000 letters were sent to people throughout Canada who had to provide or re-submit evidence of their disability. There were situations that were morally unacceptable.

The tax credit has to be refundable because 65% of disabled persons earn less than \$20,000. They do not pay taxes, so if the credit is non-refundable, they do not benefit from this help from the community or the State, towards the costs associated with their disability. I support the measure proposed by the Standing Committee on Finance, although I feel it is too restrictive because it does not question the federal government's current criteria for defining a disabled person.

A second measure that is a victory for the Bloc Québécois, particularly for my colleague and friend, the member for Saint-Hyacinthe—Bagot, is a recommendation on reducing the excise tax for microbreweries.

• (1120)

It was inconsistent and made no sense, considering the recent legislation that reviewed all of the excise tax structure. It was our feeling that microbreweries were, strangely enough, forgotten, thanks to pressure from the big breweries. This is an injustice that could be rectified in the next budget.

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Other than these two very specific measures, the rest, as I was saying, is unacceptable. First, I would have expected—and the Bloc Québécois would have expected—that this government's finance ministers would have been called to order for the way they assess government finances, and the surplus in particular.

There is a blatant lack of transparency. Allow me to give a few examples. In 1999-2000, the Minister of Finance at the time, who now has his eye on the Prime Minister's job, forecast a \$3 billion surplus. The real surplus was \$12.7 billion. That is a margin of error of 324%. Some would say, "That was the economy. It could not be predicted".

The next year, in 2000-01, he forecast a \$4 billion surplus. The surplus ended up being \$18.1 billion. That is a margin of error of 345%. That was the second year in a row. Some might say, "He did not have much luck". Let us hope that he is more lucky in the election for the leadership of the Liberal Party of Canada. For the third year, in 2001-02, he predicted a surplus of \$1.5 billion, and the surplus was \$8.9 billion, 494% off the mark.

The average margin of error over the nine years that the former Minister of Finance held the job is 170%. I will never be convinced that the federal government with its bureaucracy and the Minister of Finance with all his resources did not deliberately underestimate the surpluses.

The Bloc Québécois, with our relatively modest means, was able to forecast these surpluses with a margin of error of only 11%. Last year we forecast a surplus of \$8.3 billion; the actual surplus was \$8.9 billion. We were off by 7%.

This is clearly bad faith on the part of the Minister of Finance. The Standing Committee on Finance should have called on the minister to rectify the situation.

What is the result of these deliberate mistakes? The government tells us—and the Prime Minister has said this many times here in the House—that non-projected surpluses must be used to pay down the debt. I would remind him that there is no legal obligation to use greater than anticipated surpluses to pay down the debt. This money is obviously being used to reduce the debt. However, it can just as easily be used to increase the government's assets.

Furthermore, with the \$65 billion error since 1994-95, the government has paid down the debt by \$45 billion. If it had had the legal obligation to do this, then it would have reduced the debt by \$65 billion and not \$45 billion.

There is more evidence that there is no legal obligation to pay down the debt. In the December 2001 budget, the government announced that future surpluses, obviously unpredictable at the time, would be used to increase the Canada Strategic Infrastructure Fund and establish an Africa fund.

So, there is a political capacity to choose to invest these surpluses in provincial transfer payments. The flexibility is there, but not the political will. The Bloc is forecasting a \$10.4 billion surplus for this year. Over the next three years, we are forecasting a \$33 billion combined surplus. These are numbers that, I guarantee you, are much closer to reality than those presented by the current Minister of Finance, who has once again underestimated his surplus.

The Minister of Finance talked about a \$1 billion surplus for this year. A few months ago, about midway through the fiscal year, the surplus had already reached more than \$7 billion. So, the Bloc Québécois' proposals are based on reality and not on creative bookkeeping.

As I mentioned, we are forecasting surpluses totalling \$33 billion for the next three years. It is interesting to see in the Minister of Finance's statement, recently tabled in Halifax, that for the next six years, despite constantly underestimating revenues and surpluses, he is nevertheless forecasting a \$71 billion surplus.

●(1125)

What is most surprising is that this \$71 billion surplus, despite every effort to hide the real figures, is twice the amount forecast by the Séguin commission and the Conference Board. For the next six years, it was around \$30 billion. So we can see that the federal government is swimming in surpluses, and conceals this at times in a way that I would describe as almost childish.

Given that it was clear to the Minister of Finance that the surplus was already huge, despite the fact that he had a tendency to do everything possible to inflate spending and cut back revenues to avoid a surplus that would be too tempting for the provinces, he reintroduced a contingency reserve in his budget statement. This is a \$3 billion reserve that the former Minister of Finance had introduced. Obviously this was not enough and there was still far too great a surplus that the public and the provinces would be eyeing. He therefore invented a new category of reserve for economic prudence.

In the House, when we asked him what the difference was between the contingency reserve and the additional economic prudence, he was unable to answer. There is no difference, except to say that the contingency reserve is a reserve for prudence, and that the additional economic prudence was created for contingencies. In fact, this is simply a clumsy way of concealing the broad leeway available to the federal government.

As I was mentioning, the government can clearly afford to provide money again. Of the \$33 billion that we are forecasting for the next three years, we propose that the federal government provide \$4.5 billion this year for the Canada Social Transfer or as tax transfer points or GST points for the provinces. Over a three-year period, we are proposing that transfers to the provinces, be they in the form of the CST or tax points or GST transfers, which we prefer, be in the order of \$15.5 billion. If the government is serious, roughly half of the expected surplus could be allocated to the provinces to help them meet their responsibilities in health, postsecondary education and income security.

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I would remind all those listening to us of how totally the federal government has disengaged. That is why the Canada Health Act is, to my mind, a kind of hypocrisy. I was, moreover, most surprised at how much Canadians had been taken in by the government's strategy on this. At the present time, the federal government pays a mere 14 cents of every dollar the provinces spend on health and 8 cents of every education dollar. I hardly need point out how unacceptable this is.

This transfer of \$15.5 billion over three years, \$3.7 billion of that going to Quebec, would be a first response to fiscal imbalance. It is worthy of note that this figure of \$15.5 billion was more or less the number Mr. Romanow came up with in his report which was tabled just a few days ago. It spoke of \$15.3 billion over three years. Everyone except the Liberal government agrees on the additional money needed.

Nevertheless, we obviously find the conditions set by Mr. Romanow for this additional funding totally unacceptable. I think there is consensus in Quebec on this, not just among the political parties, but also among all stakeholders in the health field, and the general public. This is therefore the number one priority.

The second priority is that the federal government stop dipping into the EI fund. Since 1989, the government has not been paying into this fund, but has managed remove the equivalent of \$45 billion out of the pockets of workers and employers, small and medium businesses in particular.

As we know, EI premiums are an extremely regressive payroll tax, because a ceiling is imposed. Low wage earners and small businesses have therefore been penalized by this highjacking of the EI fund. As I have already said, a total of \$45 billion have been used by the federal government for purposes other than those intended by the Employment Insurance Act. As everyone knows, the Auditor General has recently said again that the spirit of that act has been distorted.

In our opinion, it is extremely important to get the federal government's fingers out of the EI till, so as to protect contributions and ensure that they are used for benefits. This government's EI reform is such that, at this moment, only 4 contributors out of 10 qualify for benefits. Six are excluded even if they have contributed. They are unemployed, but penalized by this government, which helps itself to \$45 billion to pay down the debt when it has no legal obligation to do so.

In the meantime, seasonal and older workers are being penalized. We have met many such workers, in Lac-Saint-Jean—Saguenay and in the northern part of Berthier—Montcalm in the Matawini region.

• (1130)

I feel that the response given by the people of those ridings last night was a very serious warning that the federal government ought to move quickly to rectify the EI fund situation.

I would say that there is something rather surreal about the Minister of Immigration, the very person who went to Chicoutimi in November 2000 to promise changes to employment insurance, going to Lac-Saint-Jean—Saguenay to give wrap up the Liberal campaign. I believe he was well received by the public, particularly the

construction workers, who reminded him of the promises he made two years ago, and never kept.

If we are to keep the federal government's hands out of the employment insurance fund, the fund must be removed from the public accounts and a separate fund created, one which is administered by the contributors, that is the employers and worker representatives.

I remind members that the Minister of Finance reduced the premium rate by 10¢, from \$2.20 to \$2.10 per \$100 of insurable earnings, as he announced a few days ago. This amounts to yet another forecast surplus of over \$2 billion. It is doubtful that people who know from the start that they are charging too much have totally lawful intentions.

The last time anyone sought his advice—he is no longer allowed to say what the premium rate should be to sustain the plan—the actuary for the fund was talking about \$1.75. This represents a 35¢ per \$100 of insurable earnings tax grab by the government, at the expense of workers and businesses.

A separate EI fund would reduce the surplus by some \$2 billion or \$3 billion this year. Over three years, we have forecast \$9 billion. This would still leave \$2.9 billion for other measures.

We are proposing that the Minister of Finance extend the infrastructure program, among other things. We think that, much as it did with the first two programs, the federal government should invest \$500 million a year in this program, be it for water, sewers, roads or urban transit; with Kyoto, this will become very important. Ratifying Kyoto will also determine a new social contract between people and nature, the economy and the environment. There will therefore be needs in terms of infrastructure.

There will also be needs directly related to conversion resulting from Kyoto. We are proposing that \$500 million be earmarked for the conversion of hydrocarbon industries as well as for the creation of renewable energy industries.

I have had the opportunity to mention previously in this House that wind power holds great promise, with the potential to create 15,000 jobs in Quebec alone. We are suggesting that, for the next five years, \$500 million a year be invested in the infrastructure program and another \$500 million in the environment.

Incredibly, there is still money left over. We suggest other priorities such as international aid. This House already voted that the objective of 0.7% of the gross domestic product should be reached by 2010 or 2011. We propose that this objective be part of the budget.

Like many people, we ask that the air security tax be abolished. There is no evidence to indicate that this tax was anything but a new tax in disguise, somewhat like the employment insurance premiums.

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We also propose that the GST on books be abolished. There is talk about a knowledge economy, the need for the public in Quebec or elsewhere in Canada to have a significant level of general culture. It is inconsistent then, to tax culture. As Quebec has already done with its sales tax, we propose that the GST on books be abolished.

Finally, once all that has been taken care of, we estimate that there would be roughly \$1.5 billion remaining in the so-called economic prudence category. Obviously, if this amount were not spent, it would be there to offset unanticipated economic conditions, or it could go toward paying down the debt.

We do not subscribe to spending for the sake of spending, but we do believe that paying down the debt is not a priority right now. Canada currently ranks third among the G-7's least indebted countries.

We think the priority should be to reinvest in transfer payments to the provinces for health, postsecondary education and income security. We think it should go to the unemployed and that a certain number of measures should be included in the next budget out of pure and simple compassion and justice.

•(1135)

[*English*]

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, it is a pleasure for me to rise in the House today and speak to the presubmission of the budget, which we understand will be coming down in February. I will be sharing my time with the member for Halifax.

I would like to summarize the majority report, which, after having read it, seems to suggest that this is a great economy. However we would underline that there is no new money for programs other than for tax cuts.

In the fall of 2000, leading up to the federal election, there were \$100 billion in new tax cuts to come in over a five year period. Now we have been told that \$70 billion has been forecast for the next five years of surplus in our budget. This indicates that perhaps the finance department does not count as well as most other Canadians. Again we see that 14 of the 51 recommendations are to be based on lowering taxes even further.

However, when it comes to social programs, it is an entirely different story. We do not see money proposed to be spent on health care or other existing programs unless it can be reallocated from current programs. In short, this is taking money from one program to pay for the \$15.3 billion that Mr. Romanow has indicated health care needs in additional funds over the next five years.

My colleague from Acadie—Bathurst will know that even though the cod fishery has been closed down, not a single penny from the \$45 billion surplus in the employment insurance fund will go into a transition program to assist workers who will suddenly and unceremoniously be thrown out of work.

Homelessness is a disgrace in a first world country like Canada. According to my colleague from Vancouver East, almost 1,000 people every night live and rely on the gratitude of shelters to survive. When I arrived yesterday in Ottawa I had to wonder if anyone had frozen to death because of the -20° temperature in the city overnight.

When I thought about why I was concerned, I realized that this was not something I would have worried about in any city in Canada 10 or 15 years ago. Why is it that we are suddenly worrying about it? It is because it is happening with all too much frequency. That is why my colleague from Vancouver East has suggested that we spend at least 1% of our budget on housing and homelessness.

I mentioned the health care issue and the fact that there is nothing proposed in the budget to deal with the money that Mr. Romanow and, for that matter, Senator Kirby are saying is required to begin to fix what is wrong with our vaunted health care system.

On a slightly different note, the Canada Customs and Revenue Agency reports that there are currently \$16 billion in unpaid taxes. That amounts to twice as much as last year. I point out that this is not on money that is foregone because people are not paying personal income tax on their wages or salaries. In the terminology of the CCRA, it is because 20% of the corporate sector is at risk of non-compliance.

On the other hand, we note how the Canada Customs and Revenue Agency goes after people with a vengeance who have been entitled in the past to a modest disability tax credit of \$960. However, when it comes to making sure that unpaid taxes of \$16 billion in the corporate sector is collected, it seems to me that there is a significant difference in the emphasis on which this government goes after the corporate side compared to those who are trying to maintain and enjoy a very modest credit on their disability taxes.

•(1140)

Today the Liberals and the Alliance have been talking about reducing taxes. I would point out that without any further changes to our tax regime our taxes by the year 2005 will be 5% lower than Washington, but according to the majority on the committee, this is still not good enough.

I listened with care to the member from the Canadian Alliance who was lamenting all the ills and shortcomings in Canada; the fact that our productivity is lower than the United States; that we have a significantly weaker currency; and that we do not spend enough money on research and development. The litany was very good but what was lacking was the perspective as to why that has occurred in recent years.

I think one of the reasons that has occurred is something called the North American Free Trade Agreement, which celebrated its 10th anniversary yesterday. I note that in a poll 47% of Canadians said that we as a country were the losers in NAFTA.

I maintain that we cannot do sufficient research and development, something else that the Canadian Alliance pointed out, when we are required to send so much of our raw materials, our natural gas and our oil, to the United States. We cannot have a two price system for wheat to develop prairie pasta plants because we have signed on to an international agreement that prohibits that.

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The majority report says that drug patents must be vigorously defended. We must remind ourselves that the increases in drug prices are the biggest driver now in the costs of our health care system. Because we do not have the ability to have generic drugs in the way that we did before, thanks to Bill C-93, and we are protecting a multinational industry here, it is forcing us to have much higher health care costs.

I think other political parties simply are not connecting the dots. They do not see the connection with what has transpired over the last 10 years. I encourage them to look at that.

The government set targets to eliminate the deficit and to reduce the debt. It has done that, but we on this side of the House are encouraging it to also set realistic targets to put money into the shortcomings that we are beginning to see in our safety net and the unravelling that has occurred in recent years. We need to see much more money put into health care. We have called for 25% in federal cash transfers immediately, moving toward the fifty-fifty funding that the provinces once enjoyed with the federal government. We need money for national home care, for pharmacare and we need better programs for wellness and disease prevention.

Also, still with health care, we need new investment to attract, train and retain nurses so that we can build the model, which Mr. Romanow talked about in his report, with more nurse practitioners and less on reliance on doctors as the gatekeepers of our health care system.

We also need to ensure that Canada's health care system is protected against international trade agreements. When I met with the Canadian Health Coalition yesterday I was surprised to learn that in Calgary it is very difficult now for patients to receive cataract surgery because the entire eye industry has been basically contracted out and the ophthalmologists are intent on doing laser surgery as opposed to cataract surgery.

Time does not allow me to talk about the farm issue, the Canadian Wheat Board and supply management which is also at risk under international trade. However I will conclude by saying that I believe Canadians want to see more money being put into social spending, health care, post-secondary education and social programs. They want to help farmers and rural Canadians. They want to improve the environment for air and water quality. I am proud to be in a caucus that continues to push for these kinds of advances.

• (1145)

Mr. Sarkis Assadourian (Brampton Centre, Lib.): Mr. Speaker, could the member tell us if he has a way of detecting on which programs the provincial governments spend the money transferred from the federal government, in cash form or point form, especially on the programs he mentioned toward the end of his speech, medical use, social programs or education, which are very important programs?

Mr. Dick Proctor: Mr. Speaker, I do not think it is difficult. In fact, if I understand the advertisements and public comments made by premiers over the last couple of years, they are concerned about the reduction in transfers from the federal government. As the people who have to account for and administer the health care system, they are prepared to indicate that the x amount of dollars received from

Ottawa has indeed been spent on the program for which it was intended.

We have to understand that health is a shared jurisdiction and money is coming from Ottawa. More money is required, but the money that is coming from Ottawa needs to be accounted for. I do not see that there is any significant difficulty with doing that.

Mr. Philip Mayfield (Cariboo—Chilcotin, Canadian Alliance): Mr. Speaker, the hon. member raised some important issues concerning support to those who would be dependent upon the employment insurance scheme if they had the opportunity in relation to the east coast, but I think that also is true for the west.

I think of the people in the forestry and lumber industry who have been seriously hurt by the failure of our softwood trade agreement with the United States. I would like to see the government, which has, according to the Auditor General, a \$40 billion surplus in this account, use that money to support those people who are in need of that kind of support, and to support the companies that are looking for a means of opening up new markets.

The second thing that concerns me also relates to the forestry industry in British Columbia. We have an enormous pine beetle infestation. I am told that there is approximately \$9 billion worth of merchantable timber that is infected but still standing. The federal government has a fiduciary responsibility to care for the infected wood on its own federal lands. The provincial government has requested \$120 million but the federal government has said that it will only provide about \$35 million, about half of that for research. Does the hon. member include that kind of concern in his comments?

Mr. Dick Proctor: Mr. Speaker, I agree with the hon. member. The employment insurance fund, whether it is \$35 billion, \$40 billion or \$45 billion, comes from companies and it comes from the workers in all those companies, and it is to be administered by the federal government. It was never intended to be used to pay down the debt or to finance any other programs. It should be there for forestry and lumber workers who have been laid off as a result of the softwood lumber dispute. As I indicated, due to the death of the cod fishery it should be used to help the people on the east coast and it should also be used to help farmers.

A good indication is that the government is, I think, scared to death of the possibility of retaliation by the Americans under our free trade agreement and NAFTA. It does not want the retaliation or the fear of the retaliation. It think it is for that reason that we have not seen money going into addressing the sorts of things the hon. member has outlined, whether it is softwood lumber, the forestry industry or the cod fishery.

• (1150)

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I am pleased this morning to have a chance to participate in the debate on the upcoming budget and specifically on the report of the parliamentary committee on finance, which is now before the Canadian people.

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The majority report that the parliamentary committee on finance has put forward is profoundly disappointing for a couple of reasons. The best way for me to explain why I feel that way—and it is not only the New Democratic Party that will be critical of this report but the overwhelming majority of Canadians—is to go to the scene of the parliamentary finance committee hearing in my own riding of Halifax six weeks ago on October 30.

On that occasion there were 14 witnesses who appeared before the committee. I will not pretend to have read all of the proceedings of all of the committee meetings held across the country. On checking with my colleagues, many of whom sat with the finance committee at different venues across the country, it is our assessment that the very weight of recommendations that the parliamentary finance committee has brought forward is reflective of probably 20% of the views brought forward across the country before the parliamentary committee. On balance if we average out across the country, 80% of the Canadians who appeared before the parliamentary committee had a different set of priorities. They were appealing, and it is not an exaggeration to say pleading, with the finance committee to communicate to the Government of Canada their priorities.

Of the 14 witnesses that I referred to, two of them would embrace enthusiastically the majority report from the finance committee because it is a reflection of what the chamber of commerce in my city had to say and another organization, the Financial Executives Institute Canada. The latter argued for the tax deductibility of stock options. The chamber of commerce argued for tax reductions and a restraint on public spending.

The other witnesses spoke about the social deficit that had accumulated since the government started its hacking and slashing in 1995 of social housing, poverty programs, child care programs, various aspects of the health care system, post-secondary education, elementary education and interestingly the Coast Guard. There was a common thread in those presentations. They all said that an enormous deficit had accumulated because of the misplaced priorities of the government and now that we were in a period of surplus budgets it was important to reinvest in these programs. It was not a question of whether we had sufficient funds to do it, it was stated that we could not afford not to do it.

The reality is that every single year for almost a decade Canadians have heard the same tired song from the finance minister. He has said we have the greatest economy in the world but we just do not have the money to invest publicly.

Two years ago, when the government was projecting a surplus of \$95 billion over five years, what did the government do? It made the decision that the priority would be a \$100 billion tax cut. Everyone loves tax cuts but clearly the beneficiaries of those tax cuts, overwhelmingly 80%, were people who did not need tax cuts.

• (1155)

Today, with a projected surplus of \$70 billion over the next five years, what does the government want to do, supported by the majority of the committee members? It argues it wants more tax cuts. In fact the same old song it thought that Canadians were singing. I do not think the evidence is there at all to support that.

It is a sad day that the majority of committee members have embraced the official fiction that the federal budget has no room for important spending initiatives. The finance department seems absolutely totally blind to the reality that when it comes to figuring out its expected budget balance every year, it simply cannot count. In every single year, since the government was elected in 1993, the government has exceeded its projection on the budget balance to an accumulated total of almost \$80 billion. If people could think of it as the government being \$10 billion out on its projection each and every year for the last eight years. It is mind boggling if we really think about it.

After a good session in Halifax of hearing from a wide range of voices about the desperate need to reinvest in our health care, education, other social programs and the Coast Guard, what did the finance minister do that afternoon? He appeared before the committee to enlighten Canadians on the fiscal state of the nation and he projected a budget surplus for the next year of \$1 billion.

The motive and intent behind that was clearly to quash any public expectation of what was reasonable to expect the government to do. It would almost be funny if it was not such an act of deception. Maybe it is not proper to say an act of deception, but the only alternative is that it was grotesque incompetence, so we can take our pick. In the meantime we have serious priority issues being ignored by the government.

I want to speak directly to what is acknowledged to be the number one priority by 93% of Canadians. It was reflected in poll result after poll result, and that is a public not for profit health care system.

There are about 400 representatives from every corner of this country, every province and territory, who are on the Hill today to speak directly to health care priorities. They represent advocacy groups, health providers, health research bodies, and a whole range of interests embraced by Canadians with respect to health care. They are very frustrated.

They are frustrated with the fact that in the majority report of the finance committee 14 out of 51 recommendations were for further tax cuts. What is worse is that there were only two recommendations that dealt with health care whatsoever. What is beyond belief is that the recommendations of this report actually reserved the strongest wording for the further protection of patents.

Who would be the chief beneficiary of that? The most profitable corporations in the world, the multinational pharmaceutical industries. The committee was concerned to ensure that their rights were vigorously defended. Forget that rising drug prices charged by multinational drug companies are the single biggest driver in rising health care costs in Canada.

• (1200)

The government needs to listen and listen carefully today to the voices and the recommendations of the hundreds of people who have come together, under the umbrella of the Canadian Health Coalition and the Canadian Labour Congress, representing the vast mass of Canadian interests and priorities with respect to health care.

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That means not cherry picking from this report and that report and another report on addressing the future needs of health care. It means standing behind the Romanow commission report, running with it and getting on with the re-investment, and the rebuilding of what can again be the best public not for profit health care system in the world.

Canadians deserve no less. We have the means and foundation to do it. Let us get on with implementing it and in the process lament the fact that the finance committee did not see fit to reflect those kinds of priorities that are so widely shared by Canadians.

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, I would like to ask the leader of the NDP her view of the private operation of the Sunnybrook Hospital in Toronto.

For the benefit of members, that is a public hospital that is currently being used at night as a cancer diagnostic centre by a Doctor McGowan. The output of that hospital in terms of the number of patients being diagnosed for various cancers has doubled as a result of this level of flexibility and the ability for Dr. McGowan to privately operate that facility at night. As such, thousands of Canadians are able to, in a timely manner, receive the cancer diagnostics they need.

I would appreciate the leader of the NDP explaining to the House how it benefits Canadians to prevent, by wearing ideological blinders, the operation of the Sunnybrook Hospital from participating in some level of private delivery in order to deliver better health service to Canadians.

Ms. Alexa McDonough: Mr. Speaker, when the Romanow report was tabled I genuinely hoped and welcomed the fact, because I believed it to be true, that we had put the ideological debates behind us. We now had before us a detailed, evidence-based blueprint, a set of concrete well researched recommendations widely supported by Canadians, and we were going to get on with rebuilding and strengthening our public not for profit health care system.

I heard a question from a member of the Conservative Party. I commend him because it is an accurate reflection of where his party stands. It is hell bent to remain on an ideological track arguing for the private delivery of health care when the evidence shows that it is not only more cost efficient for these health services to be delivered through the public not for profit system, but it is safer.

A team of outstanding highly respected medical researchers in this country said last night at a public meeting and again this morning in my office:

Why is any government in this country allowing private for profit investor owned health care corporations to put the health of Canadians at risk? Because the evidence is absolutely clear that the reason we are not going to go farther down that road is because people die in what is a less healthy, less safe, less efficient, less effective health care delivery mode and that is the for profit investor owned health corporation model.

Now is the time that Canadians want us to put this ideological debate behind us and they want us to deal with the facts. The facts are that the rate of death of people in for profit investor owned hospitals in North America is dramatically higher. We are talking about thousands of people who will die if we go farther down that road.

We need to reverse course. We need to get back onto the public not for profit system and that means dealing with the crisis that has been caused by the federal government. Back in 1995 it started the massive unilateral withdrawal of funds to our public health care system, the demarketing of confidence in public health care, and allowed the cannibalization by profit seekers of vulnerable pieces of the public health care system. It needs to stop with the re-investment of public dollars into our public not for profit system.

• (1205)

Mr. Scott Brison (Kings—Hants, PC): Mr. Speaker, it with pleasure today that I rise to speak on the prebudget report of the House of Commons finance committee.

I am a member of that committee. I ultimately was disappointed in the fact that the report of the committee failed to address some of the most significant issues facing Canadians. People talk about the disengagement that Canadians feel toward federal politics today. In particular, young Canadians are disengaged with politics in general, particularly federal politics.

I think part of the reason why Canadians are disengaged is that for the last nine years there has been nothing in which to be engaged. We cannot be engaged in a non-debate. For there to be debate about the future of the country, there has to be a government with a vision, with some ideas and views about the future and with some policies, some of which would be agreed with or disagreed with but all which would represent change and a different approach.

Whether we look at the governments of Pierre Trudeau or Brian Mulroney, in both cases we could have agreed or disagreed with their visions, policies or ideas. However Canadians were engaged in debates about the future of their country under both the Trudeau and Mulroney governments. There were important debates about issues, for instance under Mulroney, about free trade, the GST and the deregulation of financial services, transportation and energy.

If we look back, those courageous and visionary steps by the Mulroney government, particularly free trade, the GST and the deregulation of financial services, transportation and energy, helped lay the groundwork for the economic growth, prosperity and the elimination of the deficit, which has occurred under the watch of this caretakership, cruise control, Sunday drive sort of government which we have had opposite now for nine years.

It is sad, not just from the perspective of bad public policy for Canadians but from a political perspective, that we are disengaging a whole generation of young Canadians in political debate and discussion because of this sort of lackadaisical approach to vision, courage and public policy of the government.

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I would argue that over the last 10 years there have been more changes globally in terms of economic change, much of which has been precipitated by technological change, trade agreements, technology and greater integration of economies. Companies, individuals and governments have radically changed the way they do things. One of the few countries in the world that has not kept up with that change and has done nothing during a period of unprecedented rapidity of change globally is Canada under the Liberal government. In that 10 years the government effectively has been more focused on next week's polls than on the challenges and opportunities facing Canadians 10 or 20 years from now. There has been great economic damage to the country as a result of that.

The fact that the Canadian dollar has lost 20% of its value under the watch of the Liberal government is the price tag that Canadians are paying for a government that has not updated or reformed its tax system, its regulatory policy, its competitiveness policy, or its research and development policy. When other countries have been investing in education and health care, this government has made the wrong choices, has slashed transfers to the provinces for health care and education and at the same time has not tightened its own belt or addressed wasteful spending in its own government.

Canadians could have a well-funded health care system and a strong military if we had a government that had the wisdom to invest in the priorities of Canadians and the courage, competence and integrity to cut wasteful, non-core spending. However this is not that kind of government.

• (1210)

We are all familiar with the HRDC scandal and the fact that under the government billions of dollars were wasted, misdirected and lost for a time, and the Auditor General helped us identify this at the time. However from a basic competence issue, this is a government that lost billions of dollars for a period of months. It is pretty hard for a Canadian to consider how a government loses billions of dollars. What happened in the next budget presented by the finance minister? The minister for HRDC received a \$1 billion increase as a reward for her gross incompetence.

We are all familiar with the public works scandal and the millions of dollars that were wasted, misdirected and misappropriated by Minister Gagliano, who was of course punished by being sent off to Denmark to represent our country. I do not know what Denmark ever did to Canada to deserve that kind of treatment, but I hope it does not reciprocate by sending us one of its worst crooks.

Whether it is Public Works, or HRDC or a gun registry, billions of dollars have been wasted. Over \$1 billion has been wasted for a misguided, poorly designed long gun registry program that from the beginning was destined for failure and has achieved that end in a very flamboyant way, and we have a government that has worked assiduously to hide the information about that waste from Parliament.

This is a government that is looking for the trust of Parliament to ratify and implement a Kyoto agreement. It is atrocious. This is a government that could not organize a two car funeral, let alone implement a Kyoto agreement in terms of domestic engagement within Canada.

There are significant problems that need to be faced by the government on fiscal and social issues. I would argue that the productivity issue is absolutely key for us to have the sort of prosperous economy that Canadians need to provide the wealth to afford the kind of health care, education and social investment that Canadians value and treasure as Canadians.

We have a tax policy that attacks hard work and investment. We should be celebrating success. Instead, we apologize for it. We have to address some of the fundamental flaws in our tax system, both on the corporate and personal side. On the personal side, we have to address our marginal tax rates. There is something fundamentally wrong with a tax system that pummels people as perniciously as this one does.

For instance, let us look tax bracket when people go to the \$30,000 range. When they cross what I think is the \$35,000 tax bracket and their incomes have increased a little, and those are not high incomes, they lose all their child tax benefits. They are taxed at a higher marginal tax rate. The impact is that they make less money ultimately than they did at the lower pre-tax income. What a terrible way to punish Canadians or Canadian families who are trying to bootstrap themselves, achieve success and pull themselves forward into a more prosperous and sustainable life for themselves and their families. That is the reality of our marginal tax system.

If we look at what happens when we go up every marginal tax bracket, what we do to Canadians is absolutely immoral and fundamentally wrong as they are try to succeed and prosper in Canada. It is little wonder that our tax system and some of our other antiquated economic policies are sending tens of thousands of young Canadians to the U.S. seeking greater opportunities and prosperity.

The top marginal tax bracket in Canada is hit at about \$100,000, which is equivalent to about \$62,000 U.S. The top marginal tax bracket in the U.S. is not hit until about \$380,000 Canadian.

• (1215)

We cannot maintain that level of disparity between our tax systems if we expect to keep Canada's best and brightest here. We are gutting the future competitiveness and productive capacity of our country if we cling to an antiquated, out of date, anachronistic tax system that simply does not work to create greater levels of prosperity, opportunity and promise for Canadians.

We need regulatory reform. Out of date and oppressive regulatory burden works in a very similar way to how oppressive and out of date tax policy works. Canada has a regulatory policy that encourages bureaucrats, without parliamentary scrutiny, to develop and introduce by stealth every year hundreds of new regulations. Hundreds of regulations are introduced with very little parliamentary scrutiny or perhaps no parliamentary scrutiny at all. This adds significantly to the cost not just of Canadian businesses doing business, but also adds significantly to the cost for Canadian consumers when they are paying for these regulations ultimately through higher prices for goods and services without making a case for why these regulations make sense.

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The government is not making a case for these new regulations nor is it forced to make a case for them. They are introduced by stealth without any level of parliamentary, bureaucratic or governmental scrutiny. That is costing Canadian businesses and consumers significantly.

We need to take a serious look at our competitive policies as a country. We have to consider what other countries have done in the past 10 years.

In the last 10 years Canada has achieved a 5% growth in GDP per capita. During the same period of time, Ireland has achieved a 92% growth in its GDP per capita. Why is that? Because Ireland was willing to reform its tax system. Ireland was willing to tear down barriers to success, opportunity and investment in Ireland.

While this government increased barriers to success, increased a tax burden through much of its mandate and failed to reform, simplify and streamline its tax system, Ireland and most countries in the industrialized world reformed and updated and improved their tax environments. They knew to attract capital and investment and to be competitive and improve productivity, they had to have more competitive tax regimes.

In the old economy high taxes redistributed wealth. In the new hyper competitive global economy high taxes redistribute people and capital. Capital and people, particularly talented people, have never been as mobile as they are right now.

It is not an option for us to choose whether we want to reform our tax system. We have to do it. The price tag Canadians will pay for a government that has done nothing for 10 years to improve the Canadian economy in a substantive way and make the kind of courageous structural reforms that are necessary will be demonstrable and evident in 10 years, 15 years or 20 years.

We have to address not just the tax burden but tax structure. Reforming our tax structure is extremely important. The Mulroney government had the courage to replace a manufacturer's sales tax, which was hurting industry and our competitiveness, with the controversial goods and services tax. It was one of those taxes fought vociferously by members opposite, a tax now embraced by them. On international travels the Prime Minister has even claimed having invented the GST because he likes it so much. The fact is the GST, the free trade agreement and the deregulation of financial services, transportation and energy have enabled this Liberal government to pay off the deficit.

Canadians need to have the same opportunities for growth, prosperity and opportunity that other countries have because their governments have made courageous choices to reform regulatory authorities and have taken some steps forward to change their economies.

• (1220)

One issue which the federal government ought to be working on but is ignoring is that of a national securities commission. Canada is the only industrialized nation without a national securities commission.

Having a securities commission in every province and territory in Canada represents a significant impediment to capital formation for

Canadian entrepreneurs and businesses. Trying to raise capital, encourage investment and receive the kinds of investments necessary for businesses to buy the productivity enhancing equipment and technology they need to be more successful and more competitive globally is made more difficult by the tremendous barrier to capital formation of having all these securities commissions in Canada and the tremendous bureaucratic overlap and inconsistency across Canada.

In addition, the recent corporate governance crisis has impacted and reduced the confidence that Canadians and also Americans and any capital market participants or investors around the world have in the capital markets. This makes it even more compelling for Canada to have a national regulator which would work with the provinces to achieve a national regulatory authority. It would ensure that there were standard rules across the country in terms of the regulation of our capital markets and our securities industries.

Canadians could then depend on a regulator with the resources required to regulate and make sure that Canadian companies and capital market participants were playing by the rules. Currently, that is very difficult to do with the mishmash of securities regulations and the balkanized resources that we have in Canada.

When I speak of a national securities regulator, I am not talking about taking the OSC across the country. I am not talking about a federal regulator. I am talking about a truly national regulator that respects and works with the provinces to achieve input and develop a consensus. It is very possible that we could achieve that, with respect for the provinces in a cooperative federalism.

Some people see a federal regulator as the answer. I do not think that is either realistic or a good idea particularly. I do not think that simply imposing the OSC on everybody is the best way to move forward.

In terms of the health care debate, the government has delayed, dilly-dallied and avoided making decisions on health care for far too long. It is the government which in 1995 unilaterally slashed transfers to the provinces, turning health care into a crisis in every province in Canada. At the same time, it did not tighten its own belt. Only when the health care crisis reached such a point that Canadians were in a turmoil about it did the government, because of political pressure, pretend to act with the Romanow commission. It really has not acted yet; it simply sought more advice.

There is the Mazankowski report, which is a very substantive report from the provincial government of Alberta. There is the LeBreton-Kirby report. I call it the LeBreton-Kirby report in deference to my colleagues in the other place, particularly Senator LeBreton. She made a significant enough contribution to that erudite and perspicacious report that she deserves equal billing to Senator Kirby. And there is the Romanow report.

I would say that of those three, while the NDP may crow about the Romanow report being the one that was most substantive, I believe the Romanow report was in fact the least responsible of the three. There was absolutely no addressing of where the money would come from. I thought it was incredibly irresponsible for Romanow to develop a set of proposals that only focused on more money with no significant and substantive reform.

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● (1225)

Regarding greater accountability for the provinces, the provinces were not at fault when the federal government failed to be accountable and slashed the transfers to the provinces and threw health care into a turmoil. It is not the provinces that have an accountability problem today. We have to be able to speak the truth about the future of health care in Canada if we are going to ensure that Canadians have a sustainable health care system that they deserve.

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, as a student of economics, the previous speaker will fully acknowledge that in 1993 when this government took over, the economics of the country were in a mess. He has heard the figures before. Our annual debt was at \$42 billion. Unemployment was close to 12%. Interest rates were around 11%. Our debt to GDP ratio was in excess of 71%. We were being watched by the World Bank. The long and the short of it was the situation was totally out of control. Corrective action needed to be taken; corrective action was taken.

The previous speaker indicated what has happened. We now have a GDP growth of close to 3.4%. Some \$46 billion has been paid down in the accumulated debt. Interest rates are at an all-time low and are between the band of 1% and 3%. We have created hundreds of thousands of jobs this year.

My question for the hon. member is how can we, as parliamentarians, ensure that the policies and the programs of the previous government are never ever implemented again? How can we ensure that the people who were responsible for implementing those policies and programs are never near the levers of power in government again?

Mr. Scott Brison: Mr. Speaker, I thank the hon. member for his softball question.

First, it was the policies of the previous government, and I named the GST and deregulation of financial services, transportation and energy along with the monetary policy of that government which wrestled inflation to the ground. Those were difficult choices, ones for which my party paid a significant political price, that enabled the member's government effectively to go on the public policy equivalent of a nine year Sunday drive and do nothing and actually eliminate the deficit.

It was the economic growth from free trade that enabled his government to eliminate the deficit. It was the revenue generated by the GST that enabled his government to see the end of the deficit.

The fact is the Mulroney government inherited a deficit as a percent of GDP that was 9%. It was reduced to 5% of GDP by the end of that government and for the first time in around 15 years there was an operating budget surplus, if we take out interest rates. At the same time, that government was able to wrestle inflation to the ground through the monetary policy.

The member asked how we could prevent the policies of that former government from ever being introduced again. He is sounding more like the Liberals did when they were in opposition because every single initiative that was proposed by the Mulroney government was vociferously opposed by the opposition, including the GST, free trade, deregulation of financial services, transportation

and energy. In fact, when the Mulroney government cut back on spending, it was the member for LaSalle—Émard and his colleagues who were crowing the loudest about the cuts.

The member should not be criticizing those policies but should be waking up every morning and thanking God that there was a Progressive Conservative government that had the vision, foresight and wisdom to do that which his government would never have had the ability to do.

● (1230)

Mr. Dick Proctor (Palliser, NDP): Mr. Speaker, when the member for Halifax was speaking, the member for Kings—Hants was trying to convince us how wonderful Dr. McGowan's private health care clinic was, to be used in the evening at Sunnybrook. He suggested there were ideological blinders that were preventing us from seeing that.

I note that the Ontario provincial auditor found that the Ontario system was paying \$500 more per case to the Sunnybrook cancer care clinic compared to public clinics in the province.

The member for Kings—Hants has urged all of us to speak the truth in this debate and certainly we would want to do that. I wonder if he would comment on why it is costing Ontario more money to run Dr. McGowan's private clinic at night than it would cost to run a public clinic during the day.

Mr. Scott Brison: Mr. Speaker, if Dr. McGowan was not operating at the Sunnybrook hospital at night, thousands of Ontario cancer patients would not be receiving the treatment they are receiving now.

The ideological blinders are not being worn by me. I am interested in seeing the best possible health care system for all Canadians.

I would like my hon. colleague to consider whether or not it benefits the Canadian system to have Canadians taking their money and buying health care from the U.S. What could be more Canadian than attacking the U.S. health care system and then buying health care services from the U.S.?

There is something fundamentally wrong with a system that does not allow an individual to use money out of his or her own pocket to purchase health care for his or her mother in her own country in a timely manner.

The ideological blinders are being worn by the New Democratic Party on this issue. The fact is we do have a multiple tier health care system in Canada. Part of it is the result of unilateral and draconian cuts by the Liberal government. The fact is that Canadians are choosing to purchase health care. Because of the cuts to health care by the government they are choosing to buy it in the United States.

If we create a system that continues to underfund the public system and if we fail to recognize that some level of flexibility can ensure better health care for Canadians, we will continue to send more Canadians across the border to buy health care with their money. In doing so, we will be sending more Canadian doctors to practise in centres of excellence across the border. If want to gut the Canadian public health care system, the best way to do it is to wear ideological blinders and prevent any level of private participation in the Canadian system.

Government Orders

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, being from British Columbia I know that this is a fact. There is a new study which says that Canadians in every province except Alberta face more unnecessary taxes and bureaucratic regulations than in any other state in America. It goes on to say that Canada's lack of economic freedom caused by big government and high taxes costs the average Canadian thousands more in taxes every year than it does people in the United States.

This is of great concern in the province of British Columbia. I wonder if the member hears this back in his home province as much as we hear it out there, that it is time the government started to loosen up on the Canadian taxpayers and let them have the freedom to invest their own money instead of running roughshod over them and investing their money for them.

• (1235)

Mr. Scott Brison: Mr. Speaker, the report on economic freedom was very important. The economic freedom and the future prosperity for any country are closely correlated.

We need to ensure that we have regulatory policy and tax policy that effectively do not prevent individuals from investing and developing the best technologies and approaches to maximize productivity. In Canada, we do not have that currently. We are falling behind in that regard. There is less economic freedom in Canada now than there was 10 years ago. That is a dangerous trend. Probably the best way for governments to help both in terms of regulatory policy and tax policy is to simplify regulatory policy, to simplify tax policy, and to seek to reduce the burden in both cases.

We need to find a way in Canada to celebrate success and stop apologizing for it. We need a tax system that rewards hard work and investment, not one that attacks ambition and initiative. The federal government ought to be working with provincial governments across Canada to ensure that we introduce policies that create this culture of opportunity and plan for prosperity for all Canadians.

Ms. Sarmite Bulte (Parliamentary Secretary to the Minister of Canadian Heritage, Lib.): Mr. Speaker, I am delighted to rise today and participate in the prebudget discussion. I will be sharing my time with my hon. colleague, the member for Hillsborough.

This is a great opportunity to stand up and share with members of the House of Commons the results of the prebudget consultation, which I conducted during the late summer and early fall. In fact, since being elected in 1997, I have conducted prebudget consultations every year, to the point that my constituents actually call and want to know when they will be happening. They are always quite interested in participating.

One thing we also always do with the prebudget consultations is look at the input and then the effect that the consultations have had on the final budget. I would say that over the last five years my constituents in Parkdale—High Park have been quite happy with the results.

Let me explain a little about how the prebudget consultations work in my riding. I will go through how the process was started, the main points that are raised and look at how the consultations change from year to year. Then I would like to elaborate on one of the issues that the finance committee put before all Liberal members. The

committee asked us to go out and talk to our constituents and listen to what they wanted to hear.

There were two things the committee asked us to find out. One was how Canada could best ensure greater levels of economic prosperity to be widely shared by all Canadians. The second was how the federal government could best ensure the highest quality of life for all. I would like to elaborate on the second point. If there is time remaining I want to speak in relation to that issue and about how important I and the people who live in my riding feel that continued investment in the arts is, and how it is integral to the quality of life, not just for individual Canadians but also for communities.

My office always asks a third question: If there are any discretionary funds, what would constituents suggest the government do with them? For example, we asked if the government should go into additional spending, look at tax cuts or look at paying down the debt.

In my riding the process starts when we send out questionnaires to the 300 or 400 people who have participated so far. We highlight the prebudget in our householder. We also make sure that the householder is dropped off at all community events. We distribute budget charts along with the prebudget consultation so that people can actually see where the money is coming in, where it is being spent and also where it might best be spent.

Let me start with the main points raised in this year's consultation. This year the main consensus was for increased social spending in the areas of health care and urban infrastructure such as public transit and low cost housing. As well, debt repayment, which has been the top priority in my constituency from 1997 to 2000, was still very widely advocated although it was not viewed as being of the same priority as perhaps social programs were.

I must admit that there were relatively few calls for further tax cuts at this time. It is important to note that many constituents believed that the federal government had sufficient resources for both social investments and debt repaying and that there did not have to be a trade-off between the two. No one suggested that the government should ever go into deficit to finance what it is that we want to undertake.

Investment in our artistic sector and cultural industries continues to be well supported by my constituents. Many constituents see a vibrant artistic and cultural sector as increasingly important in today's world of globalization. Accordingly, they value supporting the CBC and our artistic creators and maintaining and improving our cultural infrastructure. They also felt it was vital to continue the reinvestment in the arts that the government first announced in May 2001.

Other measures receiving considerable support included environmental programs, assistance for low income families, reduction in employment and professional barriers confronting new immigrants, job creation and also defence.

While the calls for significant tax cuts were relatively few, several constituents favoured allowing cities to levy direct taxes.

Government Orders

What were the changes from previous consultations? From 1997 to 2000 there was a fairly uniform consensus, with debt repayment, increases in health care spending and programs for lower income Canadians, and cultural investments being the top priorities. My 2001 consultations largely took place after September 11 and the top priorities at that time were anti-recessionary programs, security measures and support for low income Canadians.

●(1240)

This year there were many more calls for a larger federal role in urban infrastructure projects. A tie-in to environmental measures was also more pronounced. For example, public transit spending was often recommended to reduce air pollution rather than just to facilitate travel between urban centres.

The advocacy for increased defence spending is also relatively new, notwithstanding the results from 2001.

In the time I have remaining I would like to look at the issue of how the federal government can best assure the highest quality of life for all.

On May 2, 2001, the Prime Minister and the Minister of Canadian Heritage, Sheila Copps—

The Acting Speaker (Mr. Bélair): I must remind the member that names are not to be used.

Ms. Sarmite Bulte: Thank you, Mr. Speaker.

They announced a large \$560 million reinvestment into our arts and cultural sectors. I would like to share with members what the Prime Minister stated at that time:

Canada is recognized around the world as a country with the greatest quality of life and the vitality of our culture and heritage is one of the strongest signs of our collective success...Cultural participation develops our creativity, enriches our citizenship and feeds the spirit—

I heard the member for Kings—Hants talk about ensuring that we have the most talented people available to us. Interestingly enough, let me note that on November 27 an article entitled “Art helps math skills, suggests study” appeared in the newspapers. A study found that students in grade six who were exposed to a strong arts component scored up to 11% higher on standardized math tests than students without a specialized arts program. These students who were part of the study had taken part in a program called “Learning through the Arts”, a program sponsored by the Royal Conservatory of Music. The program sends painters, musicians, actors and writers into classrooms in more than 170 schools across the country. In fact, I am glad to say that the federal government is a small partner in that project.

What I am trying to say is that art, not computers, makes our children creative. Empirical studies in the United States have found that children exposed to arts, culture and music in the early stages score higher in math and sciences than those who have never been exposed. The studies also found that those children tend to be better citizens and they volunteer more.

The role that the arts play is not just something frivolous. It goes to the quality of life of our children, our communities and individuals. When we look at the quality of life of communities and if we look at areas where industrial revitalization has occurred,

we see that the arts have played a role in making those communities safer, because safe communities are also prosperous communities.

Too, I think that we as a government have an obligation to move forward based on the Speech from the Throne, in which we talked about the arts, about copyright and about the volunteer sector.

When the finance committee reported on recommendations with respect to the arts, it unfortunately put the arts under culture and tourism. I think we do the arts a disservice when we look at the value of the arts just in terms of the cultural sector. This is something that the Province of Ontario actually tried to do under the Canada-Ontario infrastructure program. It felt that the only place to invest was where it was tourism related. While no one can debate what the direct economic benefits of the arts are, the arts have a much more important benefit for the quality of life and for the quality of life of our children, to make our children creative.

In fact, the OECD once said that connecting computers is not enough, that we need to invest in creativity and innovation. Who in this world is better seized to be part of that innovation agenda but our artists, our creators? That is why we have to ensure that we also have a strong copyright law.

In conclusion, this prebudget consultation process continues. I am pleased to say that the Prime Minister has recently appointed me as chair of his task force on women entrepreneurs. We also will be conducting consultations in Toronto on December 17. We hope at that time to use women entrepreneurs as models, as a blueprint for all small and medium sized enterprises. I encourage all my colleagues in the House of Commons to have women entrepreneurs in their communities participate in our task force and, if at all possible, in the prebudget consultations later this month.

●(1245)

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, it is interesting to listen to the presentations by the members of the Liberal government, this morning by the Parliamentary Secretary to the Minister of Finance and now by this parliamentary secretary, but I think what we have heard repeats what we heard in the throne speech: a call for huge spending increases. Someone said that over the next eight years spending could go up by \$37.5 billion if what was in the throne speech and what was mentioned just now by this member were actually implemented. This would be unprecedented. This is spending out of control.

I have heard words like responsibility, accountability and priorities, but then we can look at what was in some of the headlines we have seen over the last year: the HRDC scandal, the GST fraud and the billion dollars wasted on the firearms registry. The government has no credibility when it comes to managing the tax dollars that it collects now, and it is contemplating increasing its spending by this amount of money.

Government Orders

A poll that came out today shows that Canadian consumer confidence is down. Canadians are worried about what the future holds as far as the economy is concerned, and I do not think we have heard anything presented by the government in this prebudget debate that deals with any of these issues. I would like the member to comment on some of them.

Ms. Sarmite Bulte: Mr. Speaker, I thank the member for his question. When the Parliamentary Secretary to the Minister of Finance started the debate this morning, he talked about how budgets are about choices. It brought to mind what a constituent of mine wrote to me. She reminded me that the values of our society are reflected in the fiscal choices we make.

Interestingly enough, when the member speaks about the firearms registry, this side of the House sees the registry as one of the values of being a Canadian citizen. It is one of the tools that we use to ensure that the violence against women that occurred 13 years ago last Friday never occurs again. It has a very special place in my heart because my daughter happens to be at engineering school in Montreal this year. It really brought it home to me on Friday when I thought that 13 years ago it could have been my daughter there in that classroom because she dared to do something that was different, she dared to go to school and to become self-sufficient so that she could walk away from violence and abuse.

So if the firearms registry in one way is a tool and a value that we reflect and feel is important, then we should pursue it for our daughters, for our granddaughters and for all women.

• (1250)

Mr. David Anderson (Cypress Hills—Grasslands, Canadian Alliance): Mr. Speaker, I have to take great exception to the comments that the member just made. I would like to point out for her information, since obviously she does not have this, that in fact homicides involving rifles and shotguns, which have been specifically targeted by the Liberal gun law, have accounted for the biggest share of the drop in firearms murders under the old law.

The number of murders committed with long guns actually dropped from 103 in 1991 to 46 in 2001. Handguns have been registered and controlled since the 1930s, for decades, and the number of handgun murders dropped from 135 in 1991 to 89 in 1999 but then increased over the next two years to 110 in 2001. In fact, the gun law that the member is so proud of, that should be such an embarrassment to the government, did not come into effect until those decreases had already taken place.

I would just like to ask the member if she is aware of that, and if she is not, to make herself aware and please make those comments in the context of being accurate.

Ms. Sarmite Bulte: Mr. Speaker, I am proud to rise and accurately say that the constituents in my riding of Parkdale—High Park believe in gun control and believe in gun registration—

Mr. Darrel Stinson: Mr. Speaker, I rise on a point of order. Here we are debating the budget and I do not see enough members in Parliament. As a matter of fact, I see only two government members sitting here. I have concerns about whether we have quorum.

The Acting Speaker (Mr. Bélair): Obviously there are still not enough members in the House. The bell shall ring no more than 15 minutes.

And the bells having rung:

The Acting Speaker (Mr. Bélair): We have a quorum. Before the quorum was called, the hon. parliamentary secretary had one minute left.

Ms. Sarmite Bulte: Mr. Speaker, again this is a prebudget discussion. I would like to address a couple of other issues that the opposition raised. When we look at the cost of certain programs, we also have to look at the benefits of those programs. We do ourselves a disservice if we do not look at the benefits of the programs we undertake and the investments we undertake. For every investment, there is a return on the investment.

With respect to the concern about taxes and how we are overtaxed, this government implemented the largest tax cuts that have ever been seen. Those continue to take effect. We have paid down the debt and we are working together because the government believes in a balanced approach. I hope the next budget will continue with that balanced approach.

• (1255)

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, I am pleased to rise and speak on this issue. I had the privilege and pleasure to sit on the House of Commons Standing Committee on Finance. We underwent an extremely extensive consultation process. I believe we met with 429 different groups and organizations over the past number of months and we filed our report a week and a half ago. We listened to what the Canadian people were telling us, and that is contained in the report.

I consider the budget, which we all expect to be tabled in February, to be what I would classify as a threshold budget. It is a budget that I submit will set the stage for Canada and the government for the next 4, 5, 7 and 9 years out. It is up to us to lay out the path that we intend to travel.

However just as it is important to tell people where we will go, it is equally important to look back and see from where we came. I hate to go over this again, because the House has heard it so many times, but I will because we should never forget this. We rode our horses so close to the cliff in 1993 that I believe we came very close to going over that cliff.

The statistics are well known to every person in the House. The annual debt was \$43 debt, interest rates were approximately 11%, unemployment was approximately 11% and the debt to GDP ratio was 71%. The last threshold budget was in 1995. Decisions were made, decisions that were very difficult and very necessary. The right policies were adopted, the right programs were put in place and we know the results.

Government Orders

Forty-seven billion dollars has been paid toward the debt in this country. We have had five consecutive years of surplus. Inflation is within the band of 1% to 3%. Interest rates are extremely low. Since January 1 of this year, we created almost 800,000 jobs, which is a tremendous record. GDP growth this year has been 3.4% and it leads the G-7. Projected GDP growth next year is expected to be 3.4%. These are tremendous results. The finance minister has implemented approximately \$100 billion in tax cuts.

The correct monetary and fiscal policies, the stabilizers, are all there: low inflation, low interest rates and tax cuts and they are working. However at the same time there are pressures. People in my riding and right across the country have told us that there are issues that they want to see the government address, mainly in social spending.

These issues were with us last year but unfortunately we had the events of September 11. I suggest those issues were put off. Last year we had what I call a security budget. Some of the security and border issues were addressed by this country, but those pressures that were very much with us 15 months ago did not go away. They were merely deferred and they are very much with us at this point in time.

We have to make priorities when the Minister of Finance tables the budget in February of next year. I suggest and submit that the number one issue in the minds of all Canadians is health care. We have had the benefit of the Romanow report that was filed very recently and it is my suggestion to the Minister of Finance that the general guidelines of that report be followed.

● (1300)

Equally and just as important, any additional funding has to be conditional upon accountability and change. The public has told us that. If the accountability is not there and if the required changes are not agreed upon, then the public does not want any part of it.

The second issue is Kyoto and a lot of the environmental issues that face the country. The government in the next budget has to make a statement. It has to proceed boldly, with conviction and courage. It must make a clear statement that it has to seize the momentum and further resources have to be expended on this issue.

Another issue that the government ought to have a look at is post-secondary education. It is a major issue. I do not view it as a cost as much as I do as an investment in the economic growth, economic security and social security of tomorrow.

There are many other issues which have to be looked at. Again, these are the priorities. On child poverty, I agree with the announcement made by our Prime Minister in the Speech from the Throne to increase the national child benefit. Also an increase in defence spending should be seriously looked at.

One other issue that may not be as much a monetary issue as a policy issue is the airport traffic security fee. That has to be very seriously restructured. It is having a detrimental effect on short haul rates and small regional airports. I have made that point a number of times previously.

There will be some funding issues. The Parliamentary Secretary to the Minister of Finance had it correct. It is a matter of making choices and setting priorities, but these are the issues which I think

the Minister of Finance should look at as he prepares the budget for the 2003-04 fiscal year.

In closing, I look forward to the tabling of the budget and to being further involved in the consultative process in the days and weeks to come.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, although I appreciate the hon. member's comments when talking about priorities, he seems to forget some things.

When I came here in 1993, a top priority was to deal with the poverty among children. The government talked a lot about that. It has talked about it for the last 10 years. We still have over a million young people who are considered to be living in poverty. Nothing has happened. It is all talk. It is in the throne speeches and the budgets. Nothing ever happens, it only gets worse.

I am really disappointed that this member, as well as most Liberal members, have failed to acknowledge that probably the most important industry in the country is agriculture. Not one of them has mentioned the seriousness of the drought and the effect it is having on our food supply and on the ability of producers to make a good living.

When the drought was first announced and things began to happen, through generosity, the great people from Ontario and other parts of the country came to the aid of farmers, farmer to farmer. The government did absolutely nothing in terms of that disaster. Yet with other disasters, it rose to the occasion. It helped with the floods of Quebec. We know how well we did in responding to the ice storm. There has been no response at all to the drought and it looks like we are on our way to another year of serious drought, yet it is not being talked about.

The cost of energy versus the cost of raising produce and agriculture is so far apart, no wonder people object to the Kyoto accord because they are afraid of what the energy costs will be.

When talking about priorities, why does that member and the rest of the members of the government not start addressing them? I happen to think food is a very important one.

● (1305)

Mr. Shawn Murphy: Mr. Speaker, obviously the questioner is not aware at all of the most recent information regarding children living in low income families. I do not for a minute want to downplay this issue. It is a very important issue. Any number of children living in poverty is too many, but the numbers have gone down by what I consider to be a very significant decrease, from approximately 19% to 15%.

I travelled all across the country with the Standing Committee on Finance and I cannot believe how out of touch that member's party is with the people of Canada. It wants to privatize health care. It does not want to have anything to do with Kyoto. It does not even acknowledge that there is a problem. It wants tax cuts.

Government Orders

I spoke to people in Vancouver, Calgary, Saskatoon and Winnipeg and that is not what they are telling us. I cannot understand how that party became so out of touch with the people of Canada.

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, I am glad to hear that the member can talk to the people out west. His conclusions remind me a little bit of the task force that the Liberal Party put together four or five years ago to travel out west to see why the Liberals were not wanted or loved out there. He perhaps will remember that task force. It concluded that there was no problem, that the Liberals were loved. It was just that the people did not understand how damaged good they really were.

The member says that the people he has talked to do not care about tax cuts or lower taxes. I am not sure if he was in western Canada or on another planet. Of course people care about taxes and of course they feel they are taxed to the max. They are saying that they can barely make ends meet.

When people tally up their paycheques, after the increase in EI, the increase in CPP deductions and all those things, they can see what they get to take home. It bothers them. They want more. The government wastes too much and that is why Canadians cannot get a decent tax break.

Mr. Shawn Murphy: Mr. Speaker, the whole issue of tax cuts was canvassed extensively when I toured the country with the Standing Committee on Finance. The question was put to many of the people; the groups, individuals and organizations that made presentations to the committee.

Yes, people are concerned about their taxes but, as the learned hon. member is aware, a year and a half ago the previous finance minister announced in the House tax cuts totalling \$100 billion. That was the largest tax cut in the country.

When we talked about tax cuts I asked the individuals, groups and organizations if they were satisfied with the tax cuts that were made or if they wanted more on top of that. Invariably, almost to a person, they said that they were satisfied and pleased with the tax cuts announced by the previous finance minister.

Mr. Richard Harris (Prince George—Bulkley Valley, Canadian Alliance): Mr. Speaker, I certainly am pleased to rise and speak in this prebudget debate. In beginning my presentation, I would like to talk a bit about the truth of the prebudget consultations, in which I was involved for the fourth time in my nine years in Parliament. The member for Hillsborough also was involved. In fact, I honestly think that a lot of people have a misconception about the prebudget consultations.

With all due respect to the chairman of the finance committee, who I believe is doing an admiral job and who really has her heart in it, and to many members of the finance committee who have travelled around the country trying to do their jobs, the sad fact is that, like so many other reports and so many other bits of input that committees give to cabinet ministers and the Prime Minister, the prebudget report is quite irrelevant. The dirty truth is that the government agenda has already been carved in stone before the prebudget committee hearings even get off the ground.

It is a sham on the part of the government. It sends members of Parliament across the country year after year, season after season, in

this case prebudget after prebudget, to get input from the Canadian people, which is put in the form of a report, along with the minority reports, and the government has no intention of following up on anything that has been presented.

In the four years I have spent on the finance committee, and if I had about an hour, I could list all the things that the finance committee has recommended to the government as priority items and upon which the government still has not acted.

This budget could better be described as a fudge it considering how the government has been manipulating the taxpayers' dollars in the way it spends money, in the way it hides money, in the way it misrepresents its programs and in the sheer incompetence of some ministers and their departments as they are handling taxpayer money.

This party, since it came here and before it came here, believed that a government had the responsibility to regard taxpayer dollars as a sacred trust. The terms Liberal and sacred taxpayer dollars is certainly a conflict in terms.

When we talk about this budget, the promises of the government and the way it sometimes tugs at people's heartstrings when it talks about Canadian values and wanting to reflect what it is doing, Canadians are asking themselves the question, who in their right mind in this country, given the performance of the government since 1993, not even in particular to this last year where we have uncovered billions of dollars in mismanagement, waste and downright stupidity, can really trust the Liberal government?

Can we trust any more that it is telling us the truth? Can we trust that it will use our tax dollars in a prudent fashion? Can we trust that it will understand what the priorities of Canadians really are?

Can we trust it to follow its own agenda, notwithstanding what the Canadian people hold as priorities, and regard the priorities of Canadians as something that is foreign to an agenda that is already set and carved in stone? Yes, we can trust it to do that.

● (1310)

Mr. Speaker, I will be sharing my time with the member for Edmonton—Strathcona.

The member for Hillsborough just mentioned the finance minister. By the way, Mr. Speaker, I have not seen the former finance minister lately. Is he still in the country? Oh, that is right, we are talking about Kyoto these days and this is a period of no commitment for the member for LaSalle—Émard.

The member for Hillsborough asked if anyone remembered the former finance minister's promise of \$100 billion in tax cuts. The key word there is promise. We would have believed that statement if he had put it on the table the day he made the statement in the form of a cashable refund cheque to Canadians. One year between budget to budget is a lifetime for the Liberal government and things can change as the mood changes across the way. We have seen that often enough.

Government Orders

Let me say what the member for Hillsborough maybe should have said. Does anybody in the House remember the former finance minister promising \$100 billion in tax cuts? The member should have carried on by saying "which followed six years of massive tax increases in over 60 areas of taxation, including bracket creep, CPP premium increases and withholding cuts that would have been responsible, such as in the EI program".

When the member for Hillsborough and other Liberals talk about how great they were to balance the budget, we must not forget that they balanced the budget through increased taxation and through inflated EI premiums in which they built a surplus of some \$35 billion or \$40 billion. It would not take a rocket scientist, much less a Liberal, to balance a budget if they could simply pull a golden lever and have cash come out every time it was needed.

The government put the Canadian taxpayer in a vice and every time it needed money to balance its budget, it pulled a lever and squeezed the last drop of income out of the Canadian taxpayer.

Back in 1993 one parent from a single income family would stay at home to look after the kids because that was their choice. Through increased taxation, that choice was taken away from thousands upon thousands of Canadian families because of the insatiable appetite of the Liberal government to squeeze the last tax dollar out of Canadians.

As you know, Mr. Speaker, because you were here when it was debated time and again, from 1993 until 2000 disposable family income shrank dramatically and disposable income for single working Canadians shrank dramatically. What was the benefit of that? It did not benefit Canadians who wanted to provide the basics of life for their families, such as food, clothing, and maybe in a good year put a down payment on a new car or do some renovations. There was no benefit to the Canadian taxpayer.

The government benefited because it was able to wring the last tax dollar out of the Canadian taxpayer in order to satisfy, not only its sort of sneaky way of balancing its budget, but also to spend money yearly on new programs. The government had to get its money from someplace and it received it from the Canadian taxpayer. That is sad but true.

● (1315)

While we debate the prebudget report the prebudget committee consultations could at best be called "a dog and pony show" because the government's agenda for tax and spin had already been carved in stone. Yes, there would be a few crumbs thrown on the side to pacify some but the thing was a sham and the government knows it.

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, the hon. member talked about taxes. We served on the same committee that went across Canada so I want to question him on this issue.

I agree with him on the issue of capital taxes. That is an issue that the finance committee stated in its report as regressive and counterproductive for the productivity of our economy. We strongly recommended that the government eliminate or start the process of eliminating capital taxes.

However, our corporate taxes, after one year's time, would be competitive with all the northern states. There would be \$100 billion

in tax cuts that would go through the system. The committee heard from 149 groups and individuals. I put the question to a lot of them about taxes and tax cuts and I do not recall any one saying they wanted more tax cuts over and above the \$100 billion. They were pleased with the progress that was made.

Does the hon. member recall any individuals who recommended more tax cuts above and beyond the \$100 billion?

● (1320)

Mr. Richard Harris: Mr. Speaker, time and time again presenters came before our committee and talked about the tax regime, and how in many previous years it was onerous and burdensome.

Let us not forget that until the year 2000 when the former finance minister, who does not show up much, brought in those tax cuts we had six years of incredible tax burden placed on Canadians as individuals, as families, as small business, as medium and large corporations, to wring those tax dollars out of them.

This is a favourite Liberal trick. If individuals were starting across a desert with a full canteen of water and before they were a quarter of the way across someone would come along and take all the water. They would make it just about to the end, and before death someone would show up with a little bit of water and save them. That person would be thought a hero. That is the same trick the Liberals have been doing with taxation. They just about killed the economy with their tax burdens and now they are giving some back and they expect to be looked upon as heroes.

That trick is the oldest political trick in the book. The Liberals know it well. They have been doing it once again. If we do not stop them soon, they will do it again.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I would like my colleague to comment on one of the features of the speech given by the member for Hillsborough. He indicated with such great pride the \$100 billion tax cut that was announced.

We all know that it was for a five year period. When we deal with budgets we usually deal with annual budgets. What the Liberals have done is arbitrarily taken the \$20 billion per year tax cut and called it \$100 billion, by multiplying it by five. I wonder why they did not multiply it by ten and call it \$200 billion?

Mr. Richard Harris: Mr. Speaker, that is an old trick used by the Liberals as well. As a matter of fact one that they have become famous for.

Here is another thing they do. When they are talking about how much they put into a particular program, they will grab numbers from three and four years ago that have already been accounted for, add them into a pittance, and say they have recognized that this is an important program and that they are putting all this money into it. The fact is they have already put some into it previously.

Government Orders

The estimate is that government spending would increase by \$37.5 billion over the next five years. The government still, since 1993, does not have its spending priorities right. It does not have its fiscal management right. It does not have its departmental operations right.

I ask the question again, who in Canada can trust the government with their money?

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, it is a great pleasure to rise to speak in the House on prebudget consultations.

I must admit I share the same frustration as my colleague from Prince George—Bulkley Valley who spoke earlier. Every time we stand in the House to talk about prebudget consultations and try to advise the government on how it should be treating Canadian taxpayers' money, it seems to fall on deaf ears. My colleague has said so, especially since we have been through the committee prebudgetary consultations.

• (1325)

We have produced a report. We hope the government would listen to it and put some of it into place. We on this side of the House feel that the budget is written long before any of that consultation takes place, so nothing would really get implemented.

Some of the recommendations that my colleagues spoke about, and I too was present to hear some of those recommendations suggested by various groups in committee which were also put in the report, are recommendations that have been suggested in past reports. There has been no movement on some of these recommendations when it comes to increasing productivity, job security, investment, and trying to create a healthy economy. It seems that the government is set on doing things its own way, regardless of whether it is right or wrong, and fails to listen to the common sense of the people whom we hear in committee and the representations made in debates in the House.

I would like to address some of the issues. Things have not changed from the time that I last spoke in the House on prebudgetary consultations. It always comes down to the same issues. I look at some of the notes I have made over the years and some of the issues that are coming back to the forefront. We are still dealing with: government spending, taxes and the tax burdens that we are facing in this country, productivity and competitiveness concerns, how to get our economy going, and the debt burden.

Those are issues about which this side of the House has been talking for a number of years. Canadians, whether they be individuals paying taxes or whether they be in industry, have been wanting to see movement on a number of these fronts from the government, but unfortunately we have seen little when it comes to: getting government spending in order, reducing the burden of taxes, dealing with challenges in productivity, and dealing with problems like brain drain, and other problems which have resulted from mismanagement.

One of the biggest problems we have is the debt burden and the cost to Canadians when it comes to the amount of debt with which each man, woman and child is faced with and for which they are

responsible for because of the mismanagement on that side of the House.

I want to focus on mismanagement which is a common theme with the government. It is a common theme no matter what department we look at and no matter who is in charge of the department. We are scratching on the surface of some of the problems we have seen on that side of the House in light of some of the recent problems in various departments. However, mismanagement is something with which the government has defined itself. We have started to uncover a lot of it over these last few months.

The area that I have been dealing with, CCRA, has been no exception. We have had endless problems with management at our borders. Before and since September 11 we on this side of the House have been talking about how the government could try to manage our borders and security issues more effectively, and put resources in the right places to give our border agents the tools that they need to deal with the jobs with which they are faced as the frontline security for our nation. However, the government still has not moved on any of those particular problems that we have identified and even the Auditor General has identified. Money must be spent to make our borders more secure.

Our problems are still so significant that when we look at our friends to the south, and the way they deal with security and issues to protect their own citizens, they do not trust us and they do not trust the government when it comes to taking security seriously. This has been a direct result of the government not managing effectively the resources at the border in order to take security seriously and treat our customs agents with the respect they deserve to do their job.

Another area we are dealing with which is a constant problem is GST fraud. It has again come to the media's attention. In this particular department mismanagement has been a common theme where people are abusing the GST tax credit with fraudulent claims of hundreds of millions of dollars, as the Auditor General is suggesting. This common theme of mismanagement by the government is something that we plan to uncover.

Another area is the inability of the department to properly tax international business transactions. This is an area that I have been dealing with recently with the CCRA. We on this side of the House have argued that there would not be these sort of complications in the tax system, nor would there be people avoiding paying taxes, or moving their money offshore, or keeping a lot of the wealth creation outside of the country, if there were a competitive tax regime in this country that dealt with people fairly and if the tax system were simplified.

This is something we have argued on this side of the House from the beginning and it has fallen on deaf ears. We have these continuous problems where wealth is being created outside of the country and where companies are forced, because of the bottom line, to look at other jurisdictions that are more competitive to avoid paying taxes here at home.

Government Orders

If the government would face up to managing its departments properly and if CCRA would look at ways to reduce the overall corporate taxes for industry, we would not have these sort of problems where people were looking at other jurisdictions where the tax system was more competitive and less complicated compared with ours.

• (1330)

Instead of putting its fiscal house in order, the government, as my colleague indicated, in trying to squeeze the last tax dollar that it can from Canadians, has gone after some of the most vulnerable people in society, namely, the disabled and seniors. This is despicable. The government has changed the focus from the CCRA, by not looking at its own house and not managing its things more effectively, and instead is looking at ways to go after some of the last Canadians out there who are not able to defend themselves.

I have been dealing specifically with the disabled from across the country who have been writing to me. They are saying that they have been severely handicapped for as long as they have been paying taxes and they have to go through the process of continuously proving to the government that they have a disability. It is outrageous that people who rely on such a small tax credit, because of government mismanagement, must go through the process of proving that they are disabled year after year.

Seniors come to me on a daily basis, not only from my riding but also from across the country, with concerns about their pensions and their daily costs of living. Their pensions are not indexed when it comes to inflation and when we consider their rent and other costs, most of them have a difficult time making ends meet.

The government promised seniors that it would take care of them, that our CPP system would be able to take care of them. It also promised that it would take care of Canadians in the future. In fact this is not happening.

The government has gone after the most vulnerable groups in society to make up the differences when it comes to the way it spends and, unfortunately, mismanages taxpayers' money, not to mention many of the user fees that we have seen.

My colleague talked about taxes going up. We have seen the rise of taxes in many hidden ways. It has been said before that the former finance minister during his reign never met a tax he did not like because, clearly, there were many taxes when it came to the regulation side of the economy.

The government was able to slide in many increases in user fees within departments, whether to Canadians or industries. On so many different levels the government has tried to squeeze every last dollar out of the pockets of Canadians. Money that Canadians would use to either plan for their retirement, invest in a new business or just spend it on their own family.

Our party will encourage the government on a daily basis to build a fiscal strategy based on: legislated debt reduction; continuing tax relief, combined with fair and competitive taxation; controlling the growth of spending by continually redefining the role of government; ensuring program initiatives are warranted; and achieving positive public policy outcomes.

That is something Canadians expect from the government. We on this side of the House will be unrelentless in pursuing that. We will try to get some fiscal prudence from the other side of the House. We will not hold our breath, but we will be pushing as hard as we can on behalf of Canadians.

• (1335)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I want to congratulate my colleague on a very articulate and erudite speech wherein he laid out some of his own priorities and those which he feels are more in line with those of Canadians. I tend to agree with that.

We have seen in recent days and months where the government's focus has been. We are seeing the dismantling of the myth that the government is a good manager of people's money. The gun registry is a case in point. HRDC spending and what we have seen in Quebec advertising is another blatant example. The cancellation of the helicopter program is again very much out of sync with where Canadians feel their hard-earned money should be spent.

The government has boasted in recent days of the surplus. The Liberals also talk of the fact that the government is using that surplus in some cases to pay down debt, or in some cases to put it into more ill-managed programs and bureaucracy. The bureaucracy in Canada has actually risen in recent years.

I would ask my hon. colleague to talk about some of the areas he thinks the spending would be better focused. Health care is something that obviously comes to mind. There is the need to reduce the waiting times and the need to increase personnel and equipment. I am sure all of those areas are suffering in his province as a result of the government's mismanagement and the cuts that have been made.

Mr. Rahim Jaffer: Mr. Speaker, my hon. colleague's question is very well placed given that there has been much concern about health care. Another area that he and his party are concerned about is defence spending.

The Canadian Alliance has been very careful when it comes to how to instruct the government on where to spend money. We have been vigilant about telling the Liberals that they should have a balanced approach when it comes to tax reduction and debt reduction. That clearly has to happen. It is something Canadians are still asking for across the country. We need very targeted spending.

My colleague asked about two areas in which Canadians are expecting big things from the government. I do not know whether they will get it, but Canadians are expecting big things from the government in the next budget in the areas of health care and defence. Those are two areas where the government has slashed spending over the time that it has been in power.

Unfortunately, we are seeing the repercussions in health care, namely in provinces that are being forced to restructure in radical ways because the funding is not there. The 50% relationship in funding between the provinces and the federal government has dropped down to a level where the contribution is 14% or 15%. This has left the provinces in dire situations when it comes to how to administer health care.

Government Orders

The other area is defence. We have seen our armed forces stretched to the max when it comes to the jobs that not only Canadians but many people around the world rely on them to do when it comes to peacekeeping and getting involved with our allies in various military actions. Our troops are some of the best in the world. Unfortunately, they have been undermined by the government's mismanagement.

Those are two areas that we encourage the government to take a little more seriously when it comes to the next budget.

Mr. Shawn Murphy (Hillsborough, Lib.): Mr. Speaker, the hon. member gave what I consider to be a very pessimistic speech. He talked about productivity issues, economic mismanagement and the failure to get the fiscal house in order. I am totally perplexed because the statistics in no way bear this out.

The hon. member knows the statistics. He knows that the GDP growth this year is 3.4%. He knows that the projected growth for next year is 3.4%. The hon. member knows that approximately 800,000 jobs have been created since January 1, 2002. He knows that interest rates are at an all-time low. He knows that \$47 billion was paid on the debt over the last five years. He knows that we have had five consecutive surplus budgets. He knows that the debt to GDP ratio has decreased from 71% to 49%. He knows about the tax decreases.

If some of the comments of the learned member are correct, why is it the statistics would lead one to a totally opposite conclusion?

Mr. Rahim Jaffer: Mr. Speaker, what I find so amusing about members of the government is that they have very selective memories when it comes to what sort of information they like to provide to the House. We have seen that over and over again.

When it comes to the figures the member was expounding on and we look at them closely, how many jobs have been lost over the last number of years that the government has been in power? How much has our dollar slid when it comes to our ability to compete internationally?

There are so many factors that are hurting the standard of living of Canadians that the member and the government have failed to acknowledge. Unfortunately Canadians are far worse off today since the government has taken over than they ever have been in the history of the country. That is something the member should start to look at and really see what the effects of the Liberals' mismanagement have been.

• (1340)

Mr. Dennis Mills (Toronto—Danforth, Lib.): Mr. Speaker, I will begin my prebudget debate by acknowledging the work of the Standing Committee on Finance under the chairmanship of the member for London West.

Members of Parliament from all sides of the House went across the country and listened to Canadians. Ultimately the report, "Canada: People, Places and Priorities" is the work of Canadians. It contains one recommendation which I believe would get the unanimous support of everyone in the House. Everyone in the House would vote for Recommendation No. 4 on page 182 of the report. It is called "Parliamentary Control over Estimates". This is a PC Party recommendation. It states:

The PC Party endorses a system, as it existed prior to the late 1960s, whereby a certain number of departments selected by the Opposition would have their Estimates scrutinized by Parliament, without a time limit. This would force Ministers to defend their departmental estimates in the House of Commons, improving parliamentary scrutiny of government spending, and strengthening the role of the individual Member of Parliament.

Is there anybody here who would vote against that?

Some hon. members: No.

Mr. Dennis Mills: Good. This budget will be a historic one. It will be the Prime Minister's last budget.

Some hon. members: Hear, hear.

Mr. Dennis Mills: The Canadian Alliance members applaud, but they should be concerned.

For the last nine years the Prime Minister has followed a fiscal discipline that has been unrivalled in Canadian history. We have never had the country's fiscal trajectory going in such a fantastic direction. This is a great credit to the Prime Minister of Canada.

Many people think that the February budget is just the work of the Minister of Finance and the Department of Finance. We should tell Canadians that the reality is it is the work of every member of Parliament on the finance committee and members of Parliament who bring to caucus and bring to the floor of the House of Commons during question period what they believe their constituents want as part of the budget.

I believe one of the areas where we as a country have been weak over the last few years is in dealing with some of the economic pain of lower income Canadians. I want to talk about the few things that I personally hope will be part of the budget. I will go through them quickly because I realize that time is limited and there will be questions afterward.

The very first thing that I would like to see in the budget is \$100 million a year for the next five years for sport and physical activity. This would have a fantastic effect on reducing our health care costs. It would have a great effect on sustaining our health care system.

We have heard it from the health department. We have heard it from Romanow. We have heard it from Kirby. We all know that if we pushed 10% more of the nation's population to spend a half an hour a day on health prevention, physical activity, we would save approximately \$5 billion a year in the health care system. My number one request is that in order to save \$5 billion a year, we put \$100 million a year into amateur sport.

• (1345)

The second part of that request is not an expenditure but it is to alter the tax act. Currently under the tax act of Canada, we allow corporations in this country to have a 100% tax write-off when they put money into advertising related to professional sport activities. This is for corporate boxes in baseball and hockey, rink board advertising and radio advertising. This is a very large tax expenditure in the Government of Canada's plan.

Government Orders

I would like the tax act to be amended so that expenditure would only be allowed if 10% of it went toward amateur sport. In other words, for every dollar we put into professional sport, 10¢ of that dollar must go toward amateur sport. That would change the whole dynamic and interaction between corporate sport sponsorships. They would not just be shovelling their money to the professionals; 10¢ of every dollar would go toward the amateur sport fabric in this country.

I would also want the tax act to amend the special privilege that we give to the National Hockey League Players' Association. Currently all the moneys that flow into the strike fund of the union go in tax free. Currently they have about \$140 million U.S. sitting there. It is a special gift from the people of Canada that all those moneys flow in there tax free. That write-off or special gift they have been given should be abolished unless 10% of whatever goes into that fund goes into amateur sport.

That is all linked to sustaining our health care system and it is not asking for extra treasury dollars.

Another thing I would like to see in the budget has to do with the whole issue of foreign ownership. I get apoplectic about the level of foreign ownership in this country. We are touching 40%. In the last eight years we have sold off \$500 billion worth of Canadian assets. The CEOs of the Canadian companies that are foreign owned are now getting their directions from the head offices, wherever they are in the world, regarding where the creativity is done. R and D is being cut back. Manufacturing and new equipment purchases are being affected. There is contraction in the United States, and where do they go first to cut? They go to the branch offices and tell them to hold off on that new equipment.

This is going to be controversial, but I am appealing to the Prime Minister and the Minister of Finance for this. I would like to see \$10 million to \$15 million in the budget for a task force on how members of Parliament and trade lawyers could reverse the trend on foreign ownership in this country and do it within the confines of our trade agreements. That is where the complexity is. We do not want to blow up trade agreements but we have to deal with the incredible foreign ownership challenge in this country. My request is for \$10 million to \$15 million for a task force on how MPs and trade lawyers can reverse the trend on foreign ownership.

Tied into that, our Canada-U.S. parliamentary committee needs a budget. Imagine. We do \$1 billion-plus a day with the United States of America and the Canada-U.S. member of Parliament committee has no budget. This is crazy. Members of Parliament from all parties are part of the Canada-U.S. committee. The legislators here work with legislators in the United States. They know what our problems are on softwood lumber. They know what our problems are in terms of ownership. They should have the resources to interact with them. Is that such a big deal? We have been asking for five years and nothing has happened. I hope that is in the next budget, the Prime Minister's last budget.

The next thing I would like to see in the budget has to do with the automotive and shipbuilding industries.

● (1350)

We have a huge problem in our automotive sector. It has been the greatest job creator in the country in the last 10 years. It has been our anchor and has held us together. We are now competing against Mexico and globally. The budget must put leverage and negotiation money forward so we can be there for modernization of our plants. I do not care where they are, whether they be in Ontario, Quebec or wherever. I am not favouring any part of the country. We need modernization money for our auto plants so we do not lose another Navistar, outside of St. Thomas, like we did a few months ago. The Mexicans outbid us because we did not have the industry money to maintain its presence in Canada.

I am appealing to the Minister of Industry through the Minister of Finance to ensure there is money in the budget so our most productive industry, our automotive industry, has the capacity to negotiate and keep these highly productive plants in Canada. These plants have spinoffs that are so multiple that I do not know the exact number.

The same thing applies to our shipbuilding industry. A couple of weeks ago I was in Saint John, New Brunswick talking to the men and women who had spent their lives working in the Saint John shipbuilding yard. It is criminal that this plant has been sitting idle since the frigates were built. The frigates are the envy of the world. The craftsmen from the Saint John shipbuilding yard should be building supply ships. We all know we need supply ships. The shipbuilding yard might be bigger than what is required for supply ships but that should be done. That means that Industry Canada needs more money.

The last thing has to do with health. It is linked to the whole area of creating more capacity within our health care system. McMaster University in Hamilton has a medical centre where people, who choose in the latter part of their lives to get involved in the medical profession, can study. Men and women in their forties and fifties can go back to school, start over, become doctors and become part of the health care profession. McMaster is the model on the whole planet. We need to set up similar institutions in other parts of the country.

I want to be totally Toronto-centric for a minute. I appeal for consideration for the Toronto General Hospital, which is in my riding, to get the resources to duplicate the McMaster model. I am sure there are many other members in the House in major communities who would like to have a similar models in their communities. It is really important that we prick the conscience of the finance minister, the Department of Finance and the Department of Health to duplicate the McMaster model in different parts of the country.

I am sure some people watching this on television are wondering what the bill would be for these things. What I talked about would cost less than \$200 million in expenditures on a yearly basis. Over a five year period, we would be talking about \$1 billion. However, \$200 million for things that make our health care system better, make our quality of life for young people better and increase our relationship with our U.S. trading partner where we do a billion plus dollars a year in trade are not expenditures. They are investments to help sustain us on the great growth that the Prime Minister and the previous minister of finance have put us on over the last few years.

• (1355)

Mr. Chuck Strahl (Fraser Valley, Canadian Alliance): Mr. Speaker, as always it is enjoyable to hear the hon. member, as the hon. member for Edmonton North would say, flung down by the glass there where he always makes a good noise. I am not sure if anybody listens to him over there or not, but he is always provocative and I enjoy that part of it.

There are a couple of things that I want to reply to and get his response in return. One is the closure of automotive plants. I suggest to him that the plant that moved to Mexico was the first of many that will follow after we sign this Kyoto accord. He will need a lot more than a little incentive to keep his plants in Ontario perking along. As people adjust to the Kyoto reality in Canada, I am afraid that there will be more than just one or two plants moving south. There will be a lot. He is right to be worried. I do not know that the solution will be some sort of tax break.

He talked about Canada-U.S. story and the lack of support for that committee, and I wholeheartedly agree. I sat on the joint interparliamentary committee that determined the budgets for that. I fought tooth and nail for years to get it to give some funds for a very necessary rapprochement with the Americans. Good luck if he can get his Liberal counterparts to do it. They are so worried about the old school stuff in Europe that they will not do anything about the Americans, and—

The Acting Speaker (Mr. Bélair): There are only two minutes left before statements by members. The hon. member for Toronto—Danforth.

Mr. Dennis Mills: Mr. Speaker, I have never lost hope in all the time I have been here that we can make a difference. I know it is tough for the member for Fraser Valley. He is a man of high energy and passion and I have always respected him. However I really believe in the next few months there will be a lot of change around here.

On the issue of the Canadian Autoworkers and our automotive plants, our automotive plants are the most productive automotive plants in the world. I met last week with Buzz Hargrove, the President of the Canadian Autoworkers, and by the way the Canadian Autoworkers support Kyoto. There is technology out there. This bogeyman that the Canadian Alliance is trying to create around Kyoto will not work. Canadians are going to rally.

I do not share the Canadian Alliance's view that these automotive plants have to go to Mexico. I think the Canadian Alliance has to support the auto industry and push the Minister of Finance and the Minister of Industry to give some leverage and negotiation money so that those auto plants can stay here. I know the Canadian Alliance

always believes that industry can do things by itself without government intervention. We know from the oil industry in Canada that if it did not have government intervention it would be very difficult for it. The automotive manufacturing business is no different. It is incumbent upon us to give the automotive industry as much support as we have always given the oil industry.

S. O. 31

STATEMENTS BY MEMBERS

[English]

AGRICULTURE

Mr. Dale Johnston (Wetaskiwin, Canadian Alliance): Mr. Speaker, remember those 13 western farmers who served jail time for driving across the Canada-U.S. border to sell their own wheat? All 13 are now back home with their families trying to eke out a living on farms that were plagued by another summer of drought. If this double whammy were not enough, Canada Customs is still holding their vehicles.

These farmers were part of a protest that took place in 1996 against the unfair treatment of grain farmers in Manitoba, Saskatchewan and Alberta by the Canadian Wheat Board and the Canadian government.

Prairie farmers just want equal treatment with their counterparts in the rest of the country, but since their actions contravened the Canadian Wheat Board policy, they were sent to jail and their vehicles impounded. Now, six and a half years later, the legality of the vehicle seizure has yet to be established.

It is high time that these farmers are given the opportunity to defend themselves and get their vehicles back before they become antiques.

* * *

• (1400)

QUEEN'S JUBILEE MEDAL

Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance): Mr. Speaker, this year Canadians across this great country received a special gift from Her Majesty on the occasion of her golden jubilee. Twenty special people in my riding were recognized for their service and dedication to their communities and Canada as a whole.

The recipients from Saskatoon were: Judge Ernest Boychuk, Fred Thompson, Randy Pshebylo, Emilia Vera Panamaroff, and Ted Merriman. In Rosetown, Donald Fullerton and Hugh Lees received the medal. Biggar's recipients were Marvin Ledding and Alice Ellis.

Other recipients were: Cameron Weir from Perdue; Dale Beattie in Dinsmore; Wallace Jackson in Harris; Rita Martichenko from Arelee; Stuart Holtzman in Fiske; Dennis Tkachuk from Milden; Walter Hill in Vanscoy; Earl Keeler from Delisle; and William A. Bradley in Hershel.

Trevor Shepstone from Corman Park and Charles Richie from Zealandia were awarded their medals posthumously.

Congratulations to all recipients.

S. O. 31

GOODWILL GAMES

Mr. Tony Tirabassi (Niagara Centre, Lib.): Mr. Speaker, the World Congress of Amateur Athletes is a non-profit organization whose mandate is to promote peace, brotherhood and mutual appreciation of all cultures through amateur competition.

This coming January, 87 individuals will be attending the WCOAA Goodwill Games in Nuevo Vallarta, Mexico. The chapter of this organization that is located in my riding, the Glenridge Martial Arts Academy, has students from the age of 4 to 80 years who study Tai Chi, karate, Qi Gong, Kobudo and kendo under chief instructor George Picard.

Four of my constituents, Shannon Bishop, Dan Houston, Irma Bulatovic and Raimondo Bosellino will be among the participants at the Goodwill Games in Mexico. Please join me in wishing them good luck as they proudly represent Canada abroad.

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[*Translation*]

HOMELESSNESS

Ms. Yolande Thibeault (Saint-Lambert, Lib.): Mr. Speaker, I want to congratulate the National Secretariat on Homelessness, initiated by the hon. Minister of Labour. Its Supporting Communities Partnership Initiative was recently selected as a Best Practice in the UN-Habitat 2002 Dubai International Awards for Best Practices.

Commonly referred to as SCPI, this initiative aims to reduce homelessness, an urgent problem in many of our communities. Although homelessness is a problem throughout Canada, it affects each community differently. The Supporting Communities Partnership Initiative supports community efforts to identify priorities, develop plans and define long-term solutions, as well as address the most urgent needs.

Once again, my congratulations to the National Secretariat on Homelessness.

* * *

[*English*]

WEB ART SILVER AWARD

Mr. Rodger Cuzner (Bras d'Or—Cape Breton, Lib.): Mr. Speaker, I am pleased to bring to the attention of the House that an international award has been bestowed on one of Canada's national museums and one of our finest and most popular cultural heritage institutions.

The Canadian Museum of Civilization has received an award from the International Council of Museums for its website, civilization.ca. The Web Art Silver Award was presented to the museum at a ceremony held last week in Sao Paulo, Brazil and recognizes one of the best museum websites in the world today.

This honour illustrates the effectiveness of the museum's website in communicating Canadian historical and social information world wide. The museum can be proud to have been chosen among 37 international submissions for this award for accomplishment in audiovisual and multimedia production.

I congratulate the Canadian Museum of Civilization Corporation for its innovation and creativity. The high quality of Canadian museums and the services they offer is indeed recognized internationally.

* * *

MEMBER FOR LASALLE-ÉMARD

Mr. Gerry Ritz (Battlefords—Lloydminster, Canadian Alliance): Mr. Speaker, much has been said lately about the Liberal leadership coronation of the member for LaSalle—Émard. If I could offer a little advice: "Be careful what you wish for". As long as he is only a potential prime minister he can be all things to all people, but when the honeymoon is over he will be on the hot seat: his speeches become public policy, his musings must be taken seriously.

This leads to the second problem. In order to get into the hot seat, he is going to have to get off the fence. He cannot say, as he did recently, that Kyoto should be ratified but is not any good, that he will vote for Kyoto today but the vote should be delayed, that we should go ahead but renege when we find out it is a mistake, and that the provinces should be brought on side but only when it is too late for them to have any influence.

Let us not forget that the former finance minister controlled the purse as \$40 billion disappeared from the EI fund, \$1 billion poured out through a failed gun registry, another \$1 billion leaked out of HRDC and billions evaporated from the CHST health care transfer.

Maybe I should direct my advice to Canadians: "Be careful what you wish for".

* * *

● (1405)

KYOTO PROTOCOL

Mrs. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I would like to clear the air for those who believe that the Kyoto protocol has nothing to do with pollution. The primary objective in ratifying the Kyoto protocol is to fight climate change. However, there are important additional benefits associated with our actions. Improving air quality is an important ancillary benefit.

Burning fossil fuels results in greenhouse gas emissions, but it also results in emissions of: nitrogen oxides and volatile organic compounds that are at the heart of smog in communities and regions right across Canada; particulate matter, which scientific and medical experts clearly link to heart and lung diseases like asthma, bronchitis and emphysema; and many more emissions, including those related to acid rain and other environmental issues.

Over the next 20 years our plan will help Canada enjoy cleaner air and more smog free days. It will help avoid premature deaths, cases of chronic bronchitis, asthma symptom days and many emergency visits. The Kyoto protocol will indeed contribute to cleaner air in Canada.

* * *

KYOTO PROTOCOL

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, the House will soon be asked to vote in support of the ratification of the Kyoto protocol. There have been impassioned debates over the past few weeks, on both sides of the House, regarding this contentious issue.

In listening to my hon. colleagues speak on Kyoto, I note it is apparent that this debate comes down to the central issue of the relationship between the environment and the economy.

I share some of my colleagues' concerns about the impact that the implementation of Kyoto will have on the economy. With this in mind, however, it is important that the Government of Canada work toward the goal of protecting the environment while ensuring the present and future growth of the Canadian economy.

It has been noted that environmental change knows no political boundaries, and in acknowledging this fact it is obvious that only through a multilateral agreement like Kyoto can any meaningful change be accomplished.

Within the context of this agreement, Canada should lead the international community in addressing climate change that threatens present and future generations.

A vote in favour of the motion to support ratification will signal to Canadians and the world—

The Speaker: The hon. member for Repentigny.

* * *

[Translation]

QUEBEC BYELECTIONS

Mr. Benoît Sauvageau (Repentigny, BQ): Mr. Speaker, yesterday a byelection was held in the riding of Berthier—Montcalm, following the departure of my colleague and hon. member of this House, Michel Bellehumeur.

Once again, the public clearly acknowledged the quality of work accomplished in Ottawa by the Bloc Québécois and re-elected it for the fourth consecutive time, despite the intervention of the hon. member for LaSalle—Émard. The public elected Roger Gaudet, the new Bloc Québécois member for Berthier—Montcalm, who received more than 50% of the votes.

Allow me to thank the citizens of Berthier—Montcalm for their confidence in the Bloc Québécois and to congratulate Roger Gaudet for his resounding victory, which can be attributed to his obvious dedication and skills.

I would also like to thank all the supporters and volunteers who, through their involvement and energy, made this byelection the dazzling success that we are all celebrating today.

S. O. 31

[English]

HUMAN RIGHTS

Ms. Aileen Carroll (Barrie—Simcoe—Bradford, Lib.): Mr. Speaker, today, on the occasion of Human Rights Day, I invite members of the House of Commons to reflect on the significance of the adoption of the Universal Declaration of Human Rights by the United Nations General Assembly 54 years ago. The principles entrenched in the Universal Declaration of Human Rights provide the foundation for today's complex machinery for human rights protection.

The promotion of human rights has been a fundamental principle of Canadian foreign policy, related to the values of diversity, tolerance and respect for others.

We are proud of Canadian achievements in the area, which include the drafting of the original document by McGill professor John Peters Humphreys and, more recently, playing a leadership role in the establishment of the International Criminal Court.

The government reaffirms Canada's commitment to keeping human rights at the forefront of the international agenda.

* * *

●(1410)

HEALTH CARE

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, Canadians are anxiously waiting for the federal government to act on the Romanow report.

Commissioner Romanow has done the legwork by researching the evidence and listening to Canadians. He has given us a blueprint for a sustainable, non-profit, public health care system.

It is now up to the federal government to take his report and run with it, promote it, convert it into an action strategy and implement it, take equitable public health care across the finish line to a revamped, sustainable future.

What we are seeing instead is quite disturbing.

The government is not running with the Romanow report but away from it.

Keeping the government on track is why the Canadian Health Coalition, representing millions of members from a broad spectrum of seniors, women, nurses and other health care providers, students, unions and community groups, is here today urging parliamentarians from all parties to put the wishes of Canadians first and to move vigorously toward our goal as mapped out in the Romanow report.

The Romanow leg is completed. It is now time for the final push to the finish, and only the federal government can—

The Speaker: The hon. member for Roberval.

S. O. 31

[Translation]

QUEBEC BYELECTIONS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday the voters of Lac-Saint-Jean—Saguenay gave a clear vote of support for the Bloc Québécois, reaffirming their faith in the ability of Bloc Québécois members to represent them effectively and with conviction in Ottawa.

Yesterday, the government paid the price for all of the public money squandered in the excessive number of scandals involving this government and its cronies.

Yesterday, the government was given a failing grade for its inability to manage, the firearms registry being a case in point.

Yesterday, those who were counting on the ability of the member for LaSalle—Émard to sweep Quebec during the next election were given a chance to size up their future leader.

Yesterday, people cast their vote for someone to represent their riding in Ottawa, rather than someone to represent Ottawa in their riding.

Yesterday, the voters of Lac-Saint-Jean—Saguenay chose Sébastien Gagnon and the Bloc Québécois.

* * *

[English]

HUMAN RIGHTS

Mr. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, today we commemorate and celebrate the 54th anniversary of the Universal Declaration of Human Rights, the cornerstone of the International Bill of Human Rights—

[Translation]

The Speaker: Order please. Really, it is impossible to hear the member for Mount Royal.

Some hon. members: Oh, oh.

The Speaker: Order. We are wasting time. The hon. member for Mount Royal.

[English]

Mr. Irwin Cotler: Mr. Speaker, today we commemorate, and indeed celebrate, the 54th anniversary of the Universal Declaration of Human Rights, the cornerstone of the International Bill of Human Rights, the international Magna Carta of human rights. It emerged as source and inspiration for the International Covenant on Civil and Political Rights, the first generation of rights, the fundamental freedoms of conscience and religion, of freedom of expression and association, that are the lifeblood of a democracy, and the right to life, liberty and security of the person, which are the cornerstones of human dignity.

It is the source and inspiration for the International Covenant on Economic, Social and Cultural Rights, which has come to be known as the second generation of human rights, and which are increasingly not just aspirational but justiciable, not just hortatory but obligatory.

It is the source and inspiration for solidarity rights, the right to peace, the right to environment and the right to development, and

perhaps most important, to the indivisibility of human rights, to the interdependence between rights, and to the celebration of human rights as a statement not only of who we are but what we aspire to be.

* * *

KYOTO PROTOCOL

Mr. Norman Doyle (St. John's East, PC): Mr. Speaker, today we vote on the Kyoto protocol, an international effort to combat greenhouse gases and global warming.

Canadians want us to take action on global warming. However, Canada is a federal country and successful implementation of the Kyoto protocol depends heavily on provincial involvement. This requires painstaking consultations and negotiations between the federal government and the provinces, just like the previous PC government did successfully on the implementation of an international acid rain treaty.

Instead, in an attempt to leave a legacy, the Prime Minister dropped a fast track Kyoto ratification process on the provinces without warning, and a federal-provincial brawl has ensued.

Kyoto is supposed to be the solution to a problem, but with the way the government has handled the matter, it has become the problem. As legacies go, Canada, Canadians and our planet deserve better.

* * *

[Translation]

LITERACY

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, I am pleased to speak today about two literacy projects in the riding of Bas-Richelieu—Nicolet—Bécancour, sponsored by the National Literacy Secretariat.

The Ardoise du Bas-Richelieu organization of Sorel-Tracy received \$18,000 for its “Journal Alpha Pop l'Ardoise” project. The goal is to produce a newspaper for people with low literacy levels in order to encourage them to take basic literacy training. They plan on producing six of these newspapers.

In Nicolet, the Alpha-Nicolet organization was awarded \$14,000 for its “Établissement d'un partenariat: phase 1” project. Through this project, the organization plans to educate parents of students at Curé-Brassard elementary school about their role in preventing illiteracy.

In supporting these two literacy projects in the riding of Bas-Richelieu—Nicolet—Bécancour, the Government of Canada is making good on its commitment to work in partnership to further raise the awareness of Quebecers—

● (1415)

The Speaker: The hon. member for Medicine Hat.

*Oral Questions**[English]***OPERATION CHRISTMAS CHILD**

Mr. Monte Solberg (Medicine Hat, Canadian Alliance): Mr. Speaker, last year at this time I was preparing to join a team of Samaritan's Purse aid workers to help them distribute humanitarian aid to the people of Afghanistan through Operation Christmas Child. It was a great experience.

Every year, schools, churches and community groups around the world are called upon to fill shoeboxes with gifts for the world's poorest children. Since 1993, Operation Christmas Child has distributed 18.5 million shoeboxes to needy children in 120 countries.

Today in New York, U2's Bono will join Samaritan's Purse President Franklin Graham in filling the world's largest airplane with gift shoeboxes to send to kids in Africa who are suffering from HIV-AIDS.

We have so much to be thankful for in Canada. I urge my colleagues and all Canadians to consider helping this wonderful organization through donations and prayers. More can be found out about Samaritan's Purse at www.samaritanspurse.org, and I wish to say God bless and Merry Christmas.

ORAL QUESTION PERIOD*[English]***KYOTO PROTOCOL**

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, today the Prime Minister is recklessly pushing forward with ratification of his Kyoto legacy. He will be committing Canada to massive CO₂ reductions without a clear and complete plan for these made in Japan targets.

The Prime Minister said that he will retire in February 2004. I have a very straightforward question. Could the Prime Minister tell the House, by February 2004, what interim targets will the government have met for Kyoto and how much will those measures cost?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am very proud that Parliament will vote to ratify Kyoto this afternoon. It is in the interests of future generations that we move on that file and that we respect our international obligations.

It also is in the interests of all sectors of the economy to know exactly what they will have to do now, not wait six or seven years from now and face a wall. They will know exactly what kind of obligation they will have and what kind of help the provincial and federal governments will provide for everybody in these cases.

However we will meet the target and future generations will be happy with the actions of Parliament today.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, I asked the Prime Minister what he would achieve in a year and, typically, he has a grand scheme. He has no plan on issue after issue. That is his real legacy to this country.

He has no clear plan and no real targets for his reckless made in Japan commitments, but nevertheless, the Kyoto protocol itself requires an interim progress report to the United Nations panel on climate change by 2005.

Could the Prime Minister tell us his government's intention? What are the interim targets it intends to meet by 2005 and how much will those measures cost?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, at this moment we are dealing with the ratification. We have had over the last few weeks very good discussion with the private sector and the provinces and we have made a lot of progress.

I am sure Canada will meet interim targets like general targets in 2005 and 2012 because Canadian people keep their word.

Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance): Mr. Speaker, it would be nice if the Prime Minister had some idea of what those were.

[Translation]

I have a supplementary question for the Prime Minister. This government is ignoring the provinces' objections to the imprudent ratification of Kyoto. The Prime Minister has not yet met with his provincial counterparts concerning his incomplete plan to respect his "made in Japan" commitments, and he needs the provinces to do so.

When is the Prime Minister going to meet with the provincial premiers to discuss how Canada is going to comply with its obligations?

● (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there have been hundreds of ministerial meetings since 1993 on both Kyoto and Rio. The time had come to act. We have made much progress.

I myself have had the opportunity to meet with representatives of the oil and gas industry, and they are asking us for something definite. If they do not have that, they will not be able to succeed. Companies like BP and Shell have succeeded in meeting their obligations at no cost to themselves. I am sure other companies in Canada can do the same. Canadians are, I am sure, not going to have any problem meeting the Kyoto objectives by 2012.

[English]

Mr. Bob Mills (Red Deer, Canadian Alliance): Mr. Speaker, the natural resources minister said that the government will put a \$15 per tonne cap on the price that industry will have pay for CO₂ emissions.

The minister has taken care of large industry emitters but he expects a family of four, the seniors on fixed incomes, the single moms and students to pick up the tab. What will that tab be?

Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.): Mr. Speaker, the Leader of the Opposition said that he does not support a cap and that we should not give certainty to the industry. The opposition now says that we are subsidizing.

Oral Questions

The member should make it clear. What is the position of the Alliance Party? Does it think we should deal with security or not? He should stand up and put his position so all Canadians will know

Mr. Bob Mills (Red Deer, Canadian Alliance): Mr. Speaker, the government would not be ratifying this today if in fact it had looked at the cost of implementing this whole thing.

The reality is that the government has already blown \$1.6 billion promoting Kyoto. Since 1998 CO₂ emissions have gone up.

Now, after the HRDC disaster, the ad contract scandal and the billion dollar gun registry fiasco, the government has the gall to ask us to simply trust it with billions of dollars for Kyoto. What will Kyoto cost?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the discussions that took place surrounding budget 2000, action plan 2000, plus budget 2001, indicated very clearly where these measures would be and what their costs would be.

In no way are these costs that the hon. member talked about, the \$1.6 billion, related exclusively to promoting Kyoto. They are in fact designed to make sure that we in good time achieve our Kyoto targets and ramp up effectively and without dislocation to the 2008-12 period.

* * *

[Translation]

GOVERNMENT CONTRACTS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, faced with allegation after allegation of irregularities in the granting of sponsorships, the Minister of Public Works is trying to buy time instead of getting to the bottom of the matter. To protect government members involved in these affairs, the minister is talking about referring a number of files to the RCMP, a strategy that the government used to cover up another scandal, the HRDC scandal, on the eve of the last election campaign.

Will the Prime Minister finally agree that only an independent public inquiry can ensure full disclosure about the sponsorship scandal, including the role played by certain ministers?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have asked the Auditor General to investigate. She has reported to the minister. The Bloc Québécois suggested that files be referred to the police whenever there was an indication of wrongdoing. That is precisely what we have done. With both the Auditor General and the RCMP involved, I would say that we have all the angles well covered.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, not all the angles are covered. The Prime Minister is not calling a public inquiry because he is feeling the heat. He knows full well that his close, long-time friend, Jacques Corriveau, personally contacted the office of the former Minister of Public Works and the office of the Minister of Justice on behalf of Polygone, a firm that greatly benefited from the scandals. However, Mr. Corriveau is not even registered as a lobbyist, although he is lobbying.

Will the Prime Minister admit that his greatest fear is that close scrutiny of the sponsorship scandal as part of an independent public inquiry could lead back to him?

• (1425)

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, to the contrary, this has been the subject of an internal audit by my department. It has been the subject of a review by Treasury Board. It has been subject to a file by file review by my department and a public summary report. It has been the subject of time verification audits.

As the Prime Minister has said, wherever there is an indication of activity that raises legal questions, those are referred immediately to the RCMP.

[Translation]

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, what is needed is not an internal audit but a public inquiry.

Last week, we demanded that the Minister of Public Works release the names of all firms awarded advertising or communication contracts under the firearms program. We requested that information several days ago.

I would therefore like the minister to tell us today whether he can provide us with this information, which is available to him alone at present.

[English]

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, if the hon. gentleman can specify exactly what information he is looking for, I would be happy to respond to that. To date we have already published a long list of contractual arrangements with the various firms over a number of years. They involve several hundred transactions. If the hon. gentleman would be specific, I would be happy to answer the question.

[Translation]

Mr. Robert Lanctôt (Châteauguay, BQ): Mr. Speaker, I am talking about the firearms scandal. We have requested information about it in recent days.

This is precisely why a public inquiry is needed. The Minister of Public Works is acting like former minister Gagliano. We are given dribs and drabs of information, or none at all.

Will the minister admit that only a public inquiry would satisfy the public and help us understand to what extent the government and its ministers are involved in all these scandals?

*Oral Questions**[English]*

Hon. Ralph Goodale (Minister of Public Works and Government Services, Minister responsible for the Canadian Wheat Board and Federal Interlocutor for Métis and Non-Status Indians, Lib.): Mr. Speaker, in terms of the management issues, the value for money issues, the proper government framework and administrative issues, there is no more public forum, as we know, than the Auditor General. When legal issues are raised there is no more proper investigation than the RCMP. Both of those are already underway.

* * *

HEALTH

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, my question is for the Prime Minister.

Since Romanow tabled his recommendations, the government has been characterizing his report as just one among many.

The Romanow commission delivered a comprehensive, evidenced based prescription for Canada's health care future. Romanow exposed the dangers of allowing profit seeking corporations to cherry pick from our public health care system.

Will the government now cherry pick from Romanow's recommendations or will the Prime Minister today stand in his place and endorse the Romanow report as the blueprint for Canada's health care future?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I asked Mr. Romanow to do a job and I thanked him for doing a good job. We have received all the reports, like the report from the Senate and some provincial reports.

The Minister of Health met with her colleagues last Friday to discuss priorities. They have looked at all the files. I will be meeting with the first ministers at the end of January.

I can give a guarantee to the hon. member that we intend to maintain the five conditions of the Canada Health Act and improve on it if possible.

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

Commissioner Romanow talked a lot about accountability and certainly Canadians want to hold their various levels of government, federal and provincial, accountable for how they deal with the Romanow report.

In that spirit of accountability and transparency, I wonder if the Prime Minister could tell us whether he would agree to have the first ministers conference on the Romanow report televised so that all Canadians could see just what he and other levels of government are saying.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am not looking for a show. I am looking for results.

I think the best way to have a very productive first ministers conference is to have it like the one we had in September 2000 where the provinces agreed to make the results of their operations public. We want to improve it to make sure that the Canadian public

is aware of the problems and the results of the Canadian system of health that is one of the best in the world.

* * *

● (1430)

FIREARMS REGISTRY

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, in 1991, in the so-called Al-Mashat affair, the precedent was established that a minister of the crown could choose to appear before a standing committee of the House to give testimony regarding events with which that minister had been involved in a previous cabinet portfolio.

My question is for the Minister of Industry. In principle, should an invitation occur, would he agree to follow that precedent and agree to appear before the public accounts committee's investigation of the firearms registry?

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it does not take a parliamentary expert to know that is grossly out of order.

Right Hon. Joe Clark (Calgary Centre, PC): Mr. Speaker, if it would not take a parliamentary expert to know that then we have heard from the right person. May I redirect the question to the Prime Minister.

Some hon. members: Oh, oh.

The Speaker: Order, please. The Chair is having trouble hearing the person who has the floor. Whether it is the right person or not, I am not sure, but I know who I have to hear and it is the right hon. member. I missed a good part of the first question because of something else and I am having trouble hearing because of all the noise in the Chamber. I would appreciate some assistance from hon. members so we can hear the right hon. member for Calgary Centre.

Right Hon. Joe Clark: Mr. Speaker, let me redirect my question to the Prime Minister, who does have authority in these matters.

Bearing in mind the Al-Mashat precedent, and in the event that the current Minister of Industry is invited to appear before a public accounts investigation of the firearms registry, would the Prime Minister instruct the minister to appear and to testify?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first, talking about people who do not know how to count, I remember very well in December 1979 when the leader of the fifth party could not count his own members in the House.

Second, I do not think he would be very keen to re-open the Al-Mashat affair.

Third, I just want to say that the Minister of Justice is handling the file very well. The gun registry program is very important for the Canadian people because of the safety in the cities and in the homes of all the nations. We have had some problems with it and—

The Speaker: The hon. member for Edmonton Southwest.

*Oral Questions***KYOTO ACCORD**

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, the auto industry accounts for one in seven jobs in Canada. In Ontario alone these jobs pumped \$7.5 billion into the economy last year. Over 90% of GM's Canadian built cars and trucks are shipped to the United States.

The president of GM Canada stated recently that Canada's signing of the Kyoto accord would lead to different vehicle standards with our largest trading partner and that it would make Canadian auto manufacturers uncompetitive. These were his own words.

What precise steps is the government taking to ensure that the auto industry in Ontario will not be devastated by the signing, ratification and implementation of the Kyoto accord?

Hon. David Anderson (Minister of the Environment, Lib.): Mr. Speaker, the state of California, part of the American union, has in fact adopted measures which are quite different from many other states in the union for automobiles.

The concerns of the president of GM Canada are being taken into account. We intend to have conversations with them. There is nothing that suggests that ratification of Kyoto will automatically lead to the situation described by the hon. member.

Mr. James Rajotte (Edmonton Southwest, Canadian Alliance): Mr. Speaker, they intend to have conversations with them. How reassuring is that?

It is not only the automakers who are worried about Kyoto. The president of Decoma International, a major auto parts manufacturer, has stated that Kyoto would be "one more thing that could potentially prevent car companies from investing in Canada, which will drive parts manufacturing out of Canada. The government's lack of key details on how to meet Kyoto commitments will scare away investment in Canada's auto industry. The government owes it to Canadians to define much more clearly how they plan to implement this".

When will the government listen to serious industries like that company and finally produce a detailed implementation plan?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, next week in Toronto we will hold the second meeting of the—

Some hon. members: Oh, oh.

The Speaker: Order. I realize the Minister of Industry is very popular with the official opposition, but we have to be able to hear what he says.

The minister stood up to give an answer. He has been recognized as the person having the floor. We will want to hear him. I am sure that the opposition members will let up on their cheering for a few minutes so that the hon. minister can give an answer.

•(1435)

Hon. Allan Rock: Mr. Speaker, next week we are holding the second meeting of the partnership council in the auto sector, including parts manufacturers, assemblers, the labour unions, the provincial and federal governments.

We are dealing with productivity and competitiveness in the auto sector. As the member knows, some of our assembly plants are

among the most productive and competitive in the world and have been acknowledged to be so. Kyoto is on the agenda. Together we will work on a plan that will ensure we will maintain our competitive edge.

* * *

[Translation]

SOFTWOOD LUMBER

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, the voters in Lac-Saint-Jean—Saguenay and Berthier—Montcalm sent a clear message yesterday.

Now, it is important not to forget the workers in Saint-Fulgence, for example, who are hard hit by the softwood lumber crisis and who are asking for the government's help.

Will the Minister of Human Resources Development finally agree to extend the employment insurance benefit period for workers caught in the trade war over softwood lumber with the United States, as is the case in Saint-Fulgence, in the Saguenay region?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, first of all, the hon. member has given me the opportunity to congratulate our candidates who did so significantly well in the byelections. I also think that may be because the Government of Canada is already working to support Canadians who could be impacted by this trade dispute.

I get the opportunity again to remind the hon. member the Government of Canada already invests through the employment insurance program \$450 million a year to workers in the forestry industry. We have identified another \$246 million, \$70 million of them through my department for assistance to workers in the softwood lumber industry. The province of Quebec receives \$600 million every year.

[Translation]

Mr. Stéphane Bergeron (Verchères—Les-Patriotes, BQ): Mr. Speaker, the residents of Saint-Fulgence, like those in many other regions of Quebec, will see their employment insurance benefits run out in March.

Since these workers affected by the softwood lumber crisis will be left with nothing in March, should the government not be a bit more humane and compassionate, and respond to their cry for help?

[English]

Hon. Jane Stewart (Minister of Human Resources Development, Lib.): Mr. Speaker, our first concern is for the workers in the softwood lumber industry. That is why \$246 million has been earmarked specifically for those workers. Whether it be \$112 million to support communities to diversify their economies or \$70 million for expanded employment insurance provisions, the government is concerned about workers and will be there to support them.

*Oral Questions***GOODS AND SERVICES TAX**

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, the Minister of National Revenue and the former minister of finance cooked the books to effectively hide GST fraud from Parliament and taxpayers.

Now the current Minister of Finance is preaching against unethical conduct and corporate misbehaviour at the same time that his own government has been caught doing backroom deals to hide \$1 billion in losses. This is unacceptable.

Does the Minister of National Revenue know how much money has been lost to GST fraud since 1994?

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, there is a scam being perpetrated and it is being perpetrated by the member and the leader of his party. They have suggested a cover-up. They have suggested a secret deal. They have said we have broken the law. They have said we disbanded the unit. They have said that there is \$1 billion missing.

I say wrong, false, wrong and nuts. That is absolutely not true.

Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance): Mr. Speaker, if it is not true then maybe the Liberals should provide evidence to the contrary because they sure have not done it yet.

The total loss of over \$1 billion to GST fraud has been hidden from taxpayers and Parliament. The government has an obligation to list GST fraud losses in the public accounts. Once again, Parliament deserves to know.

I ask the minister again, how much money has been lost to GST fraud?

Hon. Elinor Caplan (Minister of National Revenue, Lib.): Mr. Speaker, the member opposite and his leader should start using their research bureau rather than simply sloppy journalism and believing everything they read in the newspaper.

Here are the facts. Since 1997, CCRA has made 294 convictions for fraud for a total of \$25.4 million. I think \$25.4 million is a lot of money but it is not \$1 billion. Further, there has been \$13.3 million in fines and 57 cumulative years in jail.

* * *

• (1440)

[Translation]

SOFTWOOD LUMBER

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, since the beginning of the softwood lumber crisis, the Bloc Québécois has proposed that the companies affected be given assistance in the form of loan guarantees. The government promised a two-phase plan, but the second phase has been a very long time in coming.

Is the Minister of Industry planning on taking care of his portfolio, instead of commenting on all kinds of issues in an attempt to further his leadership bid? And when will he be launching phase two of his assistance plan to help save the softwood lumber industry?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, as we have already specified, we announced some \$110 million for communities that have been affected by the softwood lumber crisis.

In the coming days, we will be announcing details about this program to diversify the economies of local communities and help out the people affected.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup—Témiscouata—Les Basques, BQ): Mr. Speaker, his colleague, the Minister of Natural Resources, told us that he would be assessing the situation in four or five months to see if other measures might be needed to support workers in the industry. We were expecting these measures for Christmas. Now, we are left wondering if they will be in place for Easter.

Does the minister understand that time is of the essence and that support measures are needed, and needed now?

[English]

Hon. Herb Dhaliwal (Minister of Natural Resources, Lib.): Mr. Speaker, when we announced the \$240 million package, we said that it is extremely important for Canada and the U.S. to resolve this issue and we did not want anything to jeopardize that. We still feel there is a window of opportunity.

As I said earlier, the loan guarantee and other programs are still being considered. If we do not get an agreement with the U.S., which we hope there will be, we will ensure that we support the workers and industry. That door is still open and both those instruments are still on the table for us to make sure we do everything we can to protect the industry and the workers in the forest sector.

* * *

FIREARMS REGISTRY

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, last week the Auditor General's report did not tell us what are the big costs still to come in the gun registry, namely, enforcement costs, court costs, economic costs, and annual maintenance costs.

Parliament and the public have been misled for seven years. Will the minister now come clean and tell us how much it will cost to complete the registry and how much it will cost to maintain it?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, it is clear in my mind and it is clear from the Auditor General's report as well that all the numbers have been reported and all the numbers have been approved by Parliament.

If we look at the recommendations of the Auditor General, which we have accepted, the question is the consolidated report that we have to table. The question is the way we should be accountable and to what extent we have to be accountable. We will answer those recommendations. On this side of the House we will be transparent. We will keep proceeding with the gun registry because we believe in public—

The Speaker: The hon. member for Yorkton—Melville.

Oral Questions

Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance): Mr. Speaker, that answer is irrelevant. I have to conclude that the minister does not know the answer.

Last week the Ontario Police Association said that the \$1 billion that has been wasted on the gun registry would have been better invested in front line policing.

Today's newspaper reports that the minister's claimed drop in firearms deaths predated the gun registry by a decade. Also, the 20-year-old gun licensing system that was supposedly producing these results cost less than half of the present system to operate.

How much will it cost to register all the guns and—

The Speaker: The hon. Minister of Justice.

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, safety is not irrelevant to us. We believe in safety. We will proceed with the program. It is a good program. We are starting to see the benefits of the program as a society as well.

I have said that I have accepted the recommendations. We will fix the problems.

* * *

• (1445)

[Translation]

VETERINARY COLLEGES

Ms. Diane St-Jacques (Shefford, Lib.): Mr. Speaker, I have just attended an important announcement concerning the future of Canada's colleges of veterinary medicine. This is the outcome of intensive political pressure by members of the Liberal caucus over the past few months. I am asking the Minister of Agriculture and Agri-Food to inform the House of what the Government of Canada intends to do to help the colleges of veterinary medicine retain their accreditation.

[English]

Hon. Lyle Vanclief (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I want to thank the hon. member for Shefford and all the caucus members for the support and encouragement that they have given and the facts that they have pointed out of the importance of all the veterinary colleges across Canada. This has led to the announcement by the government just a few minutes ago of \$113 million to retain their accreditation.

* * *

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North Centre, NDP): Mr. Speaker, on November 28, the same day that the Romanow commission called for the inclusion of diagnostic services under the Canada Health Act, the Canadian armed forces announced a new deal with a for profit, investor owned MRI clinic in Halifax so that its members could jump the queue for medically necessary scans.

Given that the armed forces are directly under the control of the federal government and since the Romanow commission has clearly indicated the threat to public health care posed by for profit diagnostic clinics, will the government move as quickly as possible

to terminate the agreement and bring all government controlled practices in line with the Romanow commission's recommendations?

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, the armed forces are presently not covered under the Canada Health Act. As the hon. member is probably aware, there are a number of groups that were grandfathered when the act was put in place. Those groups include the Canadian armed forces, provincial workers compensation plans and some others.

* * *

NATIONAL SECURITY

Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP): Mr. Speaker, our Coast Guard is in a shambles. Our military is severely underfunded. Our customs officers do not have the tools to do their job. The defence minister and the foreign affairs minister signed, without parliamentary consent or without parliamentary due, a \$35 million two year deal with the Americans on further integration which we fear is going to be the slippery slope to the loss of our sovereignty.

In fact the defence minister said yesterday that we control that slope.

I would like to ask the defence minister, prior to the further integration with the U.S. on the security deal, will he please bring those people before Parliament—

The Speaker: The hon. Minister of National Defence.

Hon. John McCallum (Minister of National Defence, Lib.): Mr. Speaker, it is true that I said yesterday that I was not in favour of this argument about slippery slopes when we indeed control the slope.

As for parliamentary participation, the House defence committee did recommend we consult with the Americans on this project some time ago. We did so. I spoke to the committee on November 27 on the matter and said that negotiations were near complete. Not one opposition member asked a single question, and so we have done it.

* * *

MIDDLE EAST

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, after advising the Minister of Foreign Affairs, last week I met with Iraq's deputy prime minister, Tariq Aziz and Iraq's former ambassador to the United Nations, Mr. Nizar Hamdoon. These two officials have now agreed to come to Canada to make a presentation and answer questions of our foreign affairs committee, if invited.

If the committee extends the invitation, will the Department of Foreign Affairs and the minister assist by providing the necessary visas and documents in a timely manner?

Oral Questions

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, far be it from me to interfere in the committee's work. I would assume that the committee would take a responsible look at any suggestion and ways in which we could advance the desire of all people to have peace in the Middle East.

However, at the moment this is in the hands of the United Nations. It is under the Security Council. I do not believe Canadians would want to be in any way interfering or stepping between what is being successfully pursued at the Security Council at this time.

• (1450)

Mr. Bill Casey (Cumberland—Colchester, PC): Mr. Speaker, I want to make it very clear that we in this party are totally in support of the UN resolution 1441 but we feel that we are making all this effort for a military conflict and are making no diplomatic effort, and we ask that this be done.

If Canada is prepared to send our military into a potential conflict in Iraq, we have an obligation to explore every possible diplomatic opportunity and we have not done that. Members of the committee may have ideas that could help defuse the situation.

Would the minister help make it possible for these officials to meet with our parliamentarians?

Hon. Bill Graham (Minister of Foreign Affairs, Lib.): Mr. Speaker, clearly it would be premature for me to speak about anything before the committee has made a decision on this matter. However I totally reject the premise of the member's question that we have been doing nothing on the diplomatic front to advance peace in the area.

The Prime Minister spoke to the president personally about this matter. I have met on many occasions with Secretary Powell. We have worked through G-8. We have worked through every conceivable format we know to ensure that this matter is handled through the Security Council in a way which guarantees the maximum opportunity for us to have a peaceful resolution of this matter.

* * *

TERRORISM

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, we are hearing today that the Liberals may be responding, not on principle but to political pressure, and may have actually worked up the nerve to ban Hezbollah. Now this would come a full year after passing the anti-terrorism laws, long after banning less dangerous groups and long after CSIS warned the Liberals that Hezbollah was dangerously active in Canada.

In what year did CSIS first warn the Liberals about Hezbollah activity in Canada and why have the Liberals given this terrorist group so much special attention?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, listing entities is a very serious issue. It requires serious thought and serious research. I would hope that no one, not even the hon. member opposite, would play politics with this issue, and that is what he seems to be doing.

Haste is not what is required here. It is analysis that is based on fact and on criminal and security intelligence information, and we will make a decision on future entities soon.

Mr. Stockwell Day (Okanagan—Coquihalla, Canadian Alliance): Mr. Speaker, he talks about haste. Hezbollah has been killing people on three continents for two decades. Now it has warned that it is attacking the rest of the free world.

While the liberals say that we should dialogue with these terrorists rather than shut them down, Hezbollah has been openly raising money and recruiting in Canada for a long time.

What is the Liberal estimate of how many Canadian dollars have been raised in Canada to support Hezbollah terrorist activities while the Liberals have dialogued with them?

Hon. Wayne Easter (Solicitor General of Canada, Lib.): Mr. Speaker, much of the member's allegation is just nonsense. The fact of the matter is the military wing of Hezbollah was listed under Canada's suppression of terrorism regulations in 2001. We did our work.

In terms of looking at entities and bringing them forward to the list, we will only do it on the basis of sound criminal and security intelligence information. We will not play politics with this issue.

* * *

[*Translation*]

KYOTO PROTOCOL

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, there is no longer any doubt that atmospheric pollution has a major impact on population health. Every year, 16,000 people die prematurely in Canada from smog-related diseases. The annual savings on health care if Kyoto is implemented are estimated at \$1 billion.

Can the Minister of Health confirm the accuracy of this information on the public health impacts of adopting Kyoto?

[*English*]

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, obviously in the Department of Health we are working very closely with our colleagues in the Department of the Environment.

It is quite clear and we understand that, as more research is done, there will likely be health impacts due to global warming. Obviously it is our responsibility to do the necessary research, to work with our colleagues and inform Canadians in relation to possible health impacts.

• (1455)

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, in her capacity as the Minister of Health, can the minister tell us whether she has a plan to encourage the government to speed up implementation of the Kyoto protocol?

*Oral Questions**[English]*

Hon. Anne McLellan (Minister of Health, Lib.): Mr. Speaker, my colleagues, starting with the Prime Minister, the Minister of the Environment and others, have been absolutely clear that this afternoon in all likelihood Kyoto will be ratified and my colleagues have working on an implementation plan. That implementation plan will move forward.

* * *

JUSTICE

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, the 1998 report of the Special Joint Committee on Child Custody and Access conducted extensive cross-country consultations on the issue affecting the children of divorce.

Contrary to the justice minister's belief, the spirit of the report was not to remove strong language from the Divorce Act. It was to ensure a shared parenting framework to allow children access to both of their parents.

Why did the Minister of Justice fail to send judges a clear message that children deserve both parents, even after divorce?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am pleased to tell the House that this morning I tabled a bill amending the Divorce Act. Essentially, when we look at the bill itself and the whole package, there are three pillars.

We are talking about social programs to help families facing crises. We are talking as well about legislative change. We have chosen the notion of parental responsibility and to ensure that we take into consideration at all times, and this is paramount, the best interests of the child. There is very good news. We will expand the unified family court which has been a success for the legal system.

Mr. Jay Hill (Prince George—Peace River, Canadian Alliance): Mr. Speaker, the minister's Bill C-21 will not ensure children's access to both parents. After marital breakdown children should not be divorced from either parent. Removing the terms custody and access from the Divorce Act will do nothing to ensure shared parenting roles for both parents.

Why did the Minister of Justice not preserve the spirit contained in the committee's report "For the Sake of the Children" by legislating shared parenting?

Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as the member said, I believe that we preserved the spirit. We are talking about parental responsibility. People wanted us to remove the notion of custody and access.

We will be investing money in social programs and will go ahead with expansion of the unified family court. We will invest money on that side as well.

* * *

FISHERIES

Mr. Joe McGuire (Egmont, Lib.): Mr. Speaker, I have a question for the Minister of Fisheries and Oceans.

Seven months ago fisherman from the Seacow pond in Tignish were barred from fishing off their traditional grounds off MacLeod's Ledge.

What progress has been made over the past seven months to restore these historic grounds to the fishermen of western P.E.I.?

Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I would like to congratulate the member for his continued work on this very important file for the people of his community and of Prince Edward Island. I would also like to congratulate my parliamentary secretary, the best parliamentary secretary in the western world, the member for Bonaventure—Gaspé—Îles-de-la-Madeleine—Pabok, who worked very hard with him.

I encourage both members to continue to work together to resolve this problem for next year. I have asked them to meet, and barring a resolution, I will be making a determination prior to the next fishing season.

* * *

CANADA ELECTIONS ACT

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, violent convicts are allowed to vote in Canada. Today I have introduced a private member's motion to reverse the effects of the Supreme Court of Canada decision that allows convict voting.

The integrity of democratic participation must be restored to Canadians. Will the government support the motion for a constitutional amendment to reverse this decision and restore the integrity of our democracy?

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have indicated to the hon. member and to the House that I am willing to work within the existing constitutional framework and within the dictates of the Supreme Court of Canada to try to legislate again in this matter.

However, if he is asking me to amend the constitution to revoke rights of Canadians, I will not. Rights are rights in this country and I will have no part of it.

● (1500)

Mr. Vic Toews (Provencher, Canadian Alliance): Mr. Speaker, is it not interesting how the government is concerned about the rights of violent convicts but nothing about the rights of children? Children are abused in this country. It does not care about them; murderers but not children.

The apathy of Canadians dropping out of the voting process at alarming rates is truly disturbing. The minister talks about giving rights to murderers. What about the rights of people who fought and died for this country? What about our veterans? What about those police officers who are out there?

Government Orders

Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I told the hon. member and the entire House that I am willing to work within the existing court decision to try to effect the changes to the law to ensure that people who are convicted for a specific charge that would be acceptable to the courts would have the denial of the right to vote, if that is possible.

However what he is asking for is to revoke rights of people by amending the constitution. That is wrong.

* * *

[Translation]

INFRASTRUCTURE PROGRAM

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, we have learned that the federal government is refusing to include a \$50 million to \$80 million sum in the infrastructure program for highway 30. However, during the last election, a gaggle of federal ministers, headed by Alfonso Gagliano, made a firm announcement committing \$357 million, saying that it was a done deal.

Rather than resorting to trickery in order to pay less, does the Minister of Transport plan on following through on the announcements made by his colleagues during the last election, and will he make the money available quickly, as promised?

Hon. Allan Rock (Minister of Industry, Lib.): Mr. Speaker, the completion of highway 30 remains one of our priorities, under the strategic infrastructure fund. We are discussing the matter now with the Government of Quebec. We hope to be in a position, in the coming days, to be able to announce with the Quebec caucus specific measures to this effect.

* * *

[English]

TRADE

Mr. Tony Valeri (Stoney Creek, Lib.): Mr. Speaker, it is obvious trade is the lifeblood of the Canadian economy. Recently, senior U.S. officials, including trade representative Zoellick and commerce secretary Evans, made the bold proposal that all WTO countries eliminate tariffs on manufactured goods no later than 2015.

My question is for the Minister for International Trade. What is the Canadian response to this proposal given the integrated nature of the two economies and what is the strategy of the Canadian government to work closely with the United States in these ongoing international trade negotiations?

Hon. Pierre Pettigrew (Minister for International Trade, Lib.): Mr. Speaker, the United States proposal is bold, it is innovative and it does indeed merit careful consideration. Our tariffs are generally very low and many goods already enter Canada duty free. We are committed to the further reduction or even elimination of barriers that remain in markets of interest to Canadian exporters.

We must also call for the full consideration of the needs of developing countries.

[Translation]

REQUEST FOR EMERGENCY DEBATE

SPEAKER'S RULING

The Speaker: Order, please. I would like to come back to the request for an emergency debate presented yesterday by the hon. member for Saint-Hyacinthe—Bagot, regarding the future of the École de médecine vétérinaire de Saint-Hyacinthe.

Having listened carefully to the comments made by the hon. member, I have considered the request and I must conclude that it does not meet the requirements of the Standing Orders at this time.

GOVERNMENT ORDERS

● (1505)

[English]

The House resumed from December 6 consideration of the motion that Bill C-4, an act to amend the Nuclear Safety and Control Act, be read the third time and passed.

The Speaker: Pursuant to order made on Friday, December 6 the House will now proceed to the taking of the deferred recorded division on the motion at third reading stage of Bill C-4.

Call in the members.

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

(Division No. 30)

YEAS

Members

Abbott	Ablonczy
Adams	Allard
Anders	Anderson (Cypress Hills—Grasslands)
Anderson (Victoria)	Assad
Assadourian	Augustine
Bachand (Richmond—Arthabaska)	Bagnell
Bailey	Barnes (Gander—Grand Falls)
Barnes (London West)	Beaumier
Bélair	Bélangier
Bellemare	Benoit
Bertrand	Bevilacqua
Binet	Blondin-Andrew
Bonin	Bonwick
Borotsik	Boudria
Bradshaw	Breitkreuz
Brisson	Brown
Bryden	Bulte
Burton	Byrne
Cadman	Calder
Canniss	Caplan
Carroll	Casey
Casson	Castonguay
Catterall	Cauchon
Chamberlain	Charbonneau
Chatters	Chrétien
Clark	Coderre
Collenette	Comuzzi
Copps	Cotler
Cullen	Cummins
Cuzner	Day
DeVillers	Dhaliwal
Dion	Discepola
Doyle	Dromisky
Drouin	Duncan
Duplain	Easter
Efford	Eggleton

Government Orders

Elley
Eyking
Finlay
Fontana
Frulla
Gallant
Goldring
Gouk
Grewal
Grose
Hanger
Harris
Harvey
Herron
Hill (Macleod)
Hinton
Jaffer
Johnston
Karetak-Lindell
Kenney (Calgary Southeast)
Kilger (Stormont—Dundas—Charlottenburgh)
Knutson
LeBlanc
Leung
Lunney (Nanaimo—Alberni)
MacKay (Pictou—Antigonish—Guysborough)
Mahoney
Maloney
Marcil
Marleau
Martin (Esquimalt—Juan de Fuca)
Mayfield
McGuire
McLellan
Meredith
Mills (Red Deer)
Minna
Moore
Myers
O'Brien (London—Fanshawe)
Obhrai
Pacetti
Pallister
Paradis
Patry
Peric
Peterson
Phinney
Pillitteri
Price
Provenzano
Redman
Regan
Reynolds
Robillard
Saada
Scherrer
Serré
Shepherd
Skelton
Sorenson
Spencer
St. Denis
Stewart
Strahl
Thibault (West Nova)
Thompson (New Brunswick Southwest)
Tirabassi
Tonks
Ur
Vanclief
Wappel
Whelan
Wilfert
Wood

Epp
Farrak
Fitzpatrick
Forseth
Fry
Godfrey
Goodale
Graham
Grey
Guarnieri
Harper
Harvard
Hearn
Hill (Prince George—Peace River)
Hilstrom
Jackson
Jennings
Jordan
Keddy (South Shore)
Keys
Kilgour (Edmonton Southeast)
Lastewka
Lee
Lunn (Saanich—Gulf Islands)
MacAulay
Macklin
Malhi
Manley
Mark
Martin (LaSalle—Émard)
Matthews
McCallum
McKay (Scarborough East)
McNally
Merrifield
Mills (Toronto—Danforth)
Mitchell
Murphy
Nault
O'Reilly
Owen
Pagtakhan
Pankiw
Parrish
Penson
Peschisolido
Pettigrew
Pickard (Chatham—Kent Essex)
Pratt
Proulx
Rajotte
Reed (Halton)
Reid (Lanark—Carleton)
Ritz
Rock
Savoy
Schmidt
Sgro
Simard
Solberg
Speller
St-Jacques
Steckle
Stinson
Szabo
Thibeault (Saint-Lambert)
Thompson (Wild Rose)
Toews
Torsney
Valeri
Vellacott
Wayne
White (North Vancouver)
Williams
Yelich— 222

NAYS

Members

Asselin
Bergeron
Blaikie
Brien

Bachand (Saint-Jean)
Bigras
Bourgeois
Cardin

Crête
Davies
Desrochers
Duceppe
Gagnon (Québec)
Girard-Bujold
Guay
Kraft Sloan
Laliberte
Lanctôt
Lill
Loubier
McDonough
Ménard
Paquette
Picard (Drummond)
Robinson
Roy
Stoffler
Wasylcyia-Leis— 47

Dalphon-D-Guiral
Desjarlais
Dubé
Fournier
Gauthier
Godin
Hubbard
Laframboise
Lalonde
Lebel
Lincoln
Masse
McTeague
Nystrom
Perron
Proctor
Rocheleau
Sauvageau
Tremblay

PAIRED

Nil

● (1515)

[*Translation*]

The Speaker: I declare the motion carried.
(Motion agreed to, bill read the third time and passed)

* * *

[*English*]**KYOTO PROTOCOL**

The House resumed from December 9 consideration of the motion, and of the amendment and of the amendment to the amendment.

The Speaker: Pursuant to order made on Monday, December 9 the House will now proceed to the taking of the deferred recorded divisions on Motion No. 9 under government business.

The question is on the subamendment.

Ms. Marlene Catterall: Mr. Speaker, I believe you will find unanimous consent in the House that those who voted on the previous motion be recorded as voting on the motion now before the House with Liberal members voting no and with the addition of the member for Ahuntsic.

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

Some hon. members: Agreed.

Some hon. members: No.

● (1525)

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

(Division No. 31)

YEAS

Members

Abbott
Anders
Bachand (Richmond—Arthabaska)
Barnes (Gander—Grand Falls)
Borotsik
Brisson
Cadman
Casson

Ablonezy
Anderson (Cypress Hills—Grasslands)
Bailey
Benoit
Breitkreuz
Burton
Casey
Chatters

Government Orders

Clark
Day
Duncan
Epp
Forseth
Goldring
Grewal
Hanger
Harris
Herron
Hill (Macleod)
Hinton
Johnston
Kenney (Calgary Southeast)
Lunney (Nanaimo—Alberni)
Mark
Mayfield
Meredith
Mills (Red Deer)
Obhrai
Pankiw
Rajotte
Reynolds
Schmidt
Solberg
Spencer
Strahl
Thompson (Wild Rose)
Vellacott
White (North Vancouver)
Yelich — 77

Cummins
Doyle
Elley
Fitzpatrick
Gallant
Gouk
Grey
Harper
Hearn
Hill (Prince George—Peace River)
Hilstrom
Jaffer
Keddy (South Shore)
Lunn (Saanich—Gulf Islands)
MacKay (Pictou—Antigonish—Guysborough)
Martin (Esquimalt—Juan de Fuca)
McNally
Merrifield
Moore
Pallister
Penson
Reid (Lanark—Carleton)
Ritz
Skelton
Sorenson
Stinson
Thompson (New Brunswick Southwest)
Toews
Wayne
Williams

Knutson
Laframboise
Lalonde
Lastewka
Lee
Lill
Loubier
Macklin
Malhi
Manley
Marleau
Masse
McCallum
McGuire
McLellan
Ménard
Minna
Murphy
Nault
O'Brien (London—Fanshawe)
Owen
Pagtakhan
Paradis
Patry
Perron
Peterson
Phinney
Pickard (Chatham—Kent Essex)
Plamondon
Price
Proulx
Redman
Regan
Robinson
Rock
Saada
Savoy
Serré
Shepherd
Speller
St. Denis
Stewart
Szabo
Thibeault (Saint-Lambert)
Tonks
Tremblay
Valeri
Wappel
Whelan
Wood — 195

Kraft Sloan
Laliberte
Lanctôt
LeBlanc
Leung
Lincoln
MacAulay
Mahoney
Maloney
Marcil
Martin (LaSalle—Émard)
Matthews
McDonough
McKay (Scarborough East)
McTeague
Mills (Toronto—Danforth)
Mitchell
Myers
Nystrom
O'Reilly
Pacetti
Paquette
Parrish
Peric
Peschisolido
Pettigrew
Picard (Drummond)
Pillitteri
Pratt
Proctor
Provenzano
Reed (Halton)
Robillard
Rocheleau
Roy
Sauvageau
Scherrer
Sgro
Simard
St-Jacques
Steckle
Stoffer
Thibault (West Nova)
Tirabassi
Torsney
Ur
Vanclief
Wasylcia-Leis
Wilfert

NAYS

Members

Adams
Anderson (Victoria)
Assadourian
Augustine
Bagnell
Barnes (London West)
Bélair
Bellemare
Bertrand
Bigras
Blaikie
Bonin
Boudria
Bradshaw
Brown
Bulte
Caccia
Cannis
Cardin
Castonguay
Cauchon
Charbonneau
Coderre
Comuzzi
Cotler
Cullen
Dalphond-Guiral
Desjarlais
DeVillers
Dion
Dromisky
Dubé
Duplain
Efford
Eyking
Finlay
Fournier
Fry
Gauthier
Godfrey
Goodale
Grose
Guay
Harvey
Ianno
Jennings
Karetak-Lindell
Kilger (Stormont—Dundas—Charlottenburgh)

Allard
Assad
Asselin
Bachand (Saint-Jean)
Bakopanos
Beaumier
Bélanger
Bergeron
Bevilacqua
Binet
Blondin-Andrew
Bonwick
Bourgeois
Brien
Bryden
Byrne
Calder
Caplan
Carroll
Catterall
Chamberlain
Chrétien
Collenette
Copps
Crête
Cuzner
Davies
Desrochers
Dhaliwal
Discepola
Drouin
Duceppe
Easter
Eggleton
Farrah
Fontana
Frulla
Gagnon (Québec)
Girard-Bujold
Godin
Graham
Guarnieri
Harvard
Hubbard
Jackson
Jordan
Keyes
Kilgour (Edmonton Southeast)

Nil

PAIRED

The Speaker: I declare the subamendment lost.

The next question is on the amendment.

● (1535)

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

(Division No. 32)

YEAS

Members

Abbott
Anders
Bachand (Richmond—Arthabaska)
Barnes (Gander—Grand Falls)
Borotsik
Brisson
Cadman
Casson
Clark
Day
Duncan
Epp
Forseth
Goldring

Ablonczy
Anderson (Cypress Hills—Grasslands)
Bailey
Benoit
Breitkreuz
Burton
Casey
Chatters
Cummins
Doyle
Elley
Fitzpatrick
Gallant
Gouk

Government Orders

Grewal
Hanger
Harris
Herron
Hill (MacLeod)
Hinton
Johnston
Kenney (Calgary Southeast)
Lunney (Nanaimo—Alberni)
Mark
Mayfield
Meredith
Mills (Red Deer)
Obhrai
Pankiw
Rajotte
Reynolds
Schmidt
Solberg
Spencer
Strahl
Thompson (Wild Rose)
Vellacott
White (North Vancouver)
Yelich — 77

Grey
Harper
Hearn
Hill (Prince George—Peace River)
Hilstrom
Jaffier
Keddy (South Shore)
Lunn (Saanich—Gulf Islands)
MacKay (Pictou—Antigonish—Guysborough)
Martin (Esquimalt—Juan de Fuca)
McNally
Merrifield
Moore
Pallister
Penson
Reid (Lanark—Carleton)
Ritz
Skelton
Sorenson
Stinson
Thompson (New Brunswick Southwest)
Toews
Wayne
Williams

Loubier
Macklin
Malhi
Manley
Marleau
Masse
McCallum
McGuire
McLellan
Ménard
Minna
Murphy
Nault
O'Brien (London—Fanshawe)
Owen
Pagtakhan
Paradis
Patry
Perron
Peterson
Phinney
Pickard (Chatham—Kent Essex)
Plamondon
Price
Proulx
Redman
Regan
Robinson
Rock
Saada
Savoy
Serré
Shepherd
Speller
St. Denis
Stewart
Szabo
Thibeault (Saint-Lambert)
Tonks
Tremblay
Valeri
Wappel
Whelan
Wood — 195

MacAulay
Mahoney
Maloney
Marcil
Martin (LaSalle—Émard)
Matthews
McDonough
McKay (Scarborough East)
McTeague
Mills (Toronto—Danforth)
Mitchell
Myers
Nystrom
O'Reilly
Pacetti
Paquette
Parrish
Peric
Peschisolido
Pettigrew
Picard (Drummond)
Pillitteri
Pratt
Proctor
Provenzano
Reed (Halton)
Robillard
Rocheleau
Roy
Sauvageau
Scherrer
Sgro
Simard
St-Jacques
Steckle
Stoffer
Thibault (West Nova)
Tirabassi
Torsney
Ur
Vanclief
Wasylcia-Leis
Wilfert

NAYS

Members

Adams
Anderson (Victoria)
Assadourian
Augustine
Bagnell
Barnes (London West)
Bélair
Bellemare
Bertrand
Bigras
Blaikie
Bonin
Boudria
Bradshaw
Brown
Bulte
Caccia
Cannis
Cardin
Castonguay
Cauchon
Charbonneau
Coderre
Comuzzi
Cotler
Cullen
Dalphond-Guiral
Desjarlais
DeVillers
Dion
Dromisky
Dubé
Duplain
Efford
Eyking
Finlay
Fournier
Fry
Gauthier
Godfrey
Goodale
Grose
Guay
Harvey
Ianno
Jennings
Karetak-Lindell
Kilger (Stormont—Dundas—Charlottenburgh)
Knutson
Laframboise
Lalonde
Lastewka
Lee
Lill

Allard
Assad
Asselin
Bachand (Saint-Jean)
Bakopanos
Beaumier
Bélangier
Bergeron
Bevilacqua
Binet
Blondin-Andrew
Bonwick
Bourgeois
Brien
Bryden
Byrne
Calder
Caplan
Carroll
Catterall
Chamberlain
Chrétien
Collenette
Copps
Crête
Cuzner
Davies
Desrochers
Dhaliwal
Discepola
Drouin
Duceppe
Easter
Eggleton
Farrah
Fontana
Frulla
Gagnon (Québec)
Girard-Bujold
Godin
Graham
Guarnieri
Harvard
Hubbard
Jackson
Jordan
Keyes
Kilgour (Edmonton Southeast)
Kraft Sloan
Laliberte
Lanctôt
LeBlanc
Leung
Lincoln

Nil

The Speaker: I declare the amendment lost.

The next question is, therefore, on the main motion.

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

● (1545)

[Translation]

(Division No. 33)

YEAS

Members

Adams
Anderson (Victoria)
Assadourian
Augustine
Bagnell
Barnes (London West)
Bélair
Bellemare
Bertrand
Bigras
Blaikie
Bonin
Boudria
Bradshaw
Brown
Bulte
Caccia
Cannis
Cardin

Allard
Assad
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Bachand (Saint-Jean)
Bakopanos
Beaumier
Bélangier
Bergeron
Bevilacqua
Binet
Blondin-Andrew
Bonwick
Bourgeois
Brien
Bryden
Byrne
Calder
Caplan
Carroll

Castonguay
 Cauchon
 Charbonneau
 Coderre
 Comuzzi
 Cotler
 Cullen
 Dalphond-Guiral
 Desjarlais
 DeVillars
 Dion
 Dromisky
 Dubé
 Duplain
 Efford
 Eyking
 Finlay
 Fournier
 Fry
 Gauthier
 Godfrey
 Goodale
 Grose
 Guay
 Harvey
 Ianno
 Jennings
 Karetak-Lindell
 Kilger (Stormont—Dundas—Charlottenburgh)
 Knutson
 Laframboise
 Lalonde
 Lastewka
 Lee
 Lill
 Loubier
 Macklin
 Malhi
 Manley
 Marleau
 Masse
 McCallum
 McDonough
 McKay (Scarborough East)
 McTeague
 Mills (Toronto—Danforth)
 Mitchell
 Myers
 Nystrom
 O'Reilly
 Pacetti
 Paquette
 Parrish
 Peric
 Peschisolido
 Pettigrew
 Picard (Drummond)
 Pillitteri
 Pratt
 Proctor
 Provenzano
 Reed (Halton)
 Robillard
 Rocheleau
 Roy
 Sauvageau
 Scherrer
 Sgro
 Simard
 St-Jacques
 Steckle
 Stoffer
 Thibault (West Nova)
 Tirabassi
 Torsney
 Ur
 Vanclief
 Wasylycia-Leis
 Wilfert

Catterall
 Chamberlain
 Chrétien
 Collette
 Copps
 Crête
 Cuzner
 Davies
 Desrochers
 Dhaliwal
 Discepola
 Drouin
 Duceppe
 Easter
 Eggleton
 Farrah
 Fontana
 Frulla
 Gagnon (Québec)
 Girard-Bujold
 Godin
 Graham
 Guarnieri
 Harvard
 Hubbard
 Jackson
 Jordan
 Keyes
 Kilgour (Edmonton Southeast)
 Kraft Sloan
 Laliberte
 Lanctôt
 LeBlanc
 Leung
 Lincoln
 MacAulay
 Mahoney
 Maloney
 Marcl
 Martin (LaSalle—Émard)
 Matthews
 McCormick
 McGuire
 McLellan
 Ménard
 Minna
 Murphy
 Nault
 O'Brien (London—Fanshawe)
 Owen
 Pagtakhan
 Paradis
 Patry
 Perron
 Peterson
 Phinney
 Pickard (Chatham—Kent Essex)
 Plamondon
 Price
 Proulx
 Redman
 Regan
 Robinson
 Rock
 Saada
 Savoy
 Serré
 Shepherd
 Speller
 St. Denis
 Stewart
 Szabo
 Thibeault (Saint-Lambert)
 Tonks
 Tremblay
 Valeri
 Wappel
 Whelan
 Wood— 196

Points of Order

NAYS

Members

Ablonczy
 Anderson (Cypress Hills—Grasslands)
 Bailey
 Benoit
 Breitzkreuz
 Burton
 Casey
 Chatters
 Cummins
 Doyle
 Elley
 Fitzpatrick
 Gallant
 Gouk
 Grey
 Harper
 Hearm
 Hill (Prince George—Peace River)
 Hilstrom
 Jaffier
 Keddy (South Shore)
 Lunn (Saanich—Gulf Islands)
 MacKay (Pictou—Antigonish—Guysborough)
 Martin (Esquimalt—Juan de Fuca)
 McNally
 Merrifield
 Moore
 Pallister
 Penson
 Reid (Lanark—Carleton)
 Ritz
 Skelton
 Sorenson
 Stinson
 Thompson (New Brunswick Southwest)
 Toews
 Wayne
 Williams

PAIRED

Nil

The Speaker: I declare the motion carried.*[English]*

I wish to inform the House that because of the deferred recorded divisions government orders will be extended by 44 minutes.

* * *

POINTS OF ORDER

ORAL QUESTION PERIOD

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, in a way this is now somewhat redundant since I was hoping to have my motion up before the vote. However, I would still like to do it and I request that you hear me out, Mr. Speaker.

It has to do with question period today, in which we asked numerous questions on the Kyoto accord. In every instance, the minister and the Prime Minister gave answers that were very obscure and very indecisive.

I know that there was an extensive point of order before, and I do not have a whole bunch of quotations from M and M and all these other references we might use, but the House passed a motion a long time ago which stated: "That, before the Kyoto protocol is ratified... there should be an implementation plan that Canadians understand, that sets out the benefits, how the targets are to be reached and its costs".

Government Orders

In questions today, in every instance the answering minister indicated that he had no answers, and in fact that all of the conditions of this motion, which was passed in the House, have not been met.

Therefore, Mr. Speaker, my plea would have been that you not conduct the vote at this time since it has become perfectly clear, due to answers in question period, that these conditions have not been met.

Now my request is somewhat more difficult, that is, I ask you to declare this vote null and void because of the fact that it contradicts directly a motion previously passed by this House and as such is out of order.

• (1550)

The Speaker: I am not sure that there is much the Chair can do to assist the hon. member. Even had he raised this point of order before the vote, I am not sure there is much the Chair could have done to assist.

Hon. members may disagree with the content of the answers. Occasionally there is disagreement with the content of the questions. The Chair is not here to make adjudication on whether a question has been answered or whether the House has this or that before something happens.

The hon. member is right that I have dealt with a number of points of order concerning this matter, but the vote has been held and the matter is decided, at least as insofar as the House is concerned. Accordingly, I do not think there is a point of order arising here.

Mr. Ken Epp: Then, Mr. Speaker, I humbly ask for clarification and assistance in this matter. If there is a motion passed in the House and if the government chooses to go contrary to that motion and the intent of that motion and the spirit of that motion, who is it in this country that can ultimately enforce that the government has to do what the House decides to do? Is that the job of the Speaker or do we go to a higher power? I do not know what higher power there is than that which is held in your office.

The Speaker: I do not know what the hon. member is asking the Chair to do. The House has chosen to adopt this as is, and as the minister pointed out there was a document tabled. Members may disagree whether it constitutes the plan required in the previous motion that was adopted by the House before, but it is not for the Chair to decide whether it is adequate or inadequate.

The minister pointed out that it has been tabled and that is that. The Chair is not going to get involved in that debate. It would be most imprudent for the Chair to suggest that somehow a response was inadequate or adequate in any circumstance. That is for the House to decide. The House makes decisions and has in this case proceeded. I do not know what the hon. member is really asking the Chair to do at this point.

* * *

[*Translation*]

PREBUDGET CONSULTATIONS

The House resumed consideration of the motion.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, I rise to speak in this debate with a barely contained sense of joy. With your permission, I first want to extend greetings to the people of Lac-

Saint-Jean—Saguenay and Berthier—Montcalm, who have chosen to be represented in this House by members whom I congratulate, who will truly defend the interests of their constituents and the interests of all Quebeckers.

This is only the beginning. The Liberal government, in its arrogance, has sown the wind and will reap the whirlwind.

Year after year, prebudget consultations allow the powerful Standing Committee on Finance to meet with many groups and individuals, both here on the Hill and during a cross-Canada tour.

There is nothing surprising in this report, except for the fact that the Bloc Québécois seems to have won the first round with respect to the microbreweries. The report contains a recommendation to reduce excise tax for small breweries in Canada.

My hon. colleagues and the committee chair still remember the events of last spring. This time, Canadian brewers came before the committee.

In a letter addressed to me on November 15, the president and CEO of the Brewers Association of Canada informed me of his meeting with the committee chair. The Association considers this situation to be critical to the brewing industry's viability and financial well-being.

The Brewers Association of Canada lends credence to our concerns and justifies our vigorous efforts to make the Canadian Liberal government aware of this highly detrimental situation for microbrewers.

You will notice that, just to be cautious, I spoke of a first victory in this matter. In fact, despite the efforts of the Standing Committee on Finance, the Minister of Finance has the upper hand. The future of this sector of the brewing industry, an extremely important industry for the regional development of Canadian provinces, and particularly for Quebec, lies in his hands.

Some political observers joke that the Bloc Québécois plays provincial politics in Ottawa. If we do not stand up for the provinces, then who will? The Liberal government's centralizing decisions have serious consequences on the provinces' future, and on the future of our constituents.

In the most recent federal budget, the Liberals pursued their ultimate goal, a Canada that evolves without the provinces and without Quebec. This is called nation building.

The report of the finance committee speaks volumes. We feel it completely ignores the priorities of Quebeckers. There are no measures to increase transfer payments to the provinces for health, education and assistance for seniors.

During prebudget consultations, several witnesses gave us their views on how to use the huge surplus the federal government piles up year after year.

Government Orders

Speaking of surplus, do I have to remind the House that the current Minister of Finance is a carbon copy of his predecessor, who delighted in playing hide-and-seek when it came to forecasting budget surpluses. You know where we stand on that. This is not the first time that we have criticized the current Minister of Finance and the former Minister of Finance, the hon. member for LaSalle—Émard, for doing the exact same thing.

They underestimate revenue and overestimate expenditures. The end result is a budget surplus that is hidden away in so-called funds for economic prudence and in all sorts of funds that are constantly being renamed such as innovation funds, and what not. The truth is being hidden from us.

At some point, this will allow the government to hide things from the general public and maybe even prevent parliamentarians from expressing their opinions on what the government could do with these huge surpluses.

• (1555)

Such behaviour is a blatant lack of transparency. We are told that because of accounting measures and techniques, money has to go toward the debt even though there are desperate needs. Just look at the 1.5 million poor children in Canada, even though the government pledged 12 years ago to solve this problem. It still exists. If there are poor children in Canada, it is because their parents are poor.

Money could be invested in programs to support families who are truly in need and also in helping the provinces. It must not be forgotten that the surpluses come from cuts made to the Canada social transfer. So many cuts were made that the provinces ended up long on need and short on money. They can no longer meet the priorities of their citizens because of this lack of money and a growing list of needs, especially in health.

I can safely say that the Liberal performance is not very impressive. Since 1997, the forecasts by the Minister of Finance and the Liberal government have been off by more than \$65 billion. When one is enjoying huge surpluses, as is the case for this government, \$1 billion more or less is no big deal. The government is not doing its share and, considering how it is using the surpluses, it has appropriated \$65 billion.

Sixty-five billion dollars is equivalent to 65 times \$100 million, or 6,500 times a \$1 million jackpot. At the same time, this government candidly admits that it is not providing adequate help to low income families and even less to families with disabled children. Yet, the recent Speech from the Throne was full of nice promises. This will be the legacy of this Prime Minister, a man of many words but very little action.

The main contender for the job of Prime Minister goes even further. He was the one holding the purse strings and now he has the nerve to say that the lack of a support program for families with disabled children was unforgivable. But who was the Minister of Finance in 1994-95, when drastic cuts were made to the Canada social transfer? Who agreed to everything that was proposed by cabinet and by the Prime Minister? The former Minister of Finance. Who began to play this little game of underestimating revenues and overestimating expenditures? The former Minister of Finance. So, he should not suddenly come and tell us that he finds it unforgivable not

to have a support program for families with disabled children, considering that, since he was in office, the number of Canadian children living in poverty has climbed to one and a half million. He could have done something about this. He had all the tools. He could have developed programs. The public will not be fooled by the fact that he is now saying that it is unforgivable, when he is in fact trying to make political gains.

It is even worse, because people who really need help are excluded. Think about the disability tax credit. The cuts severely affected social programs. Moreover, the current Minister of Finance just cut the disability tax credit.

Even the department has admitted that 20,000 families whose net incomes are not over \$20,000 cannot receive the tax credit. This is shameful, because families with incomes of under \$20,000 are living below the poverty line.

• (1600)

According to the Conference Board figures, the federal government is going to pocket more and more of the budget surplus in future, while Quebec and the provinces face huge deficits. Why? Because Ottawa is pocketing too much money compared to its needs. That is called fiscal imbalance. This approach will inevitably take us in the direction of fiscal imbalance.

The Liberal majority on the Standing Committee on Finance has of course not commented on the brutal reality of fiscal imbalance. The federal government has the means to remedy the situation, but not the political will to do so. The ultimate objective is starve out the provinces so they can be forced to renew the social union pact and continue the so called "nation building".

We are well aware that the government, with its centralist bent, wants to get its hooks into all the powers of the provinces. It needs all these levers in a world of globalization. It no longer respects the Constitution. Health care, for instance, is a provincial jurisdiction according to the Constitution. The starving provinces are being forced to sell their birthright for a mess of pottage. The needs are too great and they are being forced to be accountable. Fortunately, Quebec did not sign the social union pact. This is the plan for the next budget, to present it to us saying "We have the money. We are going to impose conditions on you, because we want to build a nation."

We know that the federal government plans to keep on helping itself to the surplus that has built up in order to invade the jurisdictions of Quebec and the provinces. The people in our ridings need to know that what the federal government is doing comes at a price. What is that price? Fifteen billion dollars. That is the amount the Liberals have spent without justification in areas that are not under their jurisdiction, multiplying the waste, the overlaps and the squabbles.

Government Orders

The findings of the Romanow report are an excellent example. This spendthrift government, which has no understanding of accountability, would like to manage the health care system. This government, which thinks that money grows on trees and is incapable of properly managing its own programs, would like to tell the provinces how to run their health care system. That is called mismanagement. The federal government cannot even manage programs within its jurisdiction.

We can talk about the gun program. It cost \$1 billion to set it up, and it has yet to be completed. Half the objectives have not been met, and this has already cost taxpayers \$1 billion. The message to the provinces is "Give us all the means and powers, and we will manage it". This is completely outrageous.

Employment insurance is another issue that is important to me. The member for Shefford is right to hide behind the curtains. She was the chair of the Standing Committee on Human Resources Development, which tabled a unanimous report on creating an independent employment insurance fund. She is so influential with her colleagues and her government that the report was shelved.

My constituents shared a comment with me that I would like to repeat here. They said "Instead of strutting from one riding to the next and attending photo op after photo op, the member for Shefford should have been busy doing her job and putting pressure on her government. This would be better for her personal record."

The Bloc Québécois believes that employees and workers have a right to their contributions. To that end, one suggestion is for the fund to be jointly managed by representatives of contributors. This needs to be an independent fund, an independent employment insurance fund.

• (1605)

It will mean \$3 billion less for the federal surplus, but \$3 billion more for men and women who really need the money. We are talking about \$3 billion per year.

This report tabled after the budget consultations contains nothing to support older workers who wind up without a job. They are often unable to find a job because of their age. On numerous occasions, the Bloc Québécois has come out in support of the Program for Older Workers Adjustment, POWA.

When the Celanese plant closed in the riding of Drummond, we asked questions and used every means at our disposal to inform the Minister of Human Resources Development at the time, in order to help older workers. These workers had given 35 or 40 years of their lives to the plant, sometimes more. The plant closed and they had paid EI premiums all of their working lives, for 40 years. When they needed employment insurance, the government refused outright to help them.

We asked that POWA be reinstated. What we wanted was an improved program for older workers. The program had already been tried. The government had dropped the program during its cuts, promising to come up with an improved version of the POWA. Nothing was done and there is nothing to indicate that this type of program will be reintroduced.

The prebudget consultations led to a weak report, one that gives the Minister of Finance all of the latitude he needs. One might think that the Liberal majority is unanimously behind the Minister of Finance, who will likely be a candidate to succeed the Prime Minister, if not the heir apparent.

In terms of infrastructure, the environment, international assistance and the airline security charge, there is nothing. The committee does nothing but pay lip service. We need a joint infrastructure program between the federal government and Quebec and the other provinces.

The federal government has to offer incentives for the renewable energies industry. This could be done, for example, with significant and tangible support for wind energy generation. It is not enough to run ads on television showing wind mills turning. We need more than pictures, we need more than wind, we need a support program and investments that will allow us to save the environment and create employment.

My colleague, the member for Jonquière, has already introduced a bill to promote the use of public transit. The Liberals rejected it out of hand. We are again calling for a tax credit for public transit users.

As for international aid, the Government of Canada has a pitiful record internationally. The report of the Standing Committee on Finance does not even go so far as to require the federal government to respect its international commitments. It contains no deadlines for reaching its aid objective of 0.7% of the GDP.

It is important to remember that of the 4.6 billion people who live in developing countries, 800 million do not get enough food, 850 million are illiterate, one billion have no access to clean drinking water and 2.4 billion have no access to basic services.

I still have much to say, but in conclusion, I hope that the Minister of Finance demonstrates that he is capable of being bold and that his next budget proves to be more daring than that of his predecessor.

• (1610)

I hope that he will acknowledge that there is a fiscal imbalance and that he will accept to solve this untenable situation. If not, we will invite Quebecers to support the Bloc Québécois. We will invite the sovereignists to join forces, as they did in Berthier—Montcalm and in Lac-Saint-Jean—Saguenay, to elect members who have Quebec's development, and our interests at heart.

In closing, right now, the only real change for Quebec is sovereignty.

[*English*]

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I listened as carefully as I could to the member's speech and I have a question with respect to what she expects from the federal budget.

She closed her speech by saying that the only option was for the province to separate, which has been the Bloc's theme. I guess I would congratulate the Bloc members because in the nine years I have known them at least they have never dropped their theme. They have been consistent, although I profoundly disagree with what they are saying.

Given that she is asking the federal government, in its budget, to fund different programs, and she went through a number of them, including child poverty and others, does she really believe that if the province were to separate and the money would then be cut off, that her province would do as well or would it do worse? I think it is time to be realistic.

• (1615)

[Translation]

Ms. Pauline Picard: Mr. Speaker, I would like to start by thanking the hon. member for his question, because it will give me an opportunity to clarify certain points.

What we want, and what we have come here to get, is recognition of two peoples. We are a people, and we recognize that there is a second, and even a third, the aboriginal people.

When the Constitution was signed, certain jurisdictions were recognized as belonging to the people of Quebec. Over the years, these were totally ignored because the government arrogated spending power to itself. This resulted in a lack of recognition by the other people. It no longer respected certain areas of jurisdiction and kept sticking its foot in the door. This is the situation we see shaping up now with respect to health and the Romanow report.

This goes for the other provinces as well, and their areas of jurisdiction. The Romanow report clearly recognizes that there has been a fiscal imbalance for some years now. Nevertheless, the Liberal government has always denied its existence.

It took a number of reports, such as the Clair report. The taxpayers of seven provinces paid to commission reports on health. They all were aware there was a fiscal imbalance. So many cuts had been made to the Social Transfer that the provinces found themselves with less money for health. I could also mention social assistance and postsecondary education, but we are talking about health.

The federal government slashed the Canada social transfer, particularly where health is concerned, so that the provinces found themselves being bled dry. They were unable to meet people's health needs—they being the ones who administer health care—because of their greying populations and the cost of state of the art technologies which were not around 15 or 20 years ago, although some technological advances had already taken place. Nowadays, as soon as a new technology becomes available, another one comes along. That is the way things are, which is good, because it makes it possible to provide people with better care. These technological breakthroughs and this research come with a price tag, however. Drug prices are also on the rise.

The government tells the provinces “We have just recognized that you are suffering from a fiscal imbalance. We will give you some money, but you will use it according to our conditions. As well, we want to create a national health council, which will look after the priorities of each province.”

In Quebec, we have CLSCs, which do not exist in the other provinces. They provide primary care. We also have pharmacare. We have home care. These are our priorities, the priorities that we set for ourselves.

Government Orders

Some might say that it is not perfect. We hear about some problems. Sure. However, we need money to improve the system. But the federal government says “No, we are prepared to give you money, but get out of home care, get out of pharmacare and get out of everything you have set up to meet all the needs of taxpayers”. The federal government copies all the ways that we are using to improve our system in Quebec and then it says “get out”.

• (1620)

There is currently no will on the part of this government. During the prebudget consultations, the Standing Committee on Finance drafted a report and there is nothing in it on health. The report is silent on the needs of the provinces in education. There is no recommendation for the 1.5 million Canadian children living in poverty, and there is no mention of any means to support and improve conditions in the regions and in the provinces, which support the regions.

Of course not, it is all about retaining power and paying lip service by making simple recommendations. At the end of the day, it is the minister who will decide where the money goes.

He is already asking parliament to take money away and our constituents, in our respective provinces, are unable to present their priorities and requirements in their respective jurisdictions.

Money is taken away and set aside for economic prudence. This year it is economic prudence, last year it was a reserve fund. Innovation funds and funds for all purposes are created. These amounts are not used and when the government has closed the books, it ends up with a surplus in the billions. Then programs are created that overlap or duplicate existing provincial programs. That is how \$15 billion never made it to the table.

I hope I answered my hon. colleague's question. I have so much to say that it is difficult to answer this question.

Every year in this House—this is not the first time, and my hon. colleagues will continue to do so in other matters—we show that we would be better off leaving and becoming a sovereign nation.

To answer the hon. member from the Canadian Alliance, Quebeckers pay \$38 billion to the federal government each year. We feel we do not get a good return and we do not get our fair share. Just think what we could do with \$38 billion.

Despite all the cuts, Quebeckers have made some good progress. The economy is booming and we have a lot of talent. Quebeckers are innovative, creative, talented and have internationally renowned expertise.

When we see the cuts, and know that we have been left out, not recognized for our true value, we are in favour of Quebec sovereignty.

• (1625)

[English]

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Beaches—East York.

Government Orders

I am happy to take part in the prebudget debate. It is a great occasion for members of Parliament to comment on what they feel some of the priorities should be in the upcoming budget that will be presented by the Minister of Finance probably in February 2003.

The House of Commons just voted to ratify the Kyoto protocol. Now the hard work begins. The government must establish a central agency, body or department that would take the overall responsibility for coordinating the government's implementation plan. There are still many details to be spelled out.

In the 2003 budget I would like to see some economic instruments that would result in some signals to the economy and to Canadians. I would like to see some incentives, even perhaps some disincentives, although I favour the carrot to the stick. Incentives would offer encouragement for Canadians to change their behaviour and that is Canadian business, Canadian consumers and Canadian citizens. We will have to change our behaviour. The 2003 budget would provide an opportunity for the Minister of Finance to provide some well targeted and strategic tax incentives, and other economic instruments to facilitate the implementation of the Kyoto protocol.

There is no point in signing a protocol if we are not going to meet its objectives. The Kyoto objectives are ambitious ones. We need to start dealing with greenhouse gases. The Minister of Finance would have an opportunity in his upcoming budget to do some work that would assist us in meeting those goals.

I am a member of the House of Commons Standing Committee on Finance. Every year we travel across Canada to do our prebudget consultations. The committee talks to Canadians across this great country and asks them what the priorities should be for the upcoming budget. The House of Commons finance committee recently tabled its report to the House and set out a framework for the Minister of Finance, and indeed for the House, to consider in the fiscal plan to move forward.

There were some key messages there that we heard and that are reflected in the report. Canadians will not tolerate going back into deficit. We have worked too hard to get to a position where we have surpluses in our budget. We will be going into our sixth year of budgetary surpluses. We cannot even contemplate going back into deficit.

We do know that there are significant expenditure pressures on the government. We have the Romanow commission report on health care. We also have the Kirby report from the Senate dealing with health care. We should pick and choose some of the best recommendations from both reports. It does not have to be all or nothing with each report. There are excellent recommendations in both reports and the government should find the optimal solutions in working with the provinces on how we will bolster health care.

I have said from the start that we must put more money into health care. The health care system needs some re-engineering. We have patients in long term care beds which are costing taxpayers about a thousand dollars a day because there is no home care, no long term care or extended care facilities across Canada.

Recently I talked with the person in my riding who manages hospital beds. He said that 20% of the patients should not really be

there. They should be in lower cost alternatives. That would be better for the patients and more cost effective as well.

Canadians have told us that we need to protect the \$100 billion tax cut that was brought in by the former finance minister in 2000. This tax cut was the largest in Canadian history. Some would argue that we should go further. Perhaps we should go further in this budget. I am not so sure that it would be feasible. Certainly we should be looking at personal income taxes which are still out of line with the rest of the world. We should also take some steps to deal with the resource sector.

When the government brought the corporate tax rate down or phased it in over a number of years to 21% the resource sector was left at 28% and not for an illogical reason. They do have other tax incentives, such as the exploration tax credit, accelerated depreciation, and the resource allowance.

● (1630)

There has been enough discussion with the oil and gas industry and the mining sector that we should be able to deal with this comprehensively in the budget. It is especially important, given the Kyoto protocol, that the oil and gas industry and the mining industry are going to have some cost pressures on them. It is time that the minister announced in the budget a tax package that deals with the higher statutory rate that exists for those industries.

We should also not forget about the fact that we need to reduce our debt. Right now the level of debt to GDP is at 49% which is down from a high of 71% in 1995. The finance committee suggested that we set a target of 30% because we still are very heavily indebted as a nation and that is costing us a lot of resources annually just to service the debt. In fact, by having paid down what we have paid so far, \$46 billion, that is saving \$3 billion a year, each and every year. Those moneys could be redeployed for other higher priority uses.

There are also a couple of pet projects of mine that I would like to see the minister deal with in the budget.

One is tax policies that would encourage the formation of employee share ownership plans. In years past we have introduced policies that are supportive of the taxation of stock options and that is a positive development. We have also reduced the capital gains inclusion rate and the capital gains tax. Those are very positive developments but employee share ownership plans reach everybody in the company, from the receptionist, to the mail clerk, to the middle manager, to the driver, right up to the top. They are the people we need to reach.

We do know that companies with employee share ownership plans improve their productivity by 30% or beyond. We need to implement these policies so that we can improve our productivity because we still have productivity challenges in Canada.

Government Orders

I would like to see us help the voluntary sector more than we have done already. We have taken some very bold steps but I would like the government to eliminate the capital gains tax on the donation of marketable securities to charitable organizations. I also would like to see a level playing field with respect to private foundations. Right now private foundations do not have the same benefit as a public foundation with respect to the capital gains inclusion rate.

I would like to see a basic exemption on employment insurance of up to \$2,000 a year which would allow students and others to be employed by restaurants and hotels. Companies would not feel they were being penalized by bringing in young people to work in their restaurants and hotels. It would be a job creator and the public purse would not be affected that negatively.

I support the recommendation in the finance committee report that the Canada Student Financial Assistance Act recognize refugees for student loans. My riding of Etobicoke North has a very large Somali Canadian population. Many of the women and children are stuck in their apartments. They cannot really reach out and be employed. Their children do not have access to student loans because they are refugees. These people are here to stay. I and others are trying to work with them to get their landed immigrant status but in the meantime, we should be encouraging them to get a higher education. If we do not, there will be a problem for society in the future.

With respect to more money for the provinces with the CHST, clearly we are heading down that road. It is the right thing to do but I would resist our government not calling for a greater transparency and greater accountability from the provinces. It does not mean we have to micromanage the health care system, far from it. However, Canadians need to understand where their money is going and what results and outcomes they are getting. They need to know for example, how the outcomes and results in the Yukon compare to the outcomes and results in Alberta, Quebec, Ontario and the maritime provinces so that there are some benchmarks by which Canadians can measure the performance of the health care system.

Those are some of my pet projects. As I said at the outset, we need to not go into deficit. We need to protect the tax cuts. We need to give money to the provinces for the CHST, but we need more transparency and accountability as we transfer huge amounts of money to the provinces and territories.

• (1635)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, I listened attentively to the hon. member's speech which I thought was very good. He raised a number of very constructive suggestions. I want to add something to what he said.

Today in our country there is a vast number of individuals on fixed incomes, particularly those with incomes of less than \$19,000 a year such as people who are retired. Those people are taxed.

I wonder, in keeping with the member's statements, would he approach the finance minister with the suggestion that people who make under \$19,000 a year not pay any tax? In my view, people who are below the poverty line should not pay any tax. Allowing them to keep their money would go a long way in helping them to provide for themselves.

Also, what has the finance minister's response been to the member's proposed changes to the tax system?

Mr. Roy Cullen: Mr. Speaker, the government, in the tax policies that have been introduced in budget 2000, the economic statement and prior to that, has focused on middle and low income Canadians. That is where most of the tax cuts have taken place.

I agree with the member's comments regarding seniors on fixed incomes. There are many seniors, including in my riding of Etobicoke North, on fixed incomes. Their property taxes are increasing and they are at risk of losing their homes. My riding also has many seniors who live in apartments. The rents are at the point where they are having to look at whether they can sustain those rents, as they are well in excess of the 30% benchmark that is often used.

We need to deal with the problems faced by seniors on fixed incomes. The demographics are telling us that this will become a bigger and bigger problem. As it becomes a bigger problem, it becomes a more expensive challenge to deal with.

Our government has taken many Canadians off the tax rolls over the years. In the last couple of budgets, 900,000 Canadians who used to pay taxes are not paying taxes. We need to deal especially with low income Canadians, medium income Canadians and especially the seniors on fixed incomes.

Mr. Ken Epp (Elk Island, Canadian Alliance): Mr. Speaker, I appreciate the member's persistence. He has been on the finance committee. For a while, as we all know, he was the parliamentary secretary to the finance minister. He is a competent person. I almost find it difficult to say that because he is on the wrong side of the House.

I observed earlier today that he voted in favour of the Kyoto accord. Undoubtedly that is going to impact the budget, especially because of the cap the Minister of Finance and the Minister of Industry are proposing. We probably will see a huge dollar amount in the budget because of that cap if Kyoto actually is implemented, yet the member voted for it as did the member for LaSalle—Émard. Those people are very inconsistent. I wonder whether the member has any comment on that.

Another thing that I need to say is that I appreciate his persistence because in the last prebudget report in which I was involved on the finance committee, of the 60 or 70 recommendations we made, I think the finance minister used only two or three of them. It really is a scattergun approach. I congratulate the member for working on such a dead end project.

Mr. Roy Cullen: Mr. Speaker, over the years I have enjoyed working with the member for Elk Island on the finance committee. He is not on the finance committee any longer.

Government Orders

Today I was very pleased that the Prime Minister reached out to the premiers to see if there was some compromise or some way in which we could make the Kyoto accord ratification more feasible. For that reason I was happy that we brought in the cap. Frankly I do not think we will have to use it. I do not think the taxpayers will be on the hook, but it does a lot in terms of investor confidence. We want investment in Canada because that will grow jobs.

I should say that with respect to the finance committee report, it has influenced budget decisions. I know that for a fact and it will continue to do that. It is a very good process. I look forward to participating in that exercise in the years to come.

• (1640)

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, I believe that the budget should reflect the Speech from the Throne. I am reminded of another budget today and that is the one in 1995 in which we had some major cuts. I believe that a good many of those cuts affected the social programs in this country. Canadians paid dearly for the fact that we had deficits which we now no longer have.

Since then, we have invested in programs in research and we have also had some major tax cuts. For instance, corporate taxation in this country by 2005 will actually be lower than that of the United States. Most people do not know that. Budget 2000 cut \$100 billion of individual taxes.

We have consistently continued to pay down the debt. We had a plan where we said we would spend fifty-fifty, 50% on debt reduction and tax cuts and the other 50% on program spending and social spending. Quite frankly, I do not believe that we have actually maintained that fifty-fifty split.

It is time to reinvest in Canadians and reinvest in people. It goes without saying that one of the areas is the health care system.

We have just had what is probably the most important report since the Canada Health Act was introduced. The final report of the Commission on the Future of Health Care in Canada should not be used as a discussion paper for high level chats among Canada's ministers of health. That report is a blueprint, an action plan. The sooner we get on with the job of implementing it, the better it will be for the health of all our citizens.

I firmly believe that we must implement all the Romanow report recommendations in order to leverage real change in the health care system. We must not cherry-pick bits and pieces. Social policy, if implemented piecemeal, is like a four-legged stool; if two legs are removed, it will fall apart and it will not stand up.

The report is very holistic and addresses some very fundamental changes that need to be implemented immediately.

Canadians want and need a truly national, more accountable and comprehensive health care system, a reinvigorated system that truly reflects the Canadian values that are at the heart of our system.

I support the creation of a national health council to help foster collaboration and cooperation among the provinces, territories and the federal government.

Furthermore, I support and push for the implementation of a new dedicated cash-only Canada health transfer to be enshrined in the

Canada Health Act. The CHST does not work. There is absolutely no accountability in it and it is hard to trace where the funds go. It is important that we have the health transfer fund and I support that wholeheartedly.

I also fully agree that diagnostic services should be explicitly included under the definition of insured health services in a new Canada Health Act. I also support the recommended introduction of pharmacare and home care, along with a greater emphasis on prevention and wellness.

I was very disturbed to hear that most of the provinces have rejected out of hand accountability and some other recommendations of the Romanow report. Their position is unacceptable and is most definitely not in the best interests of the citizens of their respective provinces.

Only one province, Saskatchewan, had the maturity not to be self-serving. Saskatchewan believes that Canadians are looking for their governments to provide comparable services to Canadians wherever they live. For these reasons, Saskatchewan does not agree with a call for unconditional funding. To that I say, right on.

I call on all the provinces and territories and the Government of Canada to put Canadians first in this process. I ask them to build a first class health care system for the future and to ensure the modernization of the Canada Health Act by expanding coverage and renewing its principles. I call on them to take immediate steps to protect Canada's health care system from possible challenges under international law and trade agreements.

Commissioner Romanow said that medicare is sustainable if we are prepared to act decisively. He compared the cost of our system to that of other countries and found that spending in Canada is on par with most countries in the western world.

Medicare in this country, as far as I am concerned, is also an economic program. It definitely is an advantage for investment in the country, not to mention the benefits to our people. I hope we will move swiftly on that.

There is another area in which I think it is important that we invest. It should be noted that I am not talking about spending but investing, because if we do not invest in Canadians, we will not be able to reap the kind of economic benefits that we wish.

• (1645)

Another area in which we must invest, and we have talked about this many times before in the House, is early learning and care. It is high time that we acknowledged the fact that there are thousands of children in Canada who are not getting the best start possible in their lives. There are parents who cannot go to work because they do not have child care, but every child, whether the parents are working are not, should have access to early learning programs, and child care is early learning. A quality, nationally regulated child care program is essential. We are behind most western countries at this point with respect to this issue. I think it is time for us to wake up and address this.

Government Orders

Another area is the issue of child benefits and income support for families. We started this some years ago and I was very involved. We have increased the income support for families but we must increase it even more. We must ensure that children are looked after. As has been said before, children are not poor by themselves. They are part of families that are poor.

During the finance committee's hearings across Canada, the recommendation by most organizations was that we should be looking at reaching a threshold of \$4,200 per child very soon. I support that wholeheartedly.

We must remember that the children of today are the future of tomorrow, and addressing child care, child benefits and income support also addresses the issue of health and health costs in the future.

The other area I would like to talk about is housing. Affordable housing is in a major crisis. We have not built affordable rental housing units for a very long time. We just recently signed agreements with the provinces to build new affordable housing but that is only a start. I believe we must have a long term, sustainable program for affordable housing. In Toronto the waiting list for seniors is 10 years. It is impossible for families and seniors to have proper housing, so to the health of children and to the health of families goes substandard housing. Affordable housing is extremely important. I cannot even imagine my childhood without having had a proper, secure place to live with my family.

The other area that we must address, as I follow along on the people in whom we must invest and who I think have paid a major price for reaching our deficit situation, are our seniors.

The guaranteed income supplement is not meeting its target or it is not helping all seniors. We have about 647,000 unattached seniors who are living below the poverty line. In fact the poverty rate for unattached seniors has gone up in the last couple of years to 48.7%. Most of these seniors are women. It is important that the GIS, guaranteed income supplement, be increased to meet the needs of unattached seniors who live below the poverty line.

In Toronto, probably for the first time in a long time, we have seniors who are living in shelters because the guaranteed income supplement gives a person the maximum of \$11,800 a year. A one bedroom apartment in Toronto costs about \$800 or more per month. By the time a person has paid the rent I am not sure there is much left for food or for medicine. We now have seniors who are having to choose whether they eat and whether they buy certain medicines or not. Where do they end up when they become ill? They end up in the hospital.

Again, this goes to health care, to prevention and to wellness, and, in the long term, it saves a great deal more. I encourage the government to look at increasing the GIS. This was in the finance committee's report to the government and I hope it will be addressed.

We must also ensure that we deal with cities in Canada. Cities have to be funded properly. They need long term, sustainable financing to address the social programs that they have been asked to address. A great many things have been devolved to the cities but the property tax base cannot deal with all the problems. In the meantime, we must start with infrastructure, public transportation and housing

to be able to work with them to have a sustainable program to address the most urgent needs for the cities.

● (1650)

Mr. Rick Casson (Lethbridge, Canadian Alliance): Mr. Speaker, it is good to have this opportunity today to speak in the prebudget debate and to point out some of the differences that I believe exist in what the Canadian Alliance Party is offering to Canadians, what we have seen over the past number of years from the Liberal government and what has been proposed by it through the throne speech. I also want to address some of my remarks to a report that was put together by the finance committee as it travelled across Canada and heard witnesses from many sectors.

We have heard a lot lately. We have heard about the billion dollar fiasco with the gun registry. We heard about the HRDC scandal and Shawingate a while ago. We just heard about the GST fraud which came to light in the last few days. We talk in terms of billions of dollars.

My colleague from Elk Island, as we know, is a mathematician. He pointed something out to me on the weekend. He asked me what the difference was between \$1 million and \$1 billion. I said that it was a whole lot of zeroes. He said to me that if he had \$1 million and spent \$1 a second starting at midnight of January 1, that he would spend the \$1 million by midnight on January 12. He said that it would take him 11 days to spend \$1 million at \$1 dollar a second.

He then said that if he had \$1 billion and spent \$1 a second, that it would take him from January 1 to September 9, 2034.

That is the difference between \$1 million and \$1 billion. When we talk about \$1 billion here and \$1 billion there, we are talking about incredible amounts of money that are unaccounted for and that have no priority for the way they are spent. The money is thrown around.

Today the Prime Minister got his wish and the Kyoto protocol was ratified by a vote in the House of Commons, a motion that I voted against. I am glad that I did because in years to come I will be able to say that I told them so, just like I have been able to do over the last couple of weeks on the gun registry. It has cost a billion dollars and it is not working.

We would like to point to four issues in the report that came from the Standing Committee on Finance: government spending; taxes and tax burden; ongoing productivity and competitiveness concerns; and debt burden.

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With regard to spending, the Canadian Alliance strongly supports recommendation 2 of the report, which calls for a balanced budget; a cap of roughly 3% on increased spending, to keep that in line with the growth of population and inflation; paying down market debt; and an ongoing review of federal expenditures which is something we have called for ever since this party has been in place. Every program needs to be reviewed on a regular basis to make sure that it is still doing what it was intended to do and that the money is being spent wisely. The review of federal expenditures is a key part of what we are proposing needs to happen.

As I said, those have all been longstanding Canadian Alliance policies.

However, the recommendations in recommendation 2 can only work if they are carried out, which has not been the case to date. The significance of recommendation 2 pales when one considers the government's recent increase in federal spending. We note the concerns expressed by the Canadian Chamber of Commerce about the increased government spending levels, which it states that since the annual budget has been balanced the increase in spending since 1997-98 has gone up by 25%. This is, in our minds, out of control spending.

We also strongly urge the federal government to discontinue its new spending spree. I will quote Jack Mintz, a C.D. Howe economist. He stated:

Those who believe governments have inadequate revenues to spend on critical public services have it wrong. The problem is that governments misallocate tax dollars by designing ineffective public programs.

That is what we are saying, that every program should be analyzed on a continuing basis to make sure it is effective and, if not, should be discontinued.

Rather than increasing its spending every year as new priorities are identified, the Canadian Alliance recommends that the federal government show leadership and make the required spending cuts from lower priority areas so that the overall federal spending envelope does not grow faster than the population and inflation. We have seen that spending growth outpace the increase in population and inflation over the last number of years many times.

•(1655)

The second point we would like to make is on the issue of taxes and tax burden. Our tax burden in Canada remains too high. Even after implementing the tax changes announced in budget 2000, Canada will still have personal and corporate tax burdens far above the OECD average. Moreover, our overall tax burden remains over 10% higher than our closest trading partner, the United States. Currently, federal revenues remain at about 16% of GDP and are slightly higher now than they were in the mid-1990s.

We note that Canada's tax burden will increase even further in 2003 through payroll taxes, such as the Canada pension plan premiums that are set to increase by 0.5%, which works out to \$964 million more out of the pockets of Canadian employers and employees.

The Canadian Alliance reiterates our call for the elimination of the capital tax. This is something that the committee has called for in the past number of years. We note that the finance committee once again

has recommended this move, but we urge the federal government to immediately commit to rid Canada of this damaging tax on productivity and investment. This tax kills reinvestments and it kills jobs. As companies become successful the money they need to reinvest in research, employees and in development is taken through this capital tax.

Recommendation 4 on corporate taxes is somewhat disheartening to us as the goal appears to be guarding against an unacceptable divergence with the U.S. rates. Time and again many witnesses before the committee stressed the importance of creating a Canadian tax advantage rather than just attempting to keep up with our southern neighbours. Why can we not do better than them? Why are we always struggling to keep up with them?

Under the last point, the Canadian Alliance recommends that the federal corporate income tax rate on profits from the resource sectors should be brought in line with other sectors. This was just brought forward by the member from the government who indicated that when the last changes were made to corporate income tax the resource sectors were left out. Their rate remains higher. This issue needs to be addressed because they have already been put at a disadvantage. Today with the ratification of Kyoto it will place them at a bigger disadvantage.

We also want to talk a bit about productivity and competitiveness. The Canadian Alliance is deeply concerned with reports that tend to play down Canada's problems with productivity. Many witnesses expressed concern that the productivity gap between Canada and the United States remains wide and continues to grow. This is troublesome because it is our closest trading partner. Billions of dollars a day in trade go back and forth between our two countries and we are being put at a disadvantage through the productivity gap.

The report, however, appears to suggest that revised data has shown that the gap between Canada and the U.S. is smaller than previously thought. There is a well-documented 30 year decline in Canada's standard of living that can hardly be made up by revising data. Unfortunately, this is typical of the Liberals' denial of the role public policy has played in Canada's long term economic decline.

As we know, over the past 30 years our standard of living has continued to decline under this regime and previous ones.

According to the global competitiveness report, Canada tumbled five notches to eighth spot among the most competitive countries in the world; its worst ranking since 1996. Meanwhile, even with the current troubles in the U.S., the Americans managed to improve their productivity by 4% in the last quarter.

The most troubling matter is the government's longstanding refusal to acknowledge the failure of its own policies to encourage innovation and productivity. Liberal members, who comprise the majority of the committee, do not recognize the role that successive Liberal governments have played in hindering Canada's economic progress and development.

Government Orders

The last point concerns the debt burden. The Canadian Alliance believes that it is vitally important to control overall spending in order to accelerate debt repayment. Although our debt to GDP ratio has improved, our debt burden still remains very high and the interest costs to cover that debt continue to be a drag on Canadians. Twenty-three cents of every dollar go to service that debt, never mind paying down the principal.

To conclude, Canada has untapped potential for growth but Canadians need the proper environment to nurture our prosperity. The Canadian Alliance is confident that Canada can regain our prosperity and our competitiveness. However, strong government leadership is required to provide crucial fiscal responsibility. Canadians deserve a significant reduction in taxes and prudent management of government departments. Canadians deserve better.

• (1700)

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I congratulate my colleague on his remarks, particularly on his reference to Canadians deserving better. He spoke of the need for lowering capital taxes, the need for lowering payroll taxes, the need, I would suggest, for the elimination of very discriminatory capital gains taxes and other means by which Canadians can be given the opportunity keep more of their hard-earned money.

What he speaks of in terms of what is missing, I would suggest, can be fixed somewhat by a change in tax policy on the part of the government, which we have not seen forthcoming now in almost a decade. We have seen very shifty priorities coupled with a very arrogant, dismissive attitude toward the provinces and an effort to download onto the provinces.

The former minister of finance has been flipping around the country pretending to be the leader of the fifth or sixth party in the House rather than taking responsibility for his own actions as finance minister. Basically if he is saying to "trust us now", I would suggest that if he said it was raining outside I would go to the window.

Would the hon. member agree that in fact the government itself has really nothing to boast about and what we need is a change in attitude and a change in priority in terms of where money should be spent and where and when governments should get out of the way and let the private sector do its job?

Mr. Rick Casson: Mr. Speaker, I thank my colleague from the Conservative Party for the question, and I note that he said shifty priorities instead of shifting priorities and I somewhat agree with that. He also said that the previous finance minister is acting like the leader of the fifth party, but then he said sixth party. I am sure he does not want to be the leader of the fifth party.

Of course the previous finance minister was part of the government when all of the issues I mentioned happened. When money was being funnelled into the firearms fiasco quietly and discreetly, who had the cheque book? Who was running the budget for the government? When the HRDC scandal was going on, who was running the finances of the country at that time?

Today we had a vote in the House to ratify Kyoto, with unknown costs and unknown implementation processes. Canadians are left in the dark completely as to what the cost is going to be for each family to reach the goals that the government agreed to today. Once again,

the former finance minister voted for that. This is a person who has supposedly been in charge of the purse strings and who has been deeply involved in the past in the failures of the government. Now, through his actions today, he has implicated himself in what is going to be another fiasco for Canadians.

There are shifting priorities. The capital gains tax certainly has to be eliminated and that has been recommended time and time again. If productivity is going to improve in this country and if the gap between us and the Americans is going to be closed, then that is one place where we can start. Investment can remain here in the hands of the people who will do the research, who will build the bigger and better businesses and who will hire people.

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, I have a brief question for the member, one that others have raised often. It is the question about the ratification of Kyoto and what the Kyoto implementation might cost. I wonder if the member would like to offer to the House a process that might be undertaken to establish those projected costs over that period and how long it might take before those costs were determined to his satisfaction.

Mr. Rick Casson: Mr. Speaker, that is something we have been asking of this government. We have been asking it to show us a plan and how much it will cost, but it has yet to bring that forward.

We have indicated that if we need to address issues around the environment, that is something we are certainly willing to do, but to agree to a protocol that Canada will be the only country in the western hemisphere to sign leaves the whole issue of investing in Canada up in the air. Our closest trading partner is not agreeing to this international protocol and other trading partners such as Mexico are also not a part of this. We need to make sure that the provinces understand where we are going and that has not been done by the government. There has to be more consultation and a definite plan needs to be put forward.

• (1705)

Mr. Werner Schmidt (Kelowna, Canadian Alliance): Mr. Speaker, whenever one talks about a budget, one is talking about probably the most significant policy document that a governing body can present, either to its people or to the members of that particular governing body. The policy document establishes priorities. It establishes priorities of gathering revenues, it establishes priorities of expenditures, and it reflects, probably more significantly and more directly than any other policy document of a government, what the government really thinks, where its value structure really lies and where its basic values and integrity lie.

It is in this context that I wish to address several comments to this consideration of the budget, particularly in the pre-consultation stage.

My hon. colleague from Lethbridge has demonstrated very clearly where we are coming from in terms of corporate tax, capital tax and things of this sort. I am not going to go there at this point because that has been covered amply.

Government Orders

I do want to go into the area of integrity, because when this government came into being, the Prime Minister indicated very clearly at the beginning of this Parliament that "We will demonstrate this time, as never before, that we are a government of integrity". I remember sending him a note. I said to the Prime Minister, "Mr. Prime Minister, if what you are doing is turning the page, I can support you". The record since that day has been very sketchy in terms of actually demonstrating integrity.

Let me indicate that there are many members on the government side of the House who agreed that integrity was the big issue. I want to refer in particular to one member, the member for London North Centre. On February 3, 2000, he said:

At the end of the day, a government's...integrity is the best political capital that you have. When you start losing it then obviously all kinds of things can go wrong.

How much has gone wrong? We have had the firearms \$1 billion boondoggle. We have had the HRDC \$1 billion boondoggle. We have had the GST \$1 billion boondoggle. And now we have the Kyoto accord. We do not know whether that will be \$1 billion, \$2 billion or \$40 billion. We do not know, but it is going to be a tremendous expenditure. One asks what kind of government is it that goes to its people and says, "Trust us to develop a sound plan to use your tax dollars in your best interests so that your interests can be managed well and that you can achieve the kinds of things for yourself, for your children and your grandchildren that we all want", if in the first instance we can demonstrate that the very fact of integrity has come into question with the HRDC boondoggle.

Let me refresh our memories just briefly. What really did happen in that HRDC boondoggle? I want to refer to the Auditor General's comments. These are the things that we discovered. We discovered that while the minister was making statements in the House that everything was okay, she had on her desk a departmental audit, covering some 459 project files, which revealed the following: 72% of the projects reviewed had no cashflow forecast; 46% had no estimate of the number of participants; 25% had no description of the activities to be supported; 25% provided no description of the characteristics of the participants; 11% did not even have a budget proposal; 11% had no description of the expected results; and 15% did not have an application on file for the sponsor. Get a load of that one: 15% did not have an application on file yet they got the money. It continues: 8 out of 10 files reviewed did not show evidence of financial monitoring; 87% of project files reviewed showed no evidence of supervision; and 97% of the files reviewed showed no evidence that anyone had checked to see if the recipient already owed money to the government.

This is overwhelming evidence of gross mismanagement of taxpayers' money. However, the fact that the minister knew these things and continually repeated and reassured the House that all was well is an obvious violation of the minister's obligation to give accurate and truthful information to Parliament. Because the minister has repeatedly violated this principle, the House should express its lack of confidence in the minister by passing the motion that she should resign.

• (1710)

This is also an illustration of a complete breakdown of integrity. We are elected officials, and the people we represent trust us to

manage their money, trust us to make good laws and trust us to do the things we said we would do. This kind of thing really bothers me. I take my position as an elected member seriously, and I will do the best I can to be a man of integrity and a person who does what I said I would do. Have I ever made a mistake? Yes, I have. Have I made mistakes since I came here? Yes, I have.

The issue, however, is to recognize the mistakes one makes, ask that those mistakes be forgiven and in fact go in the direction of what we know to be best and do so to the best of our ability. Our abilities are circumscribed, I agree, but to do so blatantly is not to be a person of integrity.

Some time ago, in fact not that long ago in reference to the HRDC boondoggle, I made a statement in the House. It indicated that two things had become crystal clear in question period on February 7, 2000. One was that "the Prime Minister does not care about credibility".

On June 12, 1991, the Prime Minister said:

If there is any bungling in the department, nobody will be singled out. The minister will have to take the responsibility.

Yet the Prime Minister made a spectacle of defending the HRDC minister. All of us in the House know that this is exactly what happened.

Second, as I stated on February 8, 2000, "The Prime Minister has no regard for integrity". I stated, as I have already illustrated, that:

His minister knew of the bungling of the transitional jobs fund. Yet he defended her when she told the House and Canadians that everything was all right. She now admits that was not true but what she says now is true. Can we believe her? We only know for certain what the auditors have shown us: mismanagement and ineptitude.

We have now had a demonstration of a billion dollar boondoggle. We have had the HRDC one and now we have the firearms one, the GST fraud and the virtual pig in a poke with the cost factors of the Kyoto accord. I believe it is now true to say that when the Liberals get our money, they misuse it and lose it. Those are very serious words. I do not like to say them, but we have ample demonstration that they are true.

We also have had a tremendously large number of people ask when taxes will be cut, because their tax burden is too high. And it is. My heart really goes out to our seniors. In a case I had last week, a lady came into the office crying. She asked me what she could do. She told me that her income was \$11,200 and she had to pay income tax.

Mr. Speaker, I do not know how much it costs you to rent your apartment or to pay the taxes on your house, to buy the groceries and to clothe your family, but I do not think you would live too well on \$11,000 a year. Here is this lady who is expected to live on \$11,000 a year, minus an income tax bill. This lady is 72 years old. This has been going on for the last five years.

Government Orders

The government has increased taxes 37 times. The time has come for us to recognize that not only do we need to cut taxes and allow these seniors to be exempt from taxes, it goes beyond that. We also have these same seniors paying all kinds of other costs, like utility bills. With this Kyoto accord coming up, what will that bill be? We have ample indication that the cost is going to rise. We know that the costs of gasoline and other things have gone up already, without the Kyoto accord.

• (1715)

I would like to go on for another 10 minutes because there are so many other things. In fact, I would like to give some positives of what should happen and how we could build economic freedom and allow prosperity in Canada to flourish. It is possible for us to do that.

Mr. Darrel Stinson (Okanagan—Shuswap, Canadian Alliance): Mr. Speaker, I listened intently to the member's speech and I picked up on the word integrity throughout his speech. I have to question not only the word integrity but why we are here as members of Parliament.

We have seen the total waste, disregard and utter contempt the government has for taxpayer dollars. The hon. member mentioned the GST, the firearms registry and HRDC. We could go on and on. We could mention Shawsinigate. We could mention the lack of payments to the hepatitis C victims. However there is a bigger problem.

We know now beyond a shadow of a doubt that the government withheld information from Parliament. We know it misled Parliament in this House. I do not trust what any of the government members say, ministers, backbenchers or anyone else. It is a proven fact that they misled the House of Commons, not just the taxpayers. Not only was there a total disregard for the taxpayers, but there also was a total disregard for this place.

How can the hon. member ever have confidence in anything any minister says on the other side?

The Acting Speaker (Mr. Bélair): Before I give the floor, please be careful with the use of the words misleading or mislead. The hon. member for Kelowna.

Mr. Werner Schmidt: Mr. Speaker, we need to examine ourselves in the question of integrity. I believe there are those who demonstrated that they did not give the House the information that they were under obligation to provide.

Particularly we have the case of the GST fraud. For the first couple of years we were given the information, then all of a sudden it dried up. Why? We do not know for sure and I do not want to attribute motivation. Clearly, it raises the question that maybe it was so bad the government did not want anyone to know.

The firearms business is a much better example. The minister refused to give us information or somehow just did not allow it to take place. It is a very serious thing.

Are there any persons of integrity on that side of the House? Yes, all kinds of people. Do they make mistakes? It is deliberate mistakes I am pointing my finger at. It is not an accident when information the government is obligated to give to the House is withheld.

The Acting Speaker (Mr. Bélair): Please also be careful with the use of the word deliberate. The hon. Parliamentary Secretary to the Minister of Public Works and Government Services.

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, the member raised a specific case with regard to a low income senior. The reality is in Canada we have many seniors who live on low income. However I think the member suggested that the senior of some 70-odd years of age, making about \$11,000 a year, was paying income tax.

The member should be aware that the basic personal amount, which is a non-refundable tax credit, and the age amount, which is available to those who have reached the age of 65 or over, already wipe out any income tax that would otherwise be payable on that amount. Therefore they do not pay any income tax. In addition to that they would receive the GST credit of about \$200 and the Ontario provincial credit of about \$500.

That does not solve the problem but the representation of the member I believe was incorrect.

• (1720)

Mr. Werner Schmidt: Mr. Speaker, I am not an accountant but I know when someone is suffering. This lady had back taxes for which she was liable. They had accumulated over a time period, of which the hon. member is not aware. I do not want to go into that case any further here

However to suggest to me that I was wrong in my case is not true. I am correct. I may be incorrect about the particular amount that they have to pay right now but that is not the point here.

Mr. Paul Szabo (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.): Mr. Speaker, I will be splitting my time with the hon. member for Vancouver Kingsway. I would like to begin by acknowledging the member's response to that last question. Certainly there are difficult cases. It is one of the matters that I would like to talk about in my brief time to address this prebudget debate.

I have often thought that the measure of success of a country is really the measure of the health and well-being of its people. This is precisely the point the member made. We have to look at the condition of our people. We cannot be a successful country if we have those who cannot participate fully in our society with the dignity and the well-being that all Canadians deserve.

As a Liberal, I am fundamentally committed to protecting the rights and freedoms of the individual, but also to do what I can to promote the dignity, the health and the well-being of Canadians.

As we go through this process, we know that the finance committee has done extensive cross-Canada consultations with Canadians to see sector by sector, interest group by interest group, the kinds of things that they would like to see in an upcoming budget. Ordinary members do not often get a chance to address maybe things that they would like to bring to the attention to Canadians or those aspects which affect the dignity, the health and well-being of Canadians.

Government Orders

I will acknowledge that improving the funding of the health care system is an important priority. It will be in the budget and we will accept that. I also believe there is a responsibility to ensure the safety and security of Canada, of our sovereignty, et cetera, and that those must be protected. We will see those things in the budget.

There are a few things that we have to acknowledge. We live in a society which some say is an aging society and may have consequential impacts to an aging demographic. There is a concern that health care costs will increase. Pension costs will increase, the CPP and the OAS. We should look carefully at the things the Romanow and Kirby reports have raised with regard to health care and understand that we are in a transition period where the baby boomers are moving through the system and pressures will be coming up.

I have always thought, and I think I have suggested to people, that we should never stop asking our government what it has done for us lately. It is fine and well to suggest that we have had five or six balanced budgets or surpluses, paid down debt and saved interest, et cetera. Those are good things. We have a hold on the fiscal situation. However each new year brings with it a change in the fiscal conditions in which we operate. It brings other factors into play that might not have been in play in the prior year, for instance, the whole emphasis on responding to the impacts of September 11. Therefore we have to respond to those.

As we look at our budgeting process, it is not simply good enough to ask what our top priority is and then put all the resources there. It would be fatal if we were not to continue to sustain important programs, the services to Canadians which they require to live in dignity, health and well-being.

In the brief time I have I would like to raise a couple of suggestions that I hope will catch the attention of the Minister of Finance as he considers the budget, which is expected early in 2003.

One issue has to do with a subject called fetal alcohol syndrome. Fetal alcohol syndrome and fetal alcohol effects are the leading known causes of mental retardation in Canada. I could speak for a long time on this subject. However one fact is that 50% of the people in the prisons of Canada suffer from fetal alcohol syndrome or other alcohol related birth defects. This issue deserves the attention of the government. I look forward to seeing something in the budget to ensure that we address at least the public education aspect of informing Canadians of the risk of alcohol consumption during pregnancy on the lifelong health of a child.

• (1725)

The second issue I would like to suggest the finance minister consider is the creation of the position of physician general of Canada. The United States has the position of surgeon general. Members may wish to check the website of the surgeon general. They will find that individual in this position changes every four years.

The position is filled by an imminently qualified person, totally respected within their community, within their profession, et cetera. The surgeon general is separate from the health department. The individual makes pronouncements, produces information and answers questions in simple language for children, families, seniors,

the disabled and for those who have a disease and want to know a little information and where to get more information. This is a public information service.

I hope we give serious consideration to this in view of the fact that in recent days we have had matters such as the relevance of breast self-examination and mammography and the controversy as to whether it makes any sense.

Another controversy is with regard to hormone replacement therapy and whether there are consequences which would be worse than doing nothing at all.

Those are the kinds of things a physician general could do. The issue of whether it be tainted blood or some other important health issue, including fetal alcohol syndrome, could be matters which the physician general of Canada addressed. The issues could be put in the form whereby Canadians could look at them, consult on them and, in lay terms, see the arguments and the facts. Maybe they could be given the information they needed to make good decisions for their health.

Finally, I would like to suggest that we consider making Canada pension plan benefits and participation in the Canada pension plan system available to stay at home caregivers. When people withdraw from the paid labour force to care for children, someone who is chronically ill, disabled or aged, they leave jobs. They no longer have earned income on which they would pay Canada pension, which means they lose the disability coverage that the pension plan provides. As well they lose years of earnings on which their future pension would be based.

Those who withdraw for pregnancy purposes have a provision known as the child rearing dropout which at least ensures that they are not penalized for withdrawing from the labour force. I believe we should recognize unpaid work, caring for those family members who need help, the aged, children, the disabled and the chronically ill. We should recognize the value they contribute to our society. They should not be penalized or lose years of service that would allow them to have continuity of disability coverage and to earn a greater pension to which they would be entitled in their retirement years.

These are but a couple of items that we might want to consider. I know if I had the time, I would talk a bit about homelessness and what we could do there. There are many root causes. In fact children account for 28% of the homeless in Canada. These are children who have been alienated from their families. Of those, 70% have experienced physical or sexual abuse.

If we really care to address social problems such as homelessness and poverty, we have to look more carefully at the root causes of those. We have to understand that simply giving money will not be a lasting solution. It is like the old adage, if people are given fish to eat, they will enjoy one meal. If we teach people to fish, they will feed themselves for the rest of their lives.

Let us start looking at the fundamentals. I hope we will see some of these initiatives in the upcoming budget.

Government Orders

• (1730)

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I would like to thank the member for his speech. I understand where he is coming from on some of these issues and I consider them to be important. I found his comment regarding a physician general to be interesting. However, I am more concerned about some of the things that were not addressed by the government in past budgets. I want to talk about agriculture for a minute.

We have not heard a member from that side of the House speak on agricultural issues. We are entering probably into a fourth year where all indications are there that we will be in a serious situation regarding drought. It does not look like it will come about, yet it is not discussed. There do not seem to be any future plans in terms of budgetary items we can look for. I would like to see that as part of the discussion because it is extremely important.

I specifically want to ask a question of the member, who is the parliamentary secretary to the public works minister and minister responsible for the wheat board. He has indicated a number of times that the wheat board is farmer driven and operated by farmers. I know that his minister has indicated the same thing. Dairy farmers are operating the dairy board, there is no minister. The poultry board is being operated by the poultry producers, there is no minister. The government claims that the wheat board is operated by the farmers. Why in the world then do we need a Wheat Board minister? Why do we not close that office and shut it down?

Mr. Paul Szabo: Mr. Speaker, I do not have enough time to respond to those questions. I recognize the member's concern with regard to agriculture. The member knows that the comment with regard to the farmers having control of the Wheat Board is by virtue of the fact that they have two-thirds of the board of director positions and therefore they have the ability to set policy and strategic direction for the Canadian Wheat Board.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I listened with great interest to some of the constructive suggestions brought forward by my friend across the way. I know that he has consistently been a person of compassion and one who looks for answers.

I want to come back to the issue of priorities and integrity within the government. We have seen ample examples in recent days and months and we can go back to the very beginning with the many reversals in the red book on GST and free trade. One of the issues that continues to be a shortcoming of the government is its inadequate funding and attention for the military. We can talk about cuts to ports police and the Coast Guard, all of which contribute to the inability of the military to do its job at home and abroad.

Would the hon. member go out on a limb and tell us when we might expect to see the helicopter program, that his government cancelled, actually go forward? Will it take the retirement—

The Acting Speaker (Mr. Bélair): The hon. parliamentary secretary.

Mr. Paul Szabo: Mr. Speaker, I agree with the member that there has been a need not fulfilled within defence for support, particularly as its mandate and historic role has modernized and changed. We are moving in that direction specifically with regard to the maritime helicopters.

This file has been going on far too long, I agree. The government has admitted that the program of splitting the contract has run into difficulty. I am aware that over 1,000 technical amendments were proposed by the industry to the request for proposal. It became unwieldy. The government has made the admission that at this time we are better off going with a supplier for both the frame and for the mission system to ensure that we get the helicopter at the right price at the right time. The member asked when? I understand that we expect to announce the results of the tender before the end of 2004.

• (1735)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, these are prebudget consultations, but no one is listening because the budget has already been written.

My question for the member is, rather than using public moneys to deal with the sharp edge of issues that would relieve suffering and improve people's ability to live, why does the government pursue more studies, more surveys, more inaction in the face of the pressing needs in this country, be it from health, defence, the environment and so on?

Mr. Paul Szabo: Mr. Speaker, that is a good question. I tend to share the member's views when it comes to matters such as fetal alcohol syndrome and we can talk about that. I want action now and I believe that the member is right in his sentiment that we cannot wait for 100% information.

Sometimes we must make decisions based upon our best instincts and the information at hand because we may be able to mitigate the downside or improve the opportunities for a better wellness situation. I do not disagree philosophically that we need to provide the resources and do the kinds of things he is talking about.

Ms. Sophia Leung (Parliamentary Secretary to the Minister of National Revenue, Lib.): Mr. Speaker, I am pleased to participate in this prebudget debate. As a member of the finance prebudget consultation committee I travelled across Canada. I listened to many Canadians, groups and institutions. I wish to talk about education, innovation, capital tax reduction, and health care.

We all know that education is extremely important as the foundation of a healthy society. The government has made lifelong learning and skills development a top priority of our social agenda. Literacy is critically important for an individual's success in society. The Movement for Canadian Literacy, citing data from Statistics Canada, told the committee that the needs were very pressing.

Student loans are another area of concern. An increasing number of students are facing tremendous debt loads upon their graduation from universities. This has been driven by increases in both tuition fees and the cost of living. There is a pressing need to re-evaluate existing student loan programs with the intention of providing a greater level of financial support for youth.

Government Orders

Canada is facing a shortage in skilled labour in many trades. Part of our strategy to address the skills shortage is to target immigration policies to attract skilled workers to Canada. However, many of those workers we have targeted are having problems with gaining accreditation to practise their trade in Canada. The prebudget consultations recommended that we work with provincial governments and professional associations to find ways to make it easier for skilled new immigrants to be able to work in their field of expertise.

The committee received testimony from the Getting Landed Project, a group advocating the extension of the Canada student loan program to refugees. They said:

Yet under current Canada student loans legislation only Canadian citizens and permanent residents, what we used to call landed immigrants, qualify for student loans. Recognized refugees, now known as protected persons under the new Immigration and Refugee Protection Act, are currently excluded. This exclusion is bad for recognized refugees and bad for Canada as well.

However, as a national government we play a strong role in providing billions of dollars of funding to these provincial institutions. What Canadians are demanding is greater accountability by provincial governments so that they know that the money the federal government is providing for education is being used for that purpose.

Another important area that the government must focus its attention in order to build the Canadian economy is the innovation agenda. The current innovation strategy of the federal government undertakes a commitment for Canada to: rank among the top five countries worldwide in terms of R and D performance, at least double the federal government's current investments in R and D, rank among world leaders in the share of private sector sales attributable to new innovations, and raise venture capital investments per capita to prevailing U.S. levels.

● (1740)

This is a good start, however we would need to do more to support the climate of innovation. Along this line the finance committee recommended that:

The federal government increase funds for the federal granting councils and, in so doing, ensure that the Social Sciences and Humanities Research Council of Canada receives an appropriate share of the allocation. Moreover, the federal granting councils and the Canada Foundation for Innovation should consider the concerns of smaller universities and colleges when disbursing funds, and should ensure that they do not face discrimination.

The federal government, in the next budget, provide a permanent program for financing the indirect costs of federally funded research.

A permanent program financing 40% of the indirect costs of federally funded research be implemented in the next budget.

The federal government simplify the process by which firms access the scientific research and experimental development investment tax credit.

The federal government create a commercialization office within Industry Canada. The mandate of this office would be efforts leading to the commercialization of research undertaken in Canada.

The federal government ensure that the rights embodied in patent and copyright protections are vigorously defended.

With those initiatives and an emphasis of lifelong learning and education, Canada would be able to confront the economic challenges of the 21st century. The innovation agenda remains a key link to Canada's future prosperity and the government should implement the committee's recommendations.

We heard from many groups who raised concerns that we must lower capital taxes or even get rid of capital taxes. The committee received testimony from at least 20 groups and individuals. Some of the witnesses said:

As many witnesses noted, the capital tax is largely profit insensitive. In the event of an economic slowdown, some companies could be required to borrow cash to meet their tax obligations, even if they are losing money.

The Saskatchewan Chamber of Commerce recommended that the committee eliminate the capital tax, since it was introduced as a deficit elimination measure, and the deficit is now gone. Capital taxes are also not linked to ability to pay; their elimination would lead to increased investment in capital intensive operations, enhance productivity and lead to increased economic activities.

I would urge the Minister of Finance to reduce or eliminate the capital tax in Canada. I believe, along with many others in this chamber, that it is harmful to the investment and economic development of Canada.

I wish to touch on health care. In light of the strong support of the universal medicare system, the finance committee recommended the following:

The federal government work with provincial and territorial governments, and other stakeholders, to ensure that the Canadian healthcare system of the future respects the following principles:

- (a) public funding at an appropriate level;
- (b) an approach to service delivery that recognizes the role of prevention, pharmacare and homecare, and that is sensitive to the needs of Canadians experiencing a wide range of illnesses;
- (c) mechanisms to ensure accountability and transparency at every level of spending; and
- (d) continued support and increased funding for the Canadian Institutes of Health—

● (1745)

The Acting Speaker (Mr. Bélair): Order. Questions and comments, the hon. member for Esquimalt—Juan de Fuca.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Mr. Speaker, these are prebudget consultations, yet no one who will be making up the budget will be listening to a word that is said in the House. The fact of the matter is that those who make the decisions have already done the work. What happens in the House is largely irrelevant to what happens at the decision making level on policies in Canada.

The government often equates the amount of money it is throwing at something with the effect. If we ask what the government is doing about fetal alcohol syndrome or what it is doing about defence, it will say that it has put x millions of dollars toward the issue. That does not answer the question.

With respect to her innovation agenda, would my colleague support a lowering of taxes, a lowering of rules and regulations, and an investment in education, the three best things that could be done for innovation in Canada?

Ms. Sophia Leung: Mr. Speaker, each year we listen to individual Canadians, groups and institutions. That is why we call it public consultation.

We never put a number on the dollars before carefully assessing all the information. Then we make a very comprehensive report with recommendations to the Minister of Finance.

Government Orders

As I indicated, education is very important. It is the basic foundation of our society and our nation. Of course, I will definitely support the focus on that. I also mentioned my concern for student loans and also the upgrade of skills for workers and new immigrants. There are many different areas. Yes, education is definitely very important for me and the country. R and D is very important as well.

Mr. Myron Thompson (Wild Rose, Canadian Alliance): Mr. Speaker, I know the member is very sincere about representing the people in her riding. She puts her whole heart into her job and certainly believes in what she is doing, and that is good.

Unfortunately, after nine years of being here what I see are recommendations coming from committees which are never listened to and never implemented. There are recommendations that come from committees that travel around the country to consult. It does not seem to make any difference.

I would like to suggest to the member that the Prime Minister, the finance minister and a few of the government's cronies already know what will be in the budget. The debate is a nice exercise but it is futile. They already know what will happen.

I would suggest to the member to enjoy her consulting tour across Canada. She deserves a nice trip and she will meet some nice people. But it does not make any difference to the frontbench what happens in these consulting tours. I have seen that time after time in nine years and it will not make any difference in the next budget. It has already been decided.

• (1750)

Ms. Sophia Leung: Mr. Speaker, as a matter of fact my experience is quite different because we spend a lot of time and effort. It is not just to have a trip. Actually we spend very intense and long days listening to Canadians.

The beauty of democracy is that we listen to the people we serve. Then we make the recommendations. There are over 40 recommendations. Then we present them to the Minister of Finance. He not only reviews them but in the past the former finance minister probably adopted 95% of the recommendations.

This is very important. We are doing a very demanding and difficult job because we respect and wish to listen to Canadians. In the meantime I encourage my colleague to believe in our democracy, to believe in what is best for Canadians. That is what we are doing here.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Mr. Speaker, I am pleased to speak on the prebudget debate.

Much of the debate this afternoon has been laced with a great deal of cynicism and there is a reason for that. My colleague from Esquimalt—Juan de Fuca and my colleague from Wild Rose gave voice to the frustration that is felt not only by members of the opposition but by many Canadians, given the government's record of spending, mismanagement and corruption. It comes down to something more fundamental than that. It comes down to the priorities the government has set for itself and by virtue of that, what it has set for the Canadian public.

With regard to the use of taxpayers' money, and it cannot be understated that it is taxpayers' money, there is but one source for government spending and for government programming. It comes

from the hard work and sacrifices of Canadians. There is a huge budget that is spent every year to buttress and to bring forward social programs.

Of course, the biggest expense associated with any social spending in the country is health care. Canadians have to ask themselves two very simple questions. Has their health care improved in the past 10 years under the government's management? Have their taxes gone down? Those are two very fundamental questions that have to be contemplated in the context of any budget or prebudget consultation.

Yes, consultation takes place, but whether it matters becomes the subject given what has occurred over a prolonged period of time, particularly under the tenure of the former finance minister, the member for LaSalle—Émard. He sat at the table and made very important decisions that had a profound and very negative effect on Canadians, in particular the cutting and the gutting of billions of dollars out of the Canada health and social transfer. That decision that was taken by the government has had a life altering effect and I dare say without being too overly dramatic, a life ending effect for many because of failed health care services.

I represent largely a rural constituency in the province of Nova Scotia. The Guysborough Hospital has been forced to make do with antiquated equipment and with insufficient personnel. St. Martha's Regional Hospital in Antigonish is facing the same challenges, as is the Aberdeen Hospital in New Glasgow. Without adequately addressing health care in the budget, those problems will continue.

Having said that, we all know there are many other areas that need to be addressed. One is the military. I would be negligent if I did not raise the issue of the very partisan decision that was taken by the government in 1993 to cancel the helicopter program not at a cost of millions of dollars, but of billions of dollars. The cost of the contract cancellation itself was in the ballpark of \$500 million, but there were spinoff costs that went into this partisan, very biased exercise of drafting and redrafting the procurement process in order to save face for the Prime Minister rather than saving lives for the military. That is very indicative of the level of corruption within the system.

That helicopter procurement process is now bumping along. It is into its 10th year since the cancellation. Most projections are that it may in fact be another 10 years before we actually take delivery of the helicopters. The government relented and finally bought some, but it took delivery of them in Nunavut out of the glare of the media and to avoid any kind of scrutiny. That again is indicative of this process of posturing, this constant process of avoiding accountability and doing everything for show rather than for effect.

There is a long record of that going back to the very beginning of when the government and its administration came to power. There was the blatant promise that it would get rid of the GST, the hated tax that was brought in that was intended to address the deficit, which it did. What did the former finance minister do? What did he write about in the red book, that now infamous document, that red faced, red book reversal document? He was going to get rid of it. The Prime Minister spoke of it at length during campaigns but it did not happen, of course.

Government Orders

●(1755)

The government reaped the rewards of that. It reaped the surplus that was created. At the same time the government continued about this very hypocritical process of telling Canadians one thing and doing another.

Another example was free trade, which again was condemned. Liberal members opposite campaigned adamantly against it. All sorts of misinformation was spread. Then lo and behold, after the election the Liberals embraced it and called it their own. The hypocrisy knows no end in the government.

The health care issue is the one impediment in the budget and all subsequent budgets that will prevent any substantive spending in other areas. This is the issue that has to be addressed. Clearly, until we have the health care issue in hand, we will not be able to adequately address some of the other deficits that have been created by the government.

Make no mistake about it, the deficit is not gone. The former finance minister of the Liberal government did not eliminate the deficit. It was transferred. It was transferred to the provinces. The government created a deficit for students in their incredible mounting debt. It created a deficit for the military. It created a deficit for our international reputation, which has suffered egregious harm under this particular government because of the very provocative attitude that has been expressed in particular toward the Americans and in particular because of its inadequate funding for the military and our inability to live up to our international commitments.

The legacy the Prime Minister is desperately seeking is really one of mismanagement of public money. It is one of corruption and deceit. The Liberal legacy goes like this: \$1 billion on a faulty firearms registry; \$1 billion on an HRDC boondoggle; hundreds of millions of dollars in shady advertising contracts; billions of dollars as a result of the cancellation of the helicopter program; patronage; pork-barrelling; corruption; cover-ups; arrogance; hypocrisy; offending the Americans; demoralizing the military; transferring deficits to the provinces; creating crushing student debt; ignoring the environment; soft on crime; and hard on taxpayers.

Why should Canadians think for a moment that the government is to be trusted? Why, after that 10 year record, would Canadians for a moment think that the government should be trusted on this budget or any other budget?

We have seen the Janus faced positions taken by the former finance minister and the Olympian backflips he has done on all kinds of issues. He truly is one of Canada's most talented contortionists that we have ever seen in the history of Parliament. He has done all sorts of backflips on issues since stepping out of the cabinet. I forget now, was he fired or did he step out? They could not even get that right.

If truth be told, he should have been fired for the job he did as finance minister. On his watch we saw the Canadian dollar fall to its lowest point in Canadian history. It is now hovering down around 62¢. That is an absolutely crushing problem for productivity, creativity and innovation in the country. The low dollar policy of the government has been crippling for the Canadian economy. It has

been going along in spite of the government's management, or mismanagement.

When I hear the words of the member for LaSalle—Émard, the former finance minister, it reminds me of a cow on roller skates on a frozen pond; it goes off in all kinds of shaky, shifty different directions. It is really not something that conjures up a great feeling of trust or security when one thinks of future leadership under that particular member of Parliament.

I want to turn back to the issue of consultation with Parliament and the process itself which should be useful in helping the government to identify the priorities of Canadians. In fact, what we have found again is an attitude which is very arrogant and dismissive of the provinces. We saw that with respect to Kyoto. We saw it with respect to the Youth Criminal Justice Act. We have seen it on numerous occasions wherein the provinces have been left holding the bag for administering government programs, for the costs associated with the shortfall because of cuts to the CHST, the costs associated with the creation of new administration.

●(1800)

While on that issue, there is the ballooning of bureaucracy under the government which, I hasten to add, is another broken promise. I understand that we have in the past three to four years expanded the Canadian federal bureaucracy by over 30,000 people. That is more people than in four small towns in Pictou County combined. That has not resulted in a more efficient or streamlined public service. Service delivery has not improved. We know that taxes continue to be a huge problem for the average Canadian. It is a huge issue when one considers that payroll taxes are still far too high and capital taxes continue to curtail business, expansion, innovation and productivity.

There are all sorts of other areas in which Canadians are basically carrying the can for the government and making sacrifices. If we put it into very simple terms, what would the result be if average Canadians in their places of employment were faced with the fact that hundreds of dollars had gone missing?

Mr. Keith Martin (Esquimalt—Juan de Fuca, Canadian Alliance): Madam Speaker, I would like to ask my colleague from the Progressive Conservative Party a question with regard to his comment about the misuse of public funds.

There is an endemic disease in our Parliament called study-itis. It has become an epidemic. When we have a problem, do we deal with the problem? No. We study it, survey it and consult on it. Once we have done that, what do we do next? Do we act on it? No. We study the studies. This is study-itis. It is rampant, it is epidemic and it is an enormous waste of taxpayer money.

My colleague mentioned a vast array of problems. Does he feel the reason for study-itis is because Parliament has become irrelevant to the decision making process in Canada, that Parliament is no longer the real legislative body and that legislation is controlled by the Prime Minister's Office which tells cabinet what to do?

Government Orders

The government is using hard earned taxpayer money to buy votes and is giving the illusion that it is dealing with the problems about which people are concerned. In effect the government is pulling the wool over the eyes of people and is using taxpayer money to buy votes and create more studies rather than fessing up to the problems which Canadians care about and acting on constructive solutions to deal with them.

• (1805)

Mr. Peter MacKay: Madam Speaker, I know my colleague from Esquimalt—Juan de Fuca is a medical practitioner and knows a great deal about the practical side of health care and its application.

He talked about the diagnostic role of government and mentioned the illusion of government being effective. I would agree that this government and this Prime Minister rival the man they call Reveen when it comes to presenting something as being good for Canadians, when we know in reality it is costing them hundreds of millions of dollars, if not billions of dollars.

The member also talked about study-itis and reports. He is absolutely right. There are very recent examples of that. The report “For the Sake of the Children” is a perfect example of the tremendous effort by both Houses to produce a report that would have resulted in some very practical changes to our law. What we saw today was a half-hearted effort on the part of the Minister of Justice to please everyone. The result is no one is satisfied and problems remain unsolved.

The member has certainly experienced the same frustration that I and other opposition members of Parliament have where the government calls upon the use of a study and the use of reports as a delaying tactic. If I could use a legal maxim to my friend who is a medical practitioner; delay is the deadliest form of denial. The government is best at delaying and denying that problems exist. When problems hit it square in the face, it blames somebody else. That is a sad legacy.

The member and I both believe that Canadians deserve better. We believe there is a more constructive way to approach governing this country. We on this side of the House have to be diligent, as I know my friend has been in his work, in coming up with new policies and ways to approach government and the very significant problems of which there are many. Canada is slipping. Our place in the world is in decline and under threat under this government.

I would very much encourage him to work with members of the Progressive Conservative Party to look for creative solutions and ways to present to Canadians an alternative that will result in restoring and re-establishing Canada's place in the world and improving the quality of life for Canadians.

Mr. Keith Martin: Madam Speaker, I thank my friend from the Conservative Party for his eloquent suggestions.

I want to close by asking him one other question. As a lawyer, does the hon. member for Pictou—Antigonish—Guysborough think the government's misrepresentation of the gun registry is a criminal abuse of power and a criminal misuse of the Canadian taxpayer money?

Mr. Peter MacKay: Madam Speaker, having spent some time in a courtroom, I know that if the representations made by ministers of

the crown and by members of the government were made under oath, I believe they would have been found in contempt of court. I believe that under provisions of the Criminal Code they could have been liable.

Do I believe that the consequences of those misrepresentations could result in criminal charges? The consequences of where that money went and the fact that much of it is unaccounted for, in my view, should very much be the subject of an RCMP investigation. That in and of itself may lead to some concrete criminal charges.

Hon. Art Eggleton (York Centre, Lib.): Madam Speaker, I think everybody in the House has a wish list of what they would like to see in the coming budget. There is no doubt that health care is on everybody's minds, with the Romanow report just having been published. That will certainly occupy a very central part of the budget.

If we go back to the Speech from the Throne, the government has put forward a number of areas as high priority. For example, child poverty and the need to develop a child care program as part of our early childhood education, which is a tremendously good investment in our young people. There are the needs of our cities in terms of urban infrastructure. There is a long term plan that will be developed and this budget will provide the opportunity to start it.

We also need investments in transit and in housing. Affordable housing is part of strengthening our cities. The report recently published by the Liberal caucus committee on cities calls for an urban strategy. It is a good framework to develop this kind of measure. I hope we will see things like that in the budget.

I hope we will see more money for defence. As I have suggested before, we need at least \$1 billion a year to square the defence program with the defence budget. I am hopeful that will be solidly addressed in this budget.

Then there is the environment. Having adopted Kyoto today there are measures that need to be advanced there as well.

One difficulty in all of this is that Canadians, while I am sure they would like us to invest in all the areas I just covered, want to ensure that we do not go into a deficit again, the kind of \$42 billion deficit that we inherited from the Conservative government.

I listened to the member just a few moments ago. I found it galling of him, when we consider the kind of mess in which his government left this government and this country with respect to its finances. The Liberal government over its nine years has pulled us out of that deficit situation and has reduced the debt substantially. As a result of those good economic measures, we have seen a lowering of our interest rate, an increase in our employment rate and now we can proceed with \$100 billion plan to cut taxes. That is the trick.

In summary we have to find a balanced approach. I know the Minister of Finance and the past minister of finance have excellently served this country in those portfolios. I know the Minister of Finance has very little room to manoeuvre because he said that the forecast for new surplus is not that significant in the coming fiscal year.

Private Members' Business

We will probably have to look at developing multi-year approaches. We have done that in the tax cuts area. We may well have to do it in defence. We will have to do it in health care. There is no way we can afford all those things that Mr. Romanow suggests in his report. Even if we decide to adopt all his report or even a portion thereof, it is a very costly measure over a number of years; some \$15 billion. Obviously multi-year programs will be required to fund that.

We want to ensure that we continue to find that balance. We want to continue to cut taxes, reduce debt and absolutely stay out of deficit. We want to continue to invest in the kinds of things that will help spread opportunity for all Canadians, whether it is helping to strengthen our cities or our health care program, or dealing with child poverty, or defence or the environment. These are all important things and I hope they will all be addressed in this coming budget.

•(1810)

The Acting Speaker (Ms. Bakopanos): The hon. member will have the rest of the 20 minutes when we resume debate on this motion at the next sitting of the House.

It being 6:14 p.m., the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

PARLIAMENT OF CANADA ACT

Mr. Eugène Bellemare (Ottawa—Orléans, Lib.) moved that Bill C-219, an act to amend the Parliament of Canada Act (oath or solemn affirmation), be read the second time and referred to a committee.

He said: Madam Speaker, this bill aims to modify the swearing of allegiance of members of Parliament.

When elected to the House of Commons members must swear allegiance to the Queen. This is done in front of the Clerk. The present oath reads as follows, "I [name of MP] do solemnly, sincerely and truly declare and affirm that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth, her heirs and successors, according to law".

What I propose today is that newly elected members be asked to add to the swearing of allegiance to the Queen the following affirmation:

I, [full name of the member], do swear [or solemnly affirm] that I will be loyal to Canada and that I will perform the duties of a member of the House of Commons honestly and justly.

I personally made this declaration after the 1993, the 1997 and 2000 general elections. I would also encourage my colleagues from various parties to do the same. To my pride and joy, a great number of newly elected members followed suit and I wish to congratulate and thank them.

After my private member's bill was drawn last month, I sat in front of the House of Commons private members' business committee to request that my bill be deemed votable. I had followed all five rules required to make a private member's bill votable, namely: that it be

drafted in clear, complete and effective terms; that it be constitutional and concern areas of federal jurisdiction; that it not concern issues that are not part of the government's current legislative agenda; and finally, that it transcend purely local interests and not be couched in partisan terms.

My bill addressed all of these criteria. Unfortunately, and to my great surprise and disappointment, the committee decided otherwise and made my bill non-votable. Why, I ask? This is unbelievable.

Canadians often ask me why it is that we seem to be the only country in the world where legislators do not swear allegiance to their own country. Perhaps those members among us who were against such a notion should explain to their constituents their rationale. I for one feel an obligation to my constituents and to all Canadians. It is also for me a principle of patriotism as well as accountability.

•(1815)

[Translation]

It is indeed a matter of patriotism and pride, but also a matter of accountability. We live in a country which, ever since its early days, has distinguished itself by an impressive series of achievements, both internationally and nationally.

I do not think it is necessary to point out the merits of Canada, but I do hope that its contributions make you feel the same sense of pride that I feel. The Canadian public itself certainly seems to feel that pride.

When asked to identify their ethnic origin, more than eight million citizens indicated Canadian, that is more than any other possible nationality, according to the 1996 census data published by Statistics Canada. This is something that is rather new in Canada. Until then, citizens were more likely to refer to their English or French, Irish or Italian origins, to give just a few examples.

This brings me to another important aspect. Without losing sight of our history and traditions, to swear allegiance to Canada and its Constitution is consistent with today's reality and desire, especially since the new oath would be in addition to the oath of allegiance to the Queen.

[English]

This private member's bill in no way negates or removes our allegiance to the Queen. Our parliamentary monarchy is part of our Canadian Constitution, our Canadian history and our Canadian heritage. We in the House also know that the Constitution cannot be amended by Parliament alone without the consent of the provinces and territories.

My proposed oath of solemn affirmation to Canada would be but an amendment to the Parliament of Canada Act, not the Constitution, and is therefore in proper order. It comes as an addition to swearing allegiance to the Queen. This is not an attempt to diminish the Queen. She still represents Canadian traditions. However the monarchy no longer embodies the whole picture.

Private Members' Business

The Canada of today is very much a multicultural society, depicting citizens from all over the world. Amid this impressive mosaic, “Canada” is the one word that applies to everyone in the country regardless of their region or background. This is, in large measure, because Canadians feel an overriding sense of pride and a sense of belonging in their country.

[*Translation*]

Recently, while he was being sworn in, a new senator added the word “Canada”. This gave rise to a short debate in the other place, where it was decided that it might be desirable for everyone in Parliament to swear allegiance to Canada. This is interesting coming from the Senate.

I think it is desirable to go ahead, to take the lead and not wait for the Senate to do so. We can only benefit from an initiative showing our pride in and gratitude to a country that has given us so much happiness and good fortune.

[*English*]

The affirmation that I am proposing, which would be added to the swearing of allegiance, is not just a series of words. It is the recognition of democracy and responsibility. This is about what our actual form of government is all about. It is a representative democracy. We owe our allegiance and accountability to the people who elected us and who we represent. This is in accordance with democratic principles around the world.

More often than not, democratically elected officials in countries around the world swear allegiance to their country and to the people of their country. Some will state that we are part of the Commonwealth. I would inform members that Jamaica and India are but two examples of Commonwealth countries that changed their oath to include the country. Many others are debating similar measures, such as Australia for example.

We have to recognize that we are elected by the people to represent their interests and their concerns. We answer to the people and we are responsible to the people who elected us. Let us make it official and further enhance the trust that Canadians have in their parliamentarians. We owe it to all Canadians. *Vive le Canada.*

• (1820)

Mr. Scott Reid (Lanark—Carleton, Canadian Alliance): Madam Speaker, I am speaking today in response to Bill C-219, an act to amend the Parliament of Canada Act (oath or solemn affirmation). I am generally supportive of the principle of this act.

Just to repeat, the bill would add to the current oath that we as members of Parliament swear. The current oath is very brief. It simply says, “I”—and then the person would give his or her name—“do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the Second...”.

The bill proposes to add the following words to that oath, “I”—again the person would give his or her name—“do swear (or solemnly affirm) that I will be loyal to Canada and that I will perform the duties of a member of the House of Commons honestly and justly”.

When I was sworn in, in November 2000, I proposed a secondary oath very similar to the one proposed here in addition to the one that

is required by law. About 50 or 60 other members of Parliament did the same thing. This was a practice followed by some members of Parliament in 1997 and some others following the 1993 election. Therefore, the tradition of swearing an oath that is not strictly legally binding but which we regard as being morally binding upon ourselves of swearing an oath to the people of this country and to the country itself, in addition to our oath to the Queen, has been developing and growing.

The bill proposed by the hon. member does retain the existing oath. As an enthusiastic supporter of the monarchy, I am very grateful to the hon. member for having kept that in. I think it is important, not merely because of my own support for the monarchy but because there is a value in maintaining and keeping our traditions. This includes the traditional forms of our government and the traditional forms of our oath. I do not think that one necessarily has to be a monarchist to swear the oath. As I will explain a bit later on, I believe that the Queen and the monarchy is and has been understood to be a symbol and a representation of the Constitution itself.

It is important, however, as we go through a debate like this, that one ought not to put too much weight in an oath itself as a separate institution from the two relevant factors that govern us in our actions as members of Parliament: first, the act of being elected legally; and, second, the act of performing our duties in conformity with the norms of our society, the norms of this place and of course the law of the land. A failure to take the oath or a failure to take the oath in a manner that is genuinely enthusiastic and wholehearted does not, it seems to me, mean that one should not be permitted to sit in the House of Commons.

When the Parti Québécois was first elected in Quebec in 1976, many members of the new government found it very difficult to take the oath that was then in effect for members of the Quebec provincial legislature. The saying was that they took the oath with their fingers crossed behind their backs. The oath of office was subsequently changed to read, “I”—and the person would give his or her name—“do solemnly affirm that I will be loyal to the people of Quebec and that I will perform the duties of a member honestly and justly in conformity with the Constitution of Quebec”.

While that sounds different, it is really very similar in practice to the oath that exists in Canada at the federal level because, as I say, the Queen was understood in 1867 to be the representative, the keystone, of our Constitution. This simply was an attempt to modernize the wording. While I regret the fact that the monarch was taken out of the Quebec oath, I think the substance is the same.

Similarly, I think what the hon. member is attempting to do in his proposed bill is to expand the current oath by reaffirming in more modern language the sentiment that was at the heart of the 1867 oath. Therefore, the two parts of the oath, the one that has existed since 1867 and the one being proposed by the hon. member, it seems to me, are actually parts of the same package and reaffirmations of the same sentiment.

Private Members' Business

• (1825)

What is particularly important in our actions as members of Parliament is that we act in conformity with the norms that govern the behaviour of members of Parliament and that we act in a spirit that conforms with the Constitution of the country. I do think there is a danger that members of either the federal or provincial Houses can act in a manner that is in contempt of their oath.

Taking an oath and then not following through on it is a very serious offence. In the most serious cases, and these are of course extraordinarily rare, it amounts to a betrayal of the Constitution that one has taken an oath to maintain. This has happened in a number of countries. It has happened, for example, to many American senators, congressmen and representatives who were elected in the 1850s and the 1860s. They subsequently violated their oath to represent the constitution of the United States. That act was terrible, indeed it was treasonous, but that did not prevent them from taking that oath initially.

The important thing is that we must always remember the substance of our oath of office, whatever those words may be, and that we follow through on those words as we perform our duties as members of Parliament.

Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC): Madam Speaker, I will speak very briefly to the bill before the House, Bill C-219, keeping in mind that it is not a votable item.

I do very much respect what the hon. member is attempting to do with his bill. I understand completely the intent of the bill, but I must profess my bias at the outset. It is a personal bias. I am not speaking on behalf of my party in this instance.

It is a private member's bill, but I very much would encourage Canadians to continue the swearing of allegiance to the Queen of Canada. I listened with great interest to the previous speaker from Lanark—Carleton, who I think has given a very insightful and knowledge based recitation of the evolution of how we have adopted this particular oath of allegiance. Keeping in mind the historical difference between Canada and the United States and the evolution of our two countries, we evolved from a Dominion and from a Commonwealth, whereas the United States broke away through an act of war. That is very much a part of their history. We obviously in fact have retained closer ties to the United Kingdom and to the monarchy and the Queen in particular.

This past summer was a wonderful example of how Canadians responded to the presence of the Queen. My colleague from St. John's West is very proud of his Irish heritage. Ireland, within the United Kingdom, has had a diverse history and a history that has at times been very contentious, but there is no denying history. I think we have to be very careful when we embark on any sort of revisionism. I am not suggesting for a moment that this is what the hon. member is doing, but there have been attempts by learned authors and others, including on some occasions members of Parliament, to rewrite history in a creative way that is not really reflective of where we came from.

My own personal view is that we should embrace this particular link to Great Britain, to our very origins, and embrace the fact that the Queen has continued, in a very diligent and forthright way, to

continue this lineage, this connection to our country. It is something that I as a Canadian feel very proud to continue.

We saw huge crowds of people, many of whom were young people who in their lifetime may not have even seen the Queen in Canada, yet I felt that this was a very heartfelt and genuine outpouring of affection and a link, a real connection, to the country's history.

I have personally taken the oath, as has every member of Parliament, with respect to this declaration. Yet there is no practical reason that a person who chooses not to swear allegiance to the Queen would ever be prevented from entering the House of Commons, as is the case in Great Britain in fact, because we know that members of the Bloc Québécois take their seats in the House of Commons having not professed this particular oath of allegiance. I would suggest that this tradition to allow an individual to accept or not to accept allegiance in this particular instance is within the Constitution. It is something that we should never truly engage in to prevent an individual who has been democratically elected from coming to this place.

This is a private member's bill. I am not going to get into the issue of the contentious and ongoing debate on how private members' bills come before the House, on some of the discrepancies in that issue and how the government has continually dropped the ball and left this problem hanging, as is the case. It is probably a microcosm of its approach on many issues in the country. That would be too partisan and too biased and this is not the time for it.

The bill is one that gives us an opportunity to at the very least debate the issue, to hear from members of Parliament, as a healthy and obviously useful exercise.

[*Translation*]

It is a pleasure for me to speak on this bill. I think this is an important debate. It is an opportunity for the members of the House of Commons to express their personal views. It is wonderful and great that each member be given a chance to participate in this debate in a very personal way.

• (1830)

[*English*]

This deals directly with one of the first formal entrances that one experiences upon being elected, one's oath and commitment to one's constituents, country and, if one chooses to do so, to the Queen.

I wish to congratulate my colleague for the work he has done on this particular bill. He has brought forward a thoughtful bill and obviously it is an issue he feels strongly about. I would encourage him to continue on this venture and to engage parliamentarians as to whether they want to see this particular formal entrance into the House of Commons.

I agree with him and the sentiments he expressed near the end of his remarks. He spoke of the need for representatives to represent their constituents, and the concerns and the interests of those who they represent, and to be answerable and accountable to the people, not only of their constituency but of the country. That official oath to Canada, to the Queen, is indicative and important of that commitment by all elected officials at the federal level and we see this in provincial and municipal governments as well.

On behalf of the constituents of Pictou—Antigonish—Guysborough I am proud to say, and I can say with fairness, that the constituents in my riding have expressed to me, and members of the Monarchist League of Canada have expressed quite clearly, that they are satisfied to continue the traditions of recognizing the Queen as the official head of Canada. They wish to continue the symbolism and history that comes with it, and the Governor General as Her official representative in Canada. It is something that is inextricably linked to our country's past and something that we should proudly embrace.

● (1835)

[*Translation*]

Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, it is an honour for me to rise to speak in today's debate on Bill C-219, An Act to Amend the Parliament of Canada Act. I would like to thank my hon. colleague, the member for Ottawa—Orléans, for introducing this bill to bring about a dialogue on this important issue of the oath.

Bill C-219 is straightforward and well written. The essence of the bill is found in two clauses. Clause 3 would add a new section to the Parliament of Canada Act providing that no person holding a seat in the House of Commons shall sit therein nor shall any funds be made available to such a person for the carrying out of parliamentary functions unless the person has taken the oath or made the solemn affirmation to Canada.

Clause 6 would add a new schedule to the Act with the text of the oath or solemn affirmation to Canada to be sworn by members. The proposed oath reads as follows:

I, *full name of the member*, do swear (or solemnly affirm) that I will be loyal to Canada and that I will perform the duties of a member of the House of Commons honestly and justly.

[*English*]

As all of us are aware, section 128 of the Constitution Act, 1867 requires all members of Parliament, senators and members of provincial legislatures to make an oath to the Queen. The oath is found in the fifth schedule to the Constitution and reads:

I...do swear, That I will be faithful and bear true Allegiance to Her Majesty Queen Victoria.

Obviously she was the Queen at the time and the oath has been adjusted for the monarch of the day.

This oath is consistent with other oaths found within our institutions of government. For example, cabinet ministers take an oath to the Queen. Under the Public Service Employment Act and the Oaths of Allegiance Act, public servants take the following oath:

I...do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth the Second, Queen of Canada, Her Heirs and Successors. So help me God.

Private Members' Business

I welcome today's debate as it provides an opportunity for us to consider this aspect of our institutional measures.

The oath that we are required to take under the Constitution has remained unchanged since 1867. Since then, Canada has become a mature, modern and independent country. For example: in 1931 we secured our authority for foreign affairs under the Statute of Westminster; in 1947 we established our own citizenship laws; in 1949 we abandoned appeals to the Judicial Committee of the Privy Council in London; in 1965 we adopted our own flag, on February 15, if I recall correctly; in 1982 we patriated our Constitution; and, through years of immigration, we have become one of the most multicultural societies in the world.

As a result of all these changes, one might wonder why it is that we have an oath of allegiance based on conditions present in 1867. In this regard, we are seeing changes made to some oaths. For example, under Bill C-18, the Minister of Citizenship and Immigration is proposing a new citizenship oath to include loyalty to Canada, so it is appropriate for us to consider whether the oath required of parliamentarians is appropriate in today's context.

I would note that there are a number of other factors that we should consider as we debate the bill. For one, we run the risk of having an inconsistent approach to the oaths within the institution of Parliament. For example, this bill does not cover senators, who would continue to be subject to the oath in the Constitution but would be unable to make an oath to Canada. As well, the bill would be inconsistent with the oath to the Queen required by cabinet ministers.

There are also legal factors that need to be considered in this approach.

Some could argue that this bill is an implicit amendment to the Constitution, raising questions about whether or not Parliament can unilaterally amend the provisions of the Constitution dealing with the oath. However, we know that Quebec's National Assembly has established an additional oath for its members, so this concern may not in fact be prohibitive.

I believe that the member for Ottawa—Orléans has put forward a valuable issue for consideration in the House. Perhaps there are other, non-statutory ways of achieving the bill's aims, such as through the Standing Orders, that might mitigate the concerns associated with this legislative approach, and since, of course, a modernization committee has recently been established, perhaps this is an issue that the committee could consider in its deliberations.

● (1840)

[*Translation*]

Mr. Eugène Bellemare (Ottawa—Orléans, Lib.): Madam Speaker, I very much appreciate the hon. members' comments. Their statements have one thing in common with my own and that is the respect we have for the Queen of Canada. I am in no way suggesting that we remove the word "queen" from the oath of allegiance. I am proposing that we add something, an affirmation of loyalty to our country.

Private Members' Business

We must respect those who have elected us. We must respect all Canadians who take the trouble to vote for their members of the House of Commons. We are accountable to the country and to our electors.

[English]

Madam Speaker, I wonder if you would consider asking the House if it would give unanimous approval to have my bill made votable.

The Acting Speaker (Ms. Bakopanos): Is there agreement to make the bill votable?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Ms. Bakopanos): Is there unanimous consent of the House to see the clock as 7:14 p.m.?

Some hon. members: Agreed.

The Acting Speaker (Ms. Bakopanos): The time provided for the consideration of private members' business has now expired. As the motion has not been designated as a votable item, the order is dropped from the Order Paper.

Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:43 p.m.)

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