



CANADA

# House of Commons Debates

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VOLUME 138 • NUMBER 068 • 2nd SESSION • 37th PARLIAMENT

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, February 26, 2003**

—

**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Wednesday, February 26, 2003

The House met at 2 p.m.

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*Prayers*

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• (1410)

[*English*]

**The Speaker:** As is our practice on Wednesday we will now sing O Canada, and we will be led by the hon. member for Edmonton North.

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

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## STATEMENTS BY MEMBERS

[*English*]

### YOUTH SCIENCE MONTH

**Mr. Lynn Myers (Waterloo—Wellington, Lib.):** Mr. Speaker, I am pleased to rise today to invite all hon. members to participate in Youth Science Month. During the month of March over 500,000 students take part in science fairs all across Canada.

This year's competition will culminate in May at the Canada Wide Science Fair in Calgary. Students are involved with the support of their parents, numerous private sector sponsors and over 8,000 volunteers.

Our government has made a strong commitment to foster a culture of innovation in Canada and I am pleased to trumpet the efforts of the Youth Science Foundation which has been doing just that for over 40 years.

Youth Science Month is the first phase of Youth Science Foundation Canada's national awareness program called "Innovation for the Nation". The program continues in the fall with the "What's Hot Forum" tour of key cities across Canada bringing young scientists together with academics, researchers and supporters to share and discover the newest challenges and ideas in science and technology.

I look forward to the opportunity to celebrate the future of science in Canada and I invite all hon. members to join me.

### INFRASTRUCTURE

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, last week the Liberal government presented another big city budget that provides virtually no support for rural Canada.

Although there are some provisions for infrastructure development, there are no guarantees to ensure that this money will actually be used for priorities such as water, sewer and roads, particularly in rural Canada where infrastructure is in steady decline.

One of the most disturbing results of this failure to reinvest in rural infrastructure are the "boil water" advisories in many regions across Canada, including Provencher. Water for all domestic purposes, such as for bathing children, for drinking or even for brushing teeth, must be carefully boiled before use.

Many Canadians feel that there are more Walkertons just waiting to happen.

Although investing in cultural centres is important, infrastructure money would be better aimed at ensuring safe drinking water for children. Taxpayer money should be used to improve the lives of ordinary Canadians instead of for pet projects in ministers' ridings.

\* \* \*

### BISON INDUSTRY

**Mr. John Harvard (Charleswood—St. James—Assiniboia, Lib.):** Mr. Speaker, on behalf of the member for Wascana, Saskatchewan's minister in the Government of Canada, I wish to acknowledge the important contributions being made by the Canadian Bison Association and the Canadian Bison Marketing Council.

From near extinction just a century ago, there are now more than 225,000 head of bison across Canada. In fact, the bison industry is now the fastest growing sector in the Canadian livestock industry. Bison meat is a healthy, natural product with considerable cultural significance and a high international appeal. Canadian sales now exceed \$50 million per year.

The Canadian Bison Association and the Canadian Bison Marketing Council have been instrumental in re-establishing the species and making it a viable commercial business. With over 1,200 members nationwide, they are committed to the promotion and development of the bison industry.

I would like to thank the chairmen, directors and executive staff involved for their continued efforts to seek improvements in areas such as trade and commerce, marketing, animal health, and disease surveillance. I wish them every success.

*S. O. 31*

### BUDGET 2003

**Mr. Carmen Provenzano (Sault Ste. Marie, Lib.):** Mr. Speaker, there is so much good news in budget 2003. Billions of dollars have been committed to increased spending in health care, social programs, municipal infrastructure and other important areas, all within the framework of a balanced budget.

What is amazing is that this new spending is occurring at the same time as the largest tax cut in Canada's history. The \$100 billion five year reduction plan is being implemented. By the end of 2005 the average income Canadian will enjoy a 21% reduction in personal income taxes.

When this budget is considered in light of the government's firm commitments to balanced budgets and debt reduction, and the unprecedented cuts to personal income taxes, Canadians should view the future with optimism.

When the response to a new budget is delivered to an equal chorus of too much and not enough, the government has probably achieved the balance it seeks in its fiscal programs.

I congratulate the Prime Minister, the Minister of Finance, the former minister of finance and the entire cabinet for this historic achievement.

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### WINTER OLYMPICS 2010

**Ms. Sophia Leung (Vancouver Kingsway, Lib.):** Mr. Speaker, last weekend the people of Vancouver voted to support the city's bid for the 2010 Olympics. The vote of confidence for the games has allowed the bid committee to move forward in planning for a successful bid for the 2010 winter Olympics.

I would like to congratulate all those who participated in the referendum. Whether they supported the bid or opposed it, democracy has spoken and now is the time for all Vancouverites to unite and ensure that Vancouver has the best bid and wins the 2010 games for Canada.

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### LIBERAL PARTY OF CANADA

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, this is the story of the Liberal Party and the several dwarfs.

The head of the dwarfs, whose name is Shifty, wanted to retire and many of the other dwarfs were eager to replace him.

One Newfoundland dwarf, named Fishy, was very interested but he had a falling out with Shifty and Fishy left politics.

Then there was this slick Toronto lawyer dwarf, whose name was Oily. But Oily was the author of several policy disasters and Oily withdrew from the race.

The Hamilton dwarf, Scary, is hoping to roll up the rim to win. Lord help us all.

The Ottawa dwarf is Grumpy, and that is his name too. Grumpy recently showed up at a day care and the kids, well, they are in therapy.

Finally there is the shipping magnate dwarf. His name is Richie. Richie is embroiled in an ethics controversy and apparently has entered the witness protection program because no one can find him; either that, or Shifty gave him the Shawinigan handshake and they will never find his body.

But no matter the outcome of the race to replace Shifty, it is an unhappy ending for Canadians.

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### SCOTT TOURNAMENT OF HEARTS

**Mr. Shawn Murphy (Hillsborough, Lib.):** Mr. Speaker, last Saturday night Prince Edward Islanders watched with great pride the semi-final game in the Canadian women's curling championship, the Scott Tournament of Hearts.

Prince Edward Island's rookie team, comprised of Suzanne Gaudet and her teammates, Rebecca Jean MacPhee, Robyn MacPhee and Susan MacInnis, played a great game, but unfortunately lost to the Cunningham team from Newfoundland and Labrador.

Although they narrowly missed capturing the semi-final game, they certainly did not fail to capture our hearts. Their presence at the tournament and their record during round robin play was definitely the talk of the province. Gaudet and her team did extremely well in their first year at this level and we will all be watching this team in the future with great interest.

I would ask that everyone join me in congratulating Suzanne, Rebecca Jean, Robyn and Susan, as well as fifth Donna Butler and coach Paul Power for a tremendous effort.

\* \* \*

•(1415)

[Translation]

### GROUPE SOUCY

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, I am pleased to highlight a major investment made by a business that was started in Drummondville and that continues to expand there.

Groupe Soucy announced a \$60 million investment that will create 630 jobs over the next three years, and protect the 1,100 existing jobs.

Since 1967, Groupe Soucy has specialized in designing and manufacturing parts and accessories for recreational, industrial and military vehicles.

The Government of Quebec provided the company with tax relief and a financial contribution because it has created and protected jobs and because it contributes to economic development and to promoting Quebec's expertise and know-how.

I am still stunned by the fact that the federal government did not want to support this type of project.

Congratulations to Gilles Soucy and to Groupe Soucy for their entrepreneurial spirit and for choosing to do business in one of the most beautiful regions of Quebec, the Centre-du-Québec.

[English]

### SRI LANKA

**Mr. John McKay (Scarborough East, Lib.):** Mr. Speaker, the success of the peace process in Sri Lanka is critical to all of us in the global community but most particular those Canadians originally from Sri Lanka.

There has been some initial success in maintaining an effective ceasefire over a number of months. We can only hope that the hostilities remain dormant while the negotiators do the difficult work of rebuilding the country fiscally and constitutionally. We call on all the parties to be measured and tempered in their language and in their responses to provocations.

Canada has played a significant role financially and has also supported the former premier of Ontario, Bob Rae, and the Forum of Federations.

Hopefully Mr. Rae and his colleagues will help the Tamil tigers and the government of Sri Lanka sort out a federal constitution that would enable a measure of peace and justice for all.

For those who are interested, VisionTV will feature an in-depth interview with Mr. Rae tomorrow night at 8 o'clock on its flagship show *360 Vision*. He will talk about the difficulties involved in uniting a bitterly divided country.

Canada can make a difference.

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### MEMBER FOR SURREY CENTRAL

**Mr. Stephen Harper (Calgary Southwest, Canadian Alliance):** Mr. Speaker, all of us in this Chamber work very hard but I want to mention something special about our colleague, the member for Surrey Central.

He became an MP in five years and eight months after immigrating to Canada, 2,005 days, a record in Canadian history. Today he has been an MP for exactly the same period of time.

During his two terms, in addition to serving his constituents well in the second most populous riding in the country, he has made a significant contribution to our Parliament. He not only actively participates in debates, he is in fact one of the most frequent speakers in the House.

He has introduced scores of motions and bills, among them recognizing foreign academic credentials, whistleblowers' protection, disallowance procedure for regulations and eliminating GST on top of other taxes.

He has been our deputy House leader and four times elected co-chair of the Joint House and Senate Committee on Scrutiny of Regulations and, I should say, one of the only two opposition members to chair any committee.

He has broken the Parliamentary record for consecutive voting attendance.

It is no wonder that we call him, on this special day, the "iron man of the Canadian Parliament".

S. O. 31

### BLACK HISTORY MONTH

**Mr. Mark Eyking (Sydney—Victoria, Lib.):** Mr. Speaker, February is Black History Month and I would like to draw to the attention of the House the unique accomplishments of the black Canadians in Nova Scotia.

The black community in Nova Scotia has strong roots. In fact Sydney, Nova Scotia is the site of one of the first black settlements in Canada, Whitney Pier.

The first Nova Scotian to win a Victoria Cross was William Hall, a black sailor from King's county. This is the highest military honour in the British Empire.

The son of freed slaves, William Hall joined the royal navy. He served in India where he was cited for his heroic actions. Hall's ship came to the relief of a besieged garrison and, despite taking heavy enemy fire that killed or wounded the rest of his crew, he continued firing cannons until the walls were breached. For this, he was awarded the Victoria Cross.

The accomplishments of black Nova Scotians is a testament to their vital contribution to our history.

\* \* \*

● (1420)

### CN RAIL

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, the Minister of Transport has introduced legislation to provide for review of significant merger proposals in transportation services under federal jurisdiction. This is welcome to the extent that it leads to something meaningful but, unfortunately, the horse is already out of the barn when it comes to the CNR. Its merger with Illinois Central has already resulted in the virtual takeover of a formerly Canadian railway, now owned and operated by Americans.

At the CN shops in Transcona there is a plan in place to demolish the only shop left in Canada that can lift a locomotive by crane, thus destroying an industrial capacity that has existed since the shop was built almost 100 years ago, in 1909.

Would a company with a truly Canadian point of view allow such a thing to happen? I think not. I urge CN to change its plans.

In the meantime, shame on the Liberals for allowing the privatization of CN, the conditionless merger with Illinois Central, the silent takeover of our largest railway and the export of jobs. The legislation comes too late.

\* \* \*

[Translation]

### PEACE

**Ms. Caroline St-Hilaire (Longueuil, BQ):** Mr. Speaker, not long ago there was a march for peace in my riding, in which students and teachers from a dozen elementary schools in Longueuil took part.

To show their support, students from Félix-Leclerc elementary school from grades 2 through 6 created poignant posters, cards and messages for peace.

*Oral Questions*

All of nine years old, Raphaëlle Bouchard presented me with these remarkable projects that are symbols of hope, asking me to voice their concerns to the Prime Minister to make him aware of the type of society in which they want to live, and their fears of an impending war.

As a mother of young children, I must say that the social conscience demonstrated by this peaceful protest and the concrete actions taken by these young people had a profound effect on me. As their representative here in the House of Commons, I am happy to be their spokesperson and to tell them that I stand with them in their call for peace.

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[English]

**EMPLOYMENT ASSISTANCE**

**Ms. Judy Sgro (York West, Lib.):** Mr. Speaker, 2003 marks the 10th anniversary of the self-employment assistance program in Toronto, a unique program that provides opportunities for unemployed Canadians.

Through Social and Enterprise Development Innovations, a national organization based in Toronto that manages the SEA program on behalf HRDC Canada, unemployed Canadians are given support and guidance to set up their own businesses and become self-sufficient.

Since it was established 10 years ago, over 5,000 clients in Toronto have started companies that generate over \$130 million per year.

There is no doubt that small business is vital to the health of Canada's economy. The self-employment assistance program serves over 10,000 clients annually across the country. I congratulate HRDC and the Social and Enterprise Development Innovations.

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**AIRPORTS**

**Mr. Rex Barnes (Gander—Grand Falls, PC):** Mr. Speaker, in 2002 national airports paid \$240 million in rent to the Government of Canada. In 2003 this rent is expected to increase by \$20 million. In 2010 the government will collect a total of \$4 billion in rent from airport authorities. This amount will be more than twice the book value of the assets that were initially transferred.

Federal rent demands will grow to \$500 million if this system remains unchanged. These fees are the single greatest cost facing small airports and are a major concern to the aviation industry. There is a huge concern that small airports will not survive if the government's fee structure remains unchanged.

Will the government make the necessary changes to ensure that all the airports remain viable?

**ORAL QUESTION PERIOD**

[English]

**ETHICS**

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, the Prime Minister has been using the Parker report on Sinclair Stevens to justify the special arrangements he made with the former finance minister, but the Parker report warned that so-called blind agreements cannot prevent conflicts of interest in the case of family businesses or family firms.

I ask the government, knowing this, why did the government allow these special arrangements with the former finance minister?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, the ethics counsellor wrote to the Prime Minister and the former minister of finance on March 4, 1994, confirming the supervisory agreement dated February 1, 1994, and the fact that it met all the requirements of the code. The Prime Minister also wrote to the former minister of finance on March 8, 1994, approving the measures in place.

All of the procedures were followed. The ethics commissioner's job is to enforce the application of the code. The former minister of finance followed the code and the ethics commissioner enforced the code.

•(1425)

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, that is what Erik Nielsen said and that is why the code is totally inadequate. Because of the Sinclair Stevens affair, the Parker report warned that family businesses or family firms with cabinet ministers would likely have to be sold to avoid conflicts of interest.

Will the government bring in an ethics code outlawing management of large private holdings by cabinet ministers?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, the Leader of the Opposition is correct that the arrangement under which the former minister of finance established his blind management agreement had its origin in the 1988 Conservative government guidelines, and several of these arrangements were made. In fact, we codified the practice.

I take what he has said as a representation and that is something that will stand on the record and will be considered.

**Mr. Stephen Harper (Leader of the Opposition, Canadian Alliance):** Mr. Speaker, I thank the government for considering it, because take the case of Canada Steamship Lines. It has interests that overlap the activities of virtually every government department: transport, industry, revenue, environment, fisheries, natural resources, trade, foreign affairs, and of course finance. Any current or potential Prime Minister with such holdings is exposed to continual conflicts of interest.

Will the government bring in an ethics code that will disallow a Prime Minister from having any personal control over firms with extensive holdings?

*Oral Questions*

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, I will not deal with any hypotheticals with respect to the Liberal leadership race, but I can tell the House, and I can tell the hon. member categorically, that in my nearly six years as transport minister the former minister of finance acquitted himself exceptionally well, absenting himself from any cabinet discussions dealing with the marine industry. Any measures dealing with the industry were handled by the secretary of state for financial institutions. The former minister of finance conducted himself in an exemplary manner.

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, perhaps the minister does not want to deal with hypotheticals but it certainly did not stop the former finance minister today. Earlier today he said that the ethics counsellor has been called upon to draw up new rules for him should he become Prime Minister. It does beg the question, does he now agree with us that there was and is something wrong with the old rules? Are the roles and responsibilities of the Prime Minister so dissimilar from the finance minister's that he really thinks he can keep himself above a conflict of interest under the current system?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, I am not going to deal with some situation that perhaps might occur in the future. What we are prepared to deal with are the actions of the former minister of finance while he was a member of the ministry. In that case, the guidelines were followed and the former minister of finance conducted himself in the appropriate manner.

**Mr. Chuck Strahl (Fraser Valley, Canadian Alliance):** Mr. Speaker, apparently the government thinks that a blind trust is kind of like growing mushrooms: to just keep the public in the dark and feed them a steady diet of fertilizer.

Here is what the Prime Minister said yesterday: "We call it a blind arrangement because we don't want to make it public". The Prime Minister completely misses the point. A blind trust is to keep the minister out of the loop, not the Canadian public. Is it not true that the former finance minister's supervisory agreement really was an illusion created by the government to pretend that there was a hands off arrangement between CSL and the former finance minister?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, absolutely not, and I would caution the hon. member not to engage in such innuendo.

\* \* \*

[Translation]

### IRAQ

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, in an interview with the German newspaper *Die Zeit*, Hans Blix, the chief UN arms inspector, reported that Iraq's cooperation had been substantial, progress has been made and a few more months will be required to complete the political disarmament.

At a time when the inspections are working and peace needs time, will the minister admit that by proposing March 28 as a deadline, Canada is bringing us closer to a war?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** On the contrary, Mr. Speaker. We are working on bringing two opposing positions at the Security Council closer together so that the Council

can achieve a united stand in order to avert war, by getting Saddam Hussein to disarm in conformity with the terms of resolution 1441. This has always been our goal, and will continue to be our goal, and we will stand by our policy in this area.

• (1430)

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, this is a pretty odd policy. This is the same minister who told us, "We are opposed to a deadline". Today, he is advocating it. He is a yes-man.

He is not bringing the two visions, the two strategies, closer at all. One is not to impose a deadline, and the other is to set a date. Would he not agree that what he is doing is helping the United States out, not trying to save peace but, rather, to save face for the United States? He is a follower. He has no strategy. He is a yes-man.

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I still cannot figure out why this opposition party is trying to misinterpret our position.

Our position has been to provide the international community and the Security Council with a document to work on. It is up to them to set a date, and to set it on the basis of the observations made by Dr. Blix who, I will remind the hon. members opposite, has set a deadline with respect to the missiles. He has told Saddam Hussein that he had to destroy them by March 1. This goes to show that, from time to time, the chief arms inspector himself finds that setting a date is a good idea, and so do we.

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, the Prime Minister himself said that this cannot go on indefinitely and that consultations were continuing in order to set a deadline. While the United States wants to invade Iraq, thus confirming the logic of war, Hans Blix is asking for a few additional months, which is more consistent with a logic of peace.

By proposing a March 28 deadline, is Canada not confirming our apprehensions that its mind is made up and that it supports those who advocate a logic of war?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, as we said and as the Prime Minister repeated yesterday, Canada's goal was to focus the Security Council's attention on disarming Saddam Hussein within a set timeframe.

Of course, it is up to the Security Council, based on its consultations with Mr. Blix, to determine this period of time. That was our goal. Our goal was never to set a date for war, but to ensure a peaceful resolution of this conflict.

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, not only is Canada playing into the hands of the United States by proposing a deadline, it is also siding with the Americans, who claim that resolution 1441 is, in and of itself, sufficient to invade Iraq.

Are this date and this message not yet additional proof that Canada is resolutely siding with those who are preparing for war?

*Oral Questions*

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, I think that opposition members are really looking for war. What we are trying to do here is to set conditions, so that the Security Council can establish parameters that will help avert war.

Of course, there must be a limit as well as conditions. Everyone is looking for these conditions. Let us work together and try to find conditions that will both disarm Saddam Hussein and maintain the Security Council in place, in its present status, because this is very important for the future of our world.

[*English*]

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, I say to the Minister of Foreign Affairs through you that it certainly appears that the government should take seriously the charge that it is participating in the logic of war through this proposed resolution, which the United States has described as merely procrastinating, procrastinating in terms of when the war will start, not whether there will be a war.

I want to ask the Minister of Foreign Affairs, will he share the Canadian resolution with this Parliament? The presidential spokesperson, Ari Fleischer, said earlier today, "Describe the Canadian resolution to me", when he was asked. We ask the same question. Describe the resolution to us. Give us the details so we can make our own judgment.

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the inconsistency of the hon. member was right at the beginning: that the United States accuses us of trying to procrastinate and at the same time he is trying to suggest we are playing the game of the United States. He cannot have it both ways.

We clearly are seeking, as the Prime Minister said in the House yesterday, in back channels, in the Security Council, as we are not members of the Security Council, to work with members of the Security Council to help them find clarity in a way in which we can keep the Security Council united and get Saddam Hussein disarmed without the necessity of going to war. We will continue those efforts.

•(1435)

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, it is not the opposition that is trying to have it both ways. It is the Liberal government that is trying to have it both ways when it comes to the possibility of a war in Iraq.

You will notice, Mr. Speaker, that the minister neither shared the Canadian resolution with the House nor promised to share it with the House.

So I ask him again, why do members of Parliament have to be in the dark with respect to what the Canadian government is proposing? Why can everybody else comment on it but we cannot because we do not know what it is? Will you share it with Parliament or will you give up on your own resolution—

**The Speaker:** The Speaker has nothing to share. The hon. member, I know, will want to address the Chair at all times during his questions.

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, through you to the hon. member, I would say that my problem with sharing a resolution is that there is no resolution. The hon. member knows that. This was deliberately referred to in

diplomatic parlance as a non-paper. It is therefore not a resolution. It is actually what the diplomats call ideas which are being circulated among other diplomats. If he wants to get an idea about it, which is all it is, he can read the various newspaper accounts, which have described it quite well.

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, the minister seems to be circulating in circles. Speaking of procrastination and uncertainty, listen to this: Canada's ambassador to the UN has proposed a plan that would set a deadline of March 31 to verify Iraqi compliance. Just last week, following the ambassador's speech to the UN, the Prime Minister told reporters that it was not Canada's policy to propose a deadline.

So as usual the Prime Minister has left great confusion and uncertainty. Does the Prime Minister agree or disagree with our ambassador? Will he confirm that Canada is proposing a decision date of March 31 and will he share it with the House?

**Hon. Bill Graham (Minister of Foreign Affairs, Lib.):** Mr. Speaker, the Prime Minister has always made it clear to the House that Canada is not on the Security Council at this time, that we are working with members on the Security Council who have asked Canada's opinion as to how we can bridge an important gap between the French and German position and the American, British and Spanish positions.

One way that this can be done is to allow everybody to understand, with Dr. Blix's help, what is a reasonable time for the inspections to be accomplished and what must be accomplished in the inspections. That was the purpose of the paper, no other purpose. It has been well received by members. They are discussing it. It has been helpful. Let us not look for—

**The Speaker:** The hon. member for Pictou—Antigonish—Guysborough.

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**ETHICS**

**Mr. Peter MacKay (Pictou—Antigonish—Guysborough, PC):** Mr. Speaker, there certainly is a gap all right: between the minister's position and the truth.

While the former finance minister's so-called blind management agreement allows for the briefings on matters related to Canada Steamship Lines in exceptional circumstances involving an extraordinary event—pretty subjective—the member for LaSalle—Énard has refused to answer the question. But as the person responsible for enforcing the code of conduct for ministers, would the Prime Minister tell the House what was exceptional or extraordinary about a sweet deal in Indonesia that would have allowed the former finance minister to peek through the blinds?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, the subsection of the agreement of the former minister of finance reads: "...at no time while this agreement remains in effect shall the Supervisors disclose to the Public Office Holder nor to anyone on the Public Office Holder's behalf any information respecting the Assets, other than such periodic information as may be required for the completion of the filing of income tax returns, or"—and I underline or—"as may otherwise be allowed by the Assistant Deputy Registrar General".



*Oral Questions*

These are the guidelines that followed the ones established by the Mulroney government in 1988.

\* \* \*

[Translation]

**TRANSPORTATION**

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, yesterday, the Minister of Transport raised the idea of tolls, meaning a new tax. I see that the only thing the Minister of Transport knows how to do is introduce new taxes. The chair of the Société des transports de Montréal said that he had reservations about a new tax to access the downtown core. The mayor of Toronto said that this idea is, and I quote, “stupid”.

Why does the Minister of Transport not contribute anything new to the debate on transportation, except to suggest new taxes?

[English]

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, as usual, the hon. member has gotten it wrong.

The fact is we have a congestion problem in Canada's largest cities, including his own, the greater Vancouver area. Many of the cities are looking at innovative ways to deal with the congestion. Other cities around the world have implemented certain measures. They certainly should be regarded and perhaps considered by Canadian cities at some point in the future.

• (1440)

**Mr. James Moore (Port Moody—Coquitlam—Port Coquitlam, Canadian Alliance):** Mr. Speaker, on transportation, Canadians are getting ripped off: gas taxes, air taxes, no rail strategy and no infrastructure strategy. The transport minister's blueprint offered nothing but fluff. After failing in federal politics, he now wants to dictate to cities on what they should do. He likes what the city of London, England is doing. It is imposing a \$12 toll to get into the city and now he wants Canadian cities to do the same thing.

Why is it that the transport minister has nothing to offer on transportation infrastructure except for the one, two punch of raising taxes and bullying cities?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, the hon. member obviously has not read the document that I tabled yesterday, because if he had he would have had some meaningful questions about rail policy and about airline policy. This is the result of two years of consultation with stakeholders. He says there is nothing in it. He is reflecting on all the stakeholders we consulted with, members on both sides of the House and the Senate. What does this say about the opposition?

\* \* \*

[Translation]

**IRAQ**

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, the deadline suggested by Canada is so imminent that it could be rejected by those who are our partners, that is those who want peace.

That might mean the United States could decide to go to war solely on the basis of resolution 1441, supported by Canada, which means war in the very near future.

In this event, will the government commit to call back the House, since we will be off for two weeks, before any irrevocable decision is made?

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, as far as consulting Parliament is concerned, the Prime Minister has made it very clear in the House that he would offer, at the first available opportunity, that an opposition day be designated, at which time the opposition could debate the theme of its choice, whether Iraq or something else.

During the recess, House leaders will consult if necessary, as we always do.

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, what the Bloc Québécois wants, to make it perfectly clear, is for no Canadian troops to be sent to fight in Iraq without the House having voted on it first.

Since we will be on vacation for two weeks, I am asking the government whether it can guarantee that this House—

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

**The Speaker:** Order, please. It is hard to hear the hon. member for Roberval. All hon. members will need to be a little quieter so that we can hear.

The hon. member for Roberval.

**Mr. Michel Gauthier:** Mr. Speaker, this Parliament will not be sitting for two weeks. Instead of cracking bad jokes, could the government commit with the greatest possible seriousness to allowing Parliament to have a say before our soldiers are sent off to war? That is what we want to know.

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, the Prime Minister has made a commitment. I will not trivialize this matter by questioning the hon. member's reference to vacation in his question. We all know that is not what a recess is all about.

The hon. member is well aware that a commitment has been made for a debate to be held as soon as possible when the House returns. If there are developments during the recess, House leaders will consult, as is always the case. That is what happened after the events of September 11, and there was unprecedented cooperation. It has always been done that way. Consultations are held.

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[English]

**SOFTWOOD LUMBER**

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, the softwood negotiations in Washington broke down because the U.S. lumber lobby has not reduced its demands for 11 months. In addition, it is calling for a border tax and U.S. retention of the billion dollars in Canadian cash deposits. It is insisting that the WTO and NAFTA legal challenges be dropped by Canada.

*Oral Questions*

In pursuit of free trade in lumber, I again ask the minister, will he pledge not to withdraw Canada's legal challenges?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, I can be absolutely clear that as long as the Americans will have that punitive 27% tax against Canadian exporters of softwood lumber, we will be going both to the WTO and NAFTA. We are there with six cases. We have a good chance of winning.

• (1445)

**Mr. John Duncan (Vancouver Island North, Canadian Alliance):** Mr. Speaker, the Minister for International Trade has not answered my question. By refusing to answer my question he is sending the opposite message.

The only reason the Americans entered the negotiations was that they lost at the World Trade Organization last year. Important softwood rulings from WTO and NAFTA are expected in three months.

In pursuit of free trade in lumber I ask again, will the minister pledge not to withdraw Canada's legal challenges?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, I have answered exactly that question. This has been at the heart of our strategy, gaining leverage against the American administration with our strong cases before NAFTA and the WTO.

We will maintain our action both at the WTO and at NAFTA as long as the Americans are harming our exports. We want free trade in softwood lumber and unfettered access for Canadian exporters to the American market.

\* \* \*

[Translation]

**KYOTO PROTOCOL**

**Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ):** Mr. Speaker, yesterday the Minister of the Environment said that appointing a negotiator to reach a bilateral agreement with Quebec for implementing the Kyoto protocol was not urgent. Yet, the federal government is exempting the automobile industry, and has reached an agreement with the oil and gas industry on its reduction requirements.

How can it be urgent to reach agreements with certain industries active in the rest of Canada but not with Quebec?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, I had very productive phone conversations with the Quebec minister just last night. Of course we will hold meetings with Quebec. As the Prime Minister said himself on November 27, we hope to reach an agreement with the Province of Quebec.

But there is no need for this to be done yesterday or the day before yesterday or today. This is not necessary. No, we have to hold discussions with all the provinces before agreements can be reached with any one province. It is very important to have input from all the provinces before signing any agreements.

**Mr. Bernard Bigras (Rosemont—Petite-Patrie, BQ):** Mr. Speaker, by reducing the requirements for the oil and gas industry and the automobile industry, is the Minister of the Environment not getting ready to increase the greenhouse gas reduction requirements

for other industries, especially industries in Quebec that have done more than their share so far?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, there are several sectors in the Canadian economy; at least 25. Discussions have to be held with all the sectors.

We do not have hundreds of officials who are in possession of all the necessary information. We must speak to everyone in turn. There will be a series of discussions. It is not a question of favouring one or another, by any stretch of the imagination.

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[English]

**FIREARMS REGISTRY**

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, today the justice minister is going to come to Parliament and ask for another \$170 million for the gun registry. That is unbelievable. Just yesterday for the umpteenth time the justice minister refused to tell us the total cost of the gun registry for all federal departments.

How can he possibly expect any parliamentarian to approve more money when he has no idea as to what the total cost will be? In fact, he cannot even tell us what has been spent so far.

**Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the question is interesting knowing that I spent two hours at the beginning of the week at the public accounts committee and I do not remember the hon. member asking the question.

One thing is for sure. If members look at the support that we have had from the Canadian population since the tabling of our plan of action, people know that we are going exactly in the right direction. People know as well that gun control does make a difference in our society. People know that the program has already delivered some very good benefits for the Canadian population.

**Mr. Garry Breitkreuz (Yorkton—Melville, Canadian Alliance):** Mr. Speaker, we now know what the minister means by cash management and running the registry at minimum levels. It has been spending \$1 million per day since Parliament pulled the \$72 million out of the gun registry budget in December. That is what it is, \$1 million per day.

Why does the minister have nothing but contempt for the House and Canadian taxpayers?

• (1450)

**Hon. Martin Cauchon (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, Canadian taxpayers know exactly that we are doing the right thing for Canadian society.

How could we convince the member of Parliament knowing what he said in a press release back in 1995? I will repeat it. The member said:

Gun controls will not improve public safety, it will put the public at more risk. Gun control will not reduce violent crime, it will increase violence.

He should talk to the victims associations from across Canada and to police associations that are supporting gun control. We are doing what is right for our Canadian society.

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### MULTICULTURALISM

**Mr. John Maloney (Erie—Lincoln, Lib.):** Mr. Speaker, the face of Canada is changing. According to the recently released Statistics Canada 2001 census, the total population of visible minorities was almost four million, or 13.4% of the total population. That is an increase from 11.2% in 1996.

Over the years police organizations throughout the country have evolved to meet the needs of our multicultural society. As society continues to become more diverse, police services will be required to respond to our changing demographics.

Could the Secretary of State for Multiculturalism and the Status of Women explain to the House how her department is facilitating this?

**Hon. Jean Augustine (Secretary of State (Multiculturalism) (Status of Women), Lib.):** Mr. Speaker, on February 27 and 28 I am hosting a national forum in Ottawa entitled "Policing in a Multicultural Society".

The forum will involve key federal departments, aboriginal and diverse ethno-racial leaders and communities, and the police. The forum will focus on three major areas: sharing information; building and strengthening partnerships; and showcasing tools and best practices.

Outcomes from the forum will be linked to an upcoming RCMP conference in June 2003.

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### HEALTH

**Mr. Svend Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, my question is for the Minister of Health.

There was a recent study by UQAM professors Lauzon and Hasbani of the big nine multinational drug companies. It showed that they had an obscene level of after tax return on investment, 41%, and that they spent three times as much flogging their drugs as they did on research.

I want to ask the minister, will she now, in light of this, withdraw her defence of big pharma and her contemptible attack on patients whom she blamed for taking too many pills? Will she instead accept the Romanow commission recommendation to fully review Canada's patent laws? Will she stand up for the sick and—

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

**Hon. Anne McLellan (Minister of Health, Lib.):** Mr. Speaker, it is most unfortunate that the hon. member chooses to misconstrue and misrepresent the comments that I made, but he does raise a serious point. That is in relation to both the cost and utilization of drugs in the Canadian health care system.

If the hon. member had taken the time to read the recent health accord, he would have seen that the first ministers have instructed their health ministers to take up both issues, the overall cost of drugs in our health care system and also the equally important issue of

### Oral Questions

utilization, how drugs are used and are we getting better health outcomes for all Canadians in the use of those drugs.

\* \* \*

### INFRASTRUCTURE

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, last week the Minister of Finance stiffed municipalities by leaving them out of his budget. We warned at that time that new taxes and user fees would be introduced. Yesterday the Minister of Transport introduced a plan with no new funds and today he is calling toll roads an innovation.

My question is for the Minister of Finance. Is this the best Canadians can expect? Is this the innovation we are going to see save our cities?

**Hon. Maurizio Bevilacqua (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, I remember back in 1993 when we inherited a \$42 billion deficit. The first thing we did was to introduce a \$2 billion infrastructure program that generated \$6 billion worth of infrastructure. Since then we have introduced \$8 billion worth of infrastructure program. That adds up to \$14 billion, if I am correct. That is hardly stiffing the municipalities.

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### SOFTWOOD LUMBER

**Mr. Bill Casey (Cumberland—Colchester, PC):** Mr. Speaker, in December the Minister for International Trade announced an outright grant of \$15 million to the Canadian Lumber Trade Alliance.

I would like to ask the minister, has the cheque gone out yet for the \$15 million? Exactly what accountability is required for the \$15 million? Will Parliament have access to the accounting of exactly where every single dollar went?

● (1455)

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, I do not know if exactly every single dollar, but my department is a very transparent department and the money would be in the accounts.

The \$15 million is to help the associations of softwood lumber producers. I think everybody in Canada will acknowledge that the softwood lumber associations of this country, from the east Quebec association to the British Columbia association, have been doing an outstanding job of promoting our interests in the United States.

Our government wants to stand by the associations and of course it would be transparent about the use of that investment in softwood lumber.

*Oral Questions***NATIONAL DEFENCE**

**Mrs. Elsie Wayne (Saint John, PC):** Mr. Speaker, in the latest attempt to silence its critics, the government has recently decided to cut the \$75,000 annual grant to the Conference of Defence Associations. All members from both sides of the House know of the invaluable contribution that the CDA makes to the defence community and the powerful criticisms it has levelled at the government for its treatment of the armed forces.

My question for the Minister of National Defence, how can the minister possibly defend cutting this annual grant when all the CDA has ever done is speak for those who guard our freedom? We need its advice and the minister needs its advice.

**Hon. John McCallum (Minister of National Defence, Lib.):** Mr. Speaker, the government certainly appreciates the support the CDA has provided the military. In this age of reallocation, my officials recommended to me that we no longer support advocacy groups and the CDA was the last of these on our books.

To put this matter in perspective, were the CDA to collect 12.5¢ per year from each of its members, it would easily make up the amount that the government has been giving it.

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**CITIZENSHIP AND IMMIGRATION**

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, to the Minister of Citizenship and Immigration, we are watching.

I asked this question yesterday and I will ask it again today. It has now been eight days since Ernst Zundel entered Canada. The minister's own department calls him a security risk. Is this man still in Canada?

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, it is in the public domain that the individual is in Canada. There is a process right now and we will let the process continue. I will not comment on any specifics. We believe in the rule of law. We believe in the due process and I cannot wait for the same question tomorrow.

**Mrs. Lynne Yelich (Blackstrap, Canadian Alliance):** Mr. Speaker, the minister has told us that knowledge of Mr. Zundel's presence in Canada is in the public domain. I think Canadians are more concerned about actions that are in the public interest.

When will the minister fulfill his duty by removing Ernst Zundel from this country?

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, my duty is to ensure I respect the system. I said that we believe in due process. There are ways, but I want to respect that process so I will not intervene personally. I want to protect the system.

\* \* \*

[Translation]

**SOFTWOOD LUMBER**

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, the Minister of Natural Resources answered yesterday that if additional measures were needed to assist victims of the softwood lumber

crisis, he would provide them. Entire regions are suffering from this trade war. Industries are in danger, and thousands of families are hit by unemployment.

Will the minister open his eyes and realize that phase two of the initial plan is needed now more than ever?

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, we are preoccupied by the potential negative impact of this trade dispute on the workers in the softwood lumber industry. That is why we have added to the \$450 million in EI benefits that are already provided every year through the employment insurance fund.

With \$246 million, \$71 million over two years to build on existing employment insurance programs and \$110 million to support communities to diversify their economies, the hon. member can rest assured that we are following this file very closely.

[Translation]

**Ms. Jocelyne Girard-Bujold (Jonquière, BQ):** Mr. Speaker, is Canada unable to stand up, to stop grovelling before the Americans and start defending workers and businesses hard hit by the softwood lumber crisis? The workers have had enough. Do something.

● (1500)

[English]

**Hon. Jane Stewart (Minister of Human Resources Development, Lib.):** Mr. Speaker, as I said, we are following this file very closely and we are heartened at this point to see that the Quebec lumber industry has in fact had a 7% increase in employment between January 2002-03 and that the number of employment insurance claims in Quebec continued to be lower than in the previous year in this industry. As I said, we are following it closely and we are responding as we should.

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**CITIZENSHIP AND IMMIGRATION**

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, the minister of immigration says it is his duty to respect the system and yet for the last two days his answers have shown that he is desperately trying to run away from a court verdict saying that he misled Parliament. Even more disturbing, he gave a twisted version of his own legislation in a futile attempt to deny the clear findings of the court.

Will the minister finally stand up, admit his mistake, or must the Prime Minister take action to ensure that he is accountable for his unacceptable behaviour?

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, another lawyer who cannot read the law. I am sorry about that.

*Oral Questions*

Section 74(d) is a procedure that mentions that when a case for immigration is still pending we are able to address certain questions. When it is certified we will see if we are going to appeal or not. That is why the process is still on and I will not comment on the process or the issue. The member should read the law.

**Mr. Vic Toews (Provencher, Canadian Alliance):** Mr. Speaker, the minister is not showing respect for the system. It is incredible for this minister of the Crown to suggest that reasons of a judge delivered in public are only a draft. The reasons of a judge, in fact, are final. They are the law. It is clear that this is simply a desperate attempt by the minister to avoid the consequences of misleading Parliament.

How can Canadians have any confidence in the system and in the minister, given his conduct?

[Translation]

**Hon. Denis Coderre (Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, desperate and disturbing are what you call an opposition with only 14% of the popular vote, unable to do its homework or comprehend the Immigration Act.

We respect the rule of law; we respect procedure. There is a process, and I intend to follow it.

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[English]

**CROWN CORPORATIONS**

**Mr. Pat O'Brien (London—Fanshawe, Lib.):** Mr. Speaker, as the Prime Minister said, integrity and public trust are the foundation of democratic government. More than ever Canadians are demanding transparency, openness and accountability from all governments.

I would like to ask the Minister for International Trade, what steps he is taking to ensure that the important crown corporations under his authority are truly accountable to the Canadian public?

**Hon. Pierre Pettigrew (Minister for International Trade, Lib.):** Mr. Speaker, I want to thank the hon. member for London—Fanshawe for his question. It gives me the opportunity to congratulate EDC on winning the Auditor General's award for excellence in annual reporting. This is the fifth time since the award was launched in 1994 that EDC has won the Auditor General's excellence award.

I also want to commend EDC on its corporate disclosure policy addressing transparency and accountability which reflects the government's policy on the openness of trade.

\* \* \*

**TRANSPORTATION**

**Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance):** Mr. Speaker, the Minister of Transport has stated on numerous occasions that the air security tax is justified because those who use air travel must pay all the costs associated with it.

That being the case, how does the minister justify providing almost \$3 billion to VIA Rail since 1993 to subsidize those who choose to travel by rail?

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, on this side of the House we believe in the passenger rail

system. Nowhere in the world does passenger rail make money. It is subsidized because it is needed. It is needed to bring Canadians together and to relieve congestion. I hope the hon. member continues his attacks because it only highlights the fact that the government is totally committed to passenger rail.

**Mr. Jim Gouk (Kootenay—Boundary—Okanagan, Canadian Alliance):** Mr. Speaker, the minister has been bragging about his government's success in privatizing and commercializing a large part of the national transportation system. Recently, he admitted that 40 companies had responded to his previous solicitation of interest in running VIA Rail and that something could have been done.

Why then did the minister not pursue this alternative instead of continuing the \$.5 million a day in operating subsidies and providing an additional \$400 million in capital funding?

● (1505)

**Hon. David Collenette (Minister of Transport, Lib.):** Mr. Speaker, it is true that many companies were interested in operating between Montreal and Toronto, but they were not interested in operating between Winnipeg and Churchill. They were not interested in operating between Montreal and Senneterre and serving Atlantic Canada. Only a crown corporation subsidized by the people of Canada will look after the interests of all Canadians.

\* \* \*

[Translation]

**GASOLINE PRICES**

**Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ):** Mr. Speaker, the Minister of Transport has described the new British tax to reduce traffic in downtown London as extraordinary and seems tempted by the idea.

Rather than thinking about taxing the taxpayers yet again, would it not be better if the minister refunded the special gas tax of 1.5 cents per litre for the deficit, and used the 10 cents per litre excise tax for road development, as is done in Quebec where the majority of fuel tax revenues are being reinvested in the ground transportation system?

[English]

**Hon. Maurizio Bevilacqua (Secretary of State (International Financial Institutions), Lib.):** Mr. Speaker, this issue of taxation keeps coming up and I do not understand. This is one of the great strengths of the government. We have reduced taxes by \$100 billion. The average family is now saving 27% and the tax burden has really gone down.

*Routine Proceedings*

[Translation]

**LATIN AMERICA**

**Ms. Yolande Thibeault (Saint-Lambert, Lib.):** Mr. Speaker, will the Secretary of State for Latin America, Africa and the Francophonie tell us what the Canadian government's reaction is to the anti-guerilla struggle and tensions between Colombia and Venezuela?

**Hon. Denis Paradis (Secretary of State (Latin America and Africa) (Francophonie), Lib.):** Mr. Speaker, the President of Colombia, Mr. Uribe, is trying to make the revolutionary forces in Colombia see reason. The forces are currently holding 3,000 hostages in the jungle, including Ingrid Betancourt.

[English]

We support the efforts of the Organization of American States regarding peace in the region. We ask the international community, and more particularly the neighbouring countries, to give support and to provide solidarity so that violence will be alleviated in Colombia and in the whole region.

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**THE ENVIRONMENT**

**Mrs. Carol Skelton (Saskatoon—Rosetown—Biggar, Canadian Alliance):** Mr. Speaker, western Canadians are at a loss to explain the environment minister's decision to close critical weather stations. The minister wants to close pivotal weather stations putting all our citizens and our agricultural industry at risk.

Why is he now asking Agriculture Canada to fund these critical weather stations and not his own department?

**Hon. David Anderson (Minister of the Environment, Lib.):** Mr. Speaker, the objective of Environment Canada's meteorological services is to provide the very best weather forecast that we can for Canadians everywhere.

This does not mean continuing with old technology and continuing with organization of our personnel and managers which are related to old technology. It means taking into account new technology, such as computers, satellites and Doppler radar. If those three things are not understood by the hon. member, I will explain to her what a computer is, what a satellite is, and what Doppler radar is.

**ROUTINE PROCEEDINGS****SUPPLEMENTARY ESTIMATES (B), 2002-03**

A message from Her Excellency the Governor General transmitting Supplementary Estimates (B) of sums required for the public service of Canada in the fiscal year ending on March 31, 2003, was presented by the President of the Treasury Board and read by the Speaker to the House.

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**MAIN ESTIMATES, 2003-04**

A message from Her Excellency the Governor General transmitting Estimates of the sums required for the service of Canada for the fiscal year ending on March 31, 2004, was presented by the

President of the Treasury Board and read by the Speaker to the House.

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• (1510)

[English]

**POINTS OF ORDER**

## ORAL QUESTION PERIOD

**Mr. Bill Blaikie (Winnipeg—Transcona, NDP):** Mr. Speaker, my point of order arises out of question period.

Members will recall that I asked the Minister of Foreign Affairs to share with the House the proposed resolution that the Canadian government will put before the UN Security Council as a possible option to the two resolutions that are now before the Security Council. I was told by the Minister of Foreign Affairs in question period that there was no such resolution. I forget exactly what he said, but it was to the effect that it was a non-paper.

We have here a press report which says that the Canadian proposal is being circulated at the UN. There is obviously a proposal that is being circulated at the UN and I ask the Minister of Foreign Affairs to table that proposal in the House of Commons so that members of Parliament can at least see what members of the UN Security Council—

**The Speaker:** The hon. member is an experienced member. He knows that some proposals that circulate are purely oral. We cannot conclude that because the newspaper report says a certain thing that therefore there must be a document or a writing.

The hon. member I know has an interest in the subject. He can pursue the matter in question period tomorrow. I strongly suspect that the Minister of Foreign Affairs may even be putting in an appearance some time soon before the foreign affairs committee, for all I know. Again the matter could be pursued there.

I do not think it is a point of order. It sounds like a supplementary question to me. With great respect, I think he ought to raise it at another time and place.

**Mr. Bill Blaikie:** Mr. Speaker, it says the Canadian idea was circulated around the UN Tuesday receiving a mixed response. I do not know what oral circulation is all about, but I know what is generally meant when people say that a proposal was circulated. It generally means there was something written that people could read and we want to read it.

**The Speaker:** The hon. member has made his point. It may or may not be in writing. The Speaker obviously does not know. I listened to the answer given by the minister. He indicated that it appeared to be an idea that was floating around, that was being circulated. Sometimes the media gets things inaccurately too.

**An hon. member:** No kidding.

**The Speaker:** The hon. member thinks I was kidding. No, it does happen occasionally.

*Routine Proceedings*

I know the hon. member for Winnipeg—Transcona will want to pursue the matter. I have said that. However I do not think it is a point of order. The minister did not refer to a document so we cannot force him to table it. He has made his point. I am sure that the minister will look at this point of order very carefully and consider what he will say the next time the hon. member, or one of his colleagues, asks him a question on this very subject, which I suspect might happen quite soon.

\* \* \*

● (1515)

**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.

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**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 27 petitions.

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**POINTS OF ORDER**

## THE BUDGET

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Speaker, my point of order concerns the failure of the Minister of Finance to rise in the House to deliver a statement on amendments or changes to the budget. I will be brief. I could have risen on a question of privilege and put forward an argument that a contempt had taken place. I believe that it has but I would rather not divide the House.

On February 18 the Minister of Finance delivered a budget to the House. At great expense to the people of Canada, documents were prepared and the media was locked up and briefed. The minister rose in the House and spoke for over an hour. That statement to the House of Commons stands as the budgetary policy of the government. The government, as I know only too well, stands or falls on the budget and it does so by vote in the House of Commons. The budget and its approval are central to the survival of government.

The House is now engaged in four days of debate on the budget. Last evening the House voted on the first of a number of amendments concerning the budgetary policy of government. That debate is a prelude to the important decision that will be taken when the House decides by vote whether it approves of the budgetary policy of government. This decision is vital.

Marleau and Montpetit, on page 753, states that concurrence in any Ways and Means motions "may not be proposed until the Ways and Means proceeding on the Budget itself is completed". That is another way of saying that the House must vote to approve the budgetary policy of government before the government can ask the House to approve its tax measures. Therefore the decision to accept or reject a budget is one of the core decisions we take.

The problem is that in this House we do not know with any certainty what that policy is. Nor do we know what provisions are in the budget.

The Minister of Finance made his speech in the House of Commons. Then according to media reports last weekend, the Prime Minister contradicted the Minister of Finance concerning Olympic funding and policy. The Prime Minister did so outside the House of Commons. Neither the Prime Minister nor the Minister of Finance has seen fit to acquaint the House with any changes to what the Minister of Finance said on February 18.

The House is left in the odious position of having the minister tell the House one thing, having the minister table documents that say one thing, and now we are told in the media that what was said in the House and what was tabled in the House is no longer applicable.

Three hundred and one members of the House of Commons are in the process of debating and voting on the budget that is being altered by the Prime Minister's whim and off the cuff imperious comments to the media.

The government owes it to the House, if it has any sense of accountability to Parliament, any sense of transparency, any sense of respect for the members of the House, particularly those silent souls who say that they support the government, to tell the House, in the House, what changes are being made to the budget. All of us need to know.

Changes have taken place in past budgets. I recall the infamous budget presented by the Hon. Allan J. MacEachen in 1981. Changes were made in that budget and the changes were announced in the House of Commons. Perhaps the government House leader will argue his procedural doctrine is superior to that of Mr. MacEachen but if he does, I think he will be alone in that contention. Mr. MacEachen knew that announcements were to be made in front of one's peers in the House of Commons.

I could also site the budget changes of Walter Gordon, but I need not burden the House.

In conclusion, the people of Canada send all of us here to treat their business seriously. If the government has decided, for whatever reason, to alter the statements of policy and intention as stated in the House on February 18, we need to know the details before we vote on the budget and we need these facts to be stated in the House by a minister rising under statements or in debate. It is simply not acceptable for the Minister of Finance to present a budget and then have the Prime Minister tell the media "Oh, we really didn't mean that".

● (1520)

I began by stating that I felt this was contempt of the House. I doubt that members opposite would vote to support that premise. However I do invite members opposite to look to themselves and remind themselves that they were elected to the House of Commons by the people of Canada and that they must demand, in the name of accountability and probity of the public business, that the Minister of Finance inform the House just what changes have been made in the budget since it was tabled on February 18.

*Business of the House*

The House is entitled to know what the policy is before we vote. At the moment the Minister of Finance has said one thing here and the Prime Minister has, apparently, contradicted him outside the House.

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I would like to correct a few things that the hon. member said here which may assist the Chair.

First, it is not the budget statement that is made in the House, that is the budget itself. It is the instrument that is tabled by the minister prior to him reading the budget statement. Mr. Speaker will no doubt know this as indeed would most hon. members. The document that was tabled in the House constitutes the budgetary document of the government.

A reference was made by the hon. member who just spoke about the requirement for concurrence in a ways and means motion following which the budget bill will be introduced. I have already indicated to House leaders, and I will be giving more detail on this tomorrow, what date the final budget vote will take place. It is only by our constitutional conventions, following the day of the vote on the main motion of the budget, that a minister of the crown tables and then seeks the House's concurrence in the ways and means motion, and only following that will the budget bill be introduced. Forty-eight hours or more later, the bill will be debated in the House.

What is in fact in those budget bills is not known to the hon. member across nor is it even known to myself at the present point because I do not yet have a copy of the document in question.

For him to somehow infer that the procedures that were used were not the appropriate ones, I do not believe bears any resemblance to what in fact has occurred.

On the other point the hon. member raised, he inferred that somehow all expenditures of the government had to be in, not only the budgetary document but in the statement made by the Minister of Finance in the House. Everyone knows that in the day to day operations of the government that is not quite the way it works. The motion that is produced to the House by the hon. Minister of Finance is that this House concur in general with the expenditure plan or the budget of the government. That is the phrase, I believe, almost word for word, that is placed here, following which an amendment and then a subamendment is placed before the House.

I think the Chair should consider all these things. If the Chair does, I believe the Speaker will conclude that nothing at all has occurred here, at least thus far, which is out of order, and I suspect nothing at all with regard to the budget. Although Mr. Speaker will be able to arrive at the conclusion himself once all these things have been tabled and actually introduced. In the case of the budget bill, this will be in some days from now.

**The Speaker:** The Chair thanks the hon. member for St. John's West and the government House leader for their interventions on the point. I will take the matter under advisement and get back to the House in due course.

**BUSINESS OF THE HOUSE**

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I have had consultations with all House leaders earlier this day and I seek unanimous consent for the following motion. I move:

That at the beginning and during the take note debate to take place later this day, the Chair shall not receive any quorum calls or requests for unanimous consent to propose any motion.

**The Speaker:** Does the government House leader have the unanimous consent of the House to propose the motion?

**Some hon. members:** Agreed.

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

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

● (1525)

[Translation]

**COMMITTEES OF THE HOUSE**

## FOREIGN AFFAIRS AND INTERNATIONAL TRADE

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Foreign Affairs and International Trade, entitled "Canada's Role in Addressing the Iraqi Humanitarian Crisis".

[English]

## JUSTICE AND HUMAN RIGHTS

**Mr. Svend Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Justice and Human Rights.

Pursuant to Standing Order 97.1, your committee is requesting an extension of 30 sitting days to consider Bill C-250, an act to amend the Criminal Code (hate propaganda), referred to the committee on October 24, 2002.

\* \* \*

**FIRST NATIONS VETERANS COMPENSATION ACT**

**Hon. Lorne Nystrom (Regina—Qu'Appelle, NDP)** moved for leave to introduce Bill C-405, an act to provide compensation to First Nations veterans on a comparable basis to that given to other war veterans.

He said: Mr. Speaker, I am proud to present this bill to the House of Commons once again to provide adequate compensation to second world war and Korean war first nations veterans.

First nations people were treated differently when they came back from these wars than non-first nations people. The bill would provide adequate compensation to the first nations people. It would have a national apology granted to them and also establish a scholarship in their name to honour the contribution they made to this country during the second world war and the Korean war.



*Routine Proceedings*

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

\* \* \*

**COMMITTEES OF THE HOUSE**

## JUSTICE AND HUMAN RIGHTS

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, there have been consultations among the parties and I think if you were to seek it you would find unanimous consent for the following motion. I move:

That 11 members of the Standing Committee on Justice and Human Rights be authorized to travel to Vancouver; Edmonton; Moose Jaw, Saskatchewan; Steinbach, Manitoba; Halifax; Sussex, New Brunswick; Sudbury; Toronto; Iqaluit; Montreal; Rimouski; or elsewhere in Canada, in April and May 2003 in order to hold public hearings in relation to its study on marriage and the legal recognition of same-sex unions, and that the necessary staff do accompany the committee.

**The Speaker:** Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

**PETITIONS**

## CANADIAN EMERGENCY PREPAREDNESS COLLEGE

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, Canadian Alliance):** Mr. Speaker, I am presenting a petition on behalf of the people of Renfrew—Nipissing—Pembroke, particularly Eganville, Barry's Bay, Golden Lake and Cobden, asking that Parliament recognize that the Canadian Emergency Preparedness College is essential to training Canadians for emergency situations, that the facility should stay in Arnprior and that the government should upgrade the facilities in order to provide the necessary training to Canadians.

## IRAQ

**Mr. Dominic LeBlanc (Beauséjour—Petitcodiac, Lib.):** Mr. Speaker, I have the honour to present a petition on behalf of the member for Markham, signed by many Canadians who are very concerned with the situation in Iraq and calling upon the government not to participate in any upcoming military invasion by the United States.

## CUBA

**Mr. Svend Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, I have the honour to present a petition signed by hundreds of residents of Toronto and Kingston, Ontario, particularly co-ordinated through the Worker to Worker/Canada-Cuba Labour Solidarity Committee.

The petitioners voice their grave concern about the impact of the Helms-Burton law that was legislated in the United States. They say that the law is a massive attack on Cuba, on the people of Cuba and on Canada.

They urge the Canadian government and Parliament to continue its opposition to the Helms-Burton law and to prosecute any Canadian company that cancels a contract with Cuba because of U.S. pressure.

Finally, they call upon Parliament to defend both Cuba and Canada by ensuring that any Canadian company that complies with the U.S. blockade of Cuba and the Helms-Burton law by cancelling contracts with Cuban companies is prosecuted under Canadian law.

● (1530)

## RIGHTS OF THE UNBORN

**Mr. Janko Peric (Cambridge, Lib.):** Mr. Speaker, pursuant to Standing Order 36 it is my privilege to present to the House a petition signed by 100 concerned citizens of my riding of Cambridge.

At the present time in Canada, one out of four children dies before birth from induced abortion.

Over half of all Canadians agree that human life should be protected prior to birth and yet there is still no law protecting unborn children.

Therefore the petitioners pray and request that the Parliament of Canada enact legislation that would provide legal recognition and protection of children from fertilization to birth.

## CHILD PORNOGRAPHY

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Mr. Speaker, I would like to present a petition today signed by over 200 people in my riding. It calls upon Parliament to protect our children by taking steps to outlaw all materials promoting or glorifying pedophilia or sado-masochistic activities involving children.

## DIVORCE ACT

**Mr. Larry Spencer (Regina—Lumsden—Lake Centre, Canadian Alliance):** Mr. Speaker, I have two petitions to present today on the same subject and mostly from residents of Ontario.

The petitioners are calling upon Parliament to modify legislation to ensure that both parents are actively involved with their children after divorce, and to modify support guidelines.

## CHILD PORNOGRAPHY

**Mr. Jay Hill (Prince George—Peace River, Canadian Alliance):** Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition containing some 55 signatures from constituents of Chetwynd and Fort St. John in my riding of Prince George—Peace River.

The petitioners call upon Parliament to take all the necessary steps to eradicate every form of child pornography in Canada. Since a clear majority of Canadians are opposed to child pornography, they feel the government should introduce legislation that outlaws all forms of pornography involving children in Canada; that Bill C-20 does not accomplish this; that more needs to be done to protect our children; and that we should act now.

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, pursuant to Standing Order 36 I have three petitions to present.

*The Budget*

The first petition, on behalf of constituents of Lambton—Kent—Middlesex, calls upon Parliament to protect children by taking all necessary steps to ensure that all materials which promote or glorify pedophilia or sado-masochistic activities involving children are outlawed.

## FREEDOM OF RELIGION

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, the second petition calls upon Parliament to protect the rights of Canadians to be free to share their religious beliefs without fear of prosecution.

## CANADA POST

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, my third petition I wish to present on behalf of constituents living in rural areas in Ontario who call upon Parliament to repeal section 13(5) of the Canada Post Corporation Act.

## STEM CELL RESEARCH

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Mr. Speaker, pursuant to Standing Order 36 I am pleased to rise today on behalf of the constituents of Surrey Central to present this petition signed by people living in the Surrey area.

The petitioners call upon Parliament to focus its legislative support on adult stem cell research to find cures and therapies necessary to treat the illnesses and diseases of suffering Canadians.

\* \* \*

[Translation]

## QUESTIONS ON THE ORDER PAPER

**Mr. Geoff Regan (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, Question No. 82 will be answered today.

[Texte]

Question n° 82—**Mr. Loyola Hearn:**

What plans does the government have to reduce the number of seals as a means of protecting fish stocks in Atlantic Canada?

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Seals in Atlantic Canada consume large quantities of fish, including cod. The Eminent Panel on Seal Management studied the situation and reported that the real impact of seals on the recovery of cod stocks is very complex. The panel concluded that while seals consume large amounts of fish throughout Atlantic Canada, there is less scientific evidence that this predation was having a major impact on the recovery of most commercial fish stocks. The panel also noted that many of these stocks would probably take a long time to recover to fully exploitable levels, even if all seal predation is removed.

A new multi-year management plan governing the Atlantic seal hunt has just been announced. The harp seal Total Allowable Catch, TAC, has been increased to 975,000 animals over three years with an annual TAC of up to 350,000 seals in any two years. For example, sealers could take 350,000 seals in two years, but would only be allowed to take 275,000 in the other year. This represents an increase of almost 18% over the previous TAC and is consistent with allocations requested by sealers in Newfoundland and Quebec.

The harp seal population will be reduced if the actual harvest is over 250,000 animals per year. If the full TAC were taken in each of the three years, it is estimated the population would decline to 4.7 million by 2006.

The panel's report, along with consultations with more than 100 stakeholders at a seal forum last November, greatly assisted in the development of this plan. The consultations included discussion on seal exclusion zones, or cod conservation areas, and cod predation by seals.

[Translation]

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

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

\* \* \*

[English]

## MOTIONS FOR PAPERS

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

**The Speaker:** Is it agreed?

**Some hon. members:** Agreed.

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**GOVERNMENT ORDERS**

● (1535)

[English]

**THE BUDGET**

## FINANCIAL STATEMENT OF MINISTER OF FINANCE

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

**Hon. David Anderson (Minister of the Environment, Lib.):** Madam Speaker, at the outset I would like to indicate to you that I will be splitting my time with the member for York North, who of course has been my parliamentary secretary for the last two years and a paragon of parliamentary secretary virtues, so it is a great pleasure to have her with me at this time.

Certainly I am pleased to rise in this discussion today to speak on the budget, which is the greenest budget in Canadian history. The citizens of this nation say that preserving the environment is a fundamental value of Canadians and the government agrees. When I travelled the country, as indeed the Minister of Finance travelled the country, we were told time after time that the environment is among the top priorities of Canadians. Canadians understand that link between the environment and health and the environment and the economy.

*The Budget*

Budget 2003 commits the largest investment to the environment in Canadian history. Quickly, let me say that there is a an implementation of the climate change action plan of \$2 billion. Second, in addressing critical environmental and health issues over the next two years, there will be an additional \$40 million spent on clean air, an additional \$75 million spent on the management of toxic substances and an additional \$175 million on the cleanup of federal contaminated sites. As well, over the next five years there will be the expenditure of \$600 million to improve water quality in first nations communities.

We will also spend, over the next two years, some \$74 million of new money to protect Canada's unique spaces and species through the creation of new national parks and new national marine conservation areas while ensuring the integrity of our existing parks system. In addition, there will be a new expenditure of \$33 million to assist in implementing the Species at Risk Act.

[*Translation*]

The \$3 billion announced in budget 2003 represents the largest investment ever made by a Canadian government in the environment. If we add this amount to the \$2.3 billion that has been invested in the environment since 1997, we get a total of \$5.3 billion, which is an unprecedented amount in the history of the Government of Canada.

[*English*]

This budget recognizes that economic investments must support environmental objectives, that environmental action is essential to long term economic growth and to sustainability, and that environmental action achieves social objectives such as good health and more liveable communities. It shows, in fact, that the government has clearly a green agenda.

[*Translation*]

Not only are the environmental investments included in this budget complemented by other initiatives that will promote sustainable development, such as new tax measures supporting biodiesel fuel and renewable and alternative energies, and by financial support for research in the Arctic, but the efforts made to achieve our goals regarding climate change will be integrated into the way the federal government will now operate.

By ratifying the Kyoto protocol in December, the Prime Minister was seen a leader on the climate change issue. The climate change plan for Canada is the outcome of extensive consultations with Canadians. We are currently investing \$2 billion, over a five year period, to implement this plan.

Budget 2003 will allow us to develop partnerships with other levels of government, industries and Canadians. This will help us reduce greenhouse gas emissions while stimulating the economy and cooperating on individual projects.

[*English*]

In addition, there are our investments in infrastructure, with an extra \$3 billion over the next 10 years added to the previous \$5 billion in previous budgets. That will give particular consideration to projects to achieve reductions in greenhouse gas emissions. Further, budget 2003 will also allow us to increase our support by \$300

million for research, development and commercialization activities of the most promising greenhouse gas reduction technologies, funded through the Canadian Foundation for Climate and Atmospheric Sciences and through the Canada Foundation for Sustainable Development Technology.

Federal programs, especially those in the industry portfolio of my colleague, such as the granting councils and the regional development agencies, have been asked in the budget to look to their programs to determine how they can enhance their contribution to meeting Canada's climate change commitments.

The government has worked very hard at making the environment a government-wide priority. Environmental issues are no longer the purview of my department alone. They in fact encompass every department and agency of government. It has been and will continue to be integrated in what we do as a government at every level and in every facet, from agriculture, to industry, to fisheries and oceans, to transport, to heritage and also the Department of National Defence. The environment is now a concern for them in ways that simply were not the case some 10 years ago.

● (1540)

[*Translation*]

Protecting nature is essential for our economic prosperity and quality of life. Again, protecting nature is essential for our economic prosperity.

The Species at Risk Act provides us with the necessary tools to protect threatened or endangered species, and the habitats that are indispensable to their survival.

The budget provides \$33 million, in addition to the \$90 million provided in budget 2000, to make good on our commitment and to implement the Species at Risk Act.

In the Speech from the Throne, the government made a commitment to take additional measures to preserve the ecological integrity of Canada's natural heritage.

Since 1993, we have already created seven new parks. Budget 2003 provides \$74 million for the creation of 10 new national parks and five new marine conservation areas. We are protecting new areas and we are creating new opportunities for future generations.

Budget 2003 also provides \$600 million, over a five year period, to improve the quality of water in first nation communities. This investment addresses a critical environmental and health problem, and it guarantees that the quality of life on first nation reserves will be improved.

*The Budget*

[English]

In many parts of Canada, such as the lower mainland of British Columbia and many Atlantic provinces, we continue to experience high levels of air pollution. Ontario has just had its worst smog season on record. The science is clear. Air pollution costs lives and creates enormous burdens on our health system. That is why there is a \$40 million sum announced in the budget to build on the \$120 million announced in 2001 as part of our 10 year clean air agenda.

Finally, our investments in fulfilling the commitments we made at the World Summit on Sustainable Development will contribute to lasting improvements in the quality of life of people around the world.

This budget is not the start nor the completion of our environmental agenda, nor the last of the work we have to do. Since coming to power the government has stressed the need for a long term approach to environmental management, such as our action plan on cleaner vehicles, engines and fuels. The budget recognizes this need and continues the budget after budget investments by the government on the environment and will help us achieve our long term objectives while at the same time improving the quality of life for current and future generations of Canadians.

• (1545)

**Mrs. Karen Kraft Sloan (York North, Lib.):** Madam Speaker, while I was the parliamentary secretary to the Minister of the Environment way back in 1996-98, I was unfortunately not the parliamentary secretary to the current minister. However, perhaps I can bask indirectly in his compliment.

I am pleased to speak to and support budget 2003, a budget that takes advantage of the sound state of the nation's finances to deliver important new initiatives that will benefit all Canadians. Allow me to begin with a few impressive statistics, some of which have already been raised by other members but bear repeating.

Canada led the G-7 in growth in 2002 and expects to do the same this year. Canada is the only G-7 country expected to record a surplus in 2002-03. Canada saw 560,000 new jobs created in 2002. This is more than any other G-7 nation and it is our largest 12 month gain on record. This is the government's sixth consecutive balanced budget. The Canadian standard of living has grown faster than that of any other G-7 country.

As I said, these statistics tell a remarkable story, but as we know, a budget is merely a collection of numbers and projections. One might ask, what is the human face of the budget? What will it really mean for the people we represent? Unlike some of my colleagues across the way, I have never believed that the bottom line of government begins and ends with balanced books, even though we have done an excellent job of that.

The purpose of government is not to count the beans well. Rather, it is to provide for the health and well-being of our people. It is to invest in Canadians, to constantly seek new advantages for them. For some, money spent on poor children, for example, is interventionist or social engineering. I say that it is money extremely well spent. Such programs reflect our moral obligation to improve the lives of Canadians. Those who would simply hand every excess dollar back

to tax cuts conveniently forget that it is our great social programs like health care, employment insurance and the CPP that Canadians point to first when asked what governments are for.

Allow me to touch upon some of the key investments that budget 2003 makes in the future of our country. First and foremost is health care. As we know, this is the number one issue for Canadians, including the constituents of my riding of York North. Our national health care system will receive an investment of \$34.8 billion over the next five years, which is a massive commitment of resources. Noteworthy in this is the \$16 billion health reform fund for the provinces and territories to target primary health care, home care and catastrophic drug coverage.

There are a number of very important announcements in this budget that will improve the delivery of health care. Let me mention two. First, the separation of health moneys from the Canada health and social transfer is very good news and will enhance transparency, as will the new accountability framework agreed to by first ministers. Also, the money targeted for home care and the new employment insurance benefit for six week compassionate care leave will go a long way in alleviating the stress and suffering many Canadian families face when a loved one is gravely ill or dying.

Budget 2003 also contains good news for small and medium sized businesses. Small business will benefit from the increase in the small business deduction from \$200,000 to \$300,000. Additionally, the EI premium rate will be reduced and the federal capital tax will be eliminated over the next five years.

My constituency of York North is home to the Chippewas of the Georgina Island First Nation. I am pleased to note that budget 2003 provides additional funds for aboriginal peoples: money for aboriginal people in urban centres, for education and training opportunities, for health programs, for first nations policing, for language and cultural centres, and for the Aboriginal Business Canada program. As well, \$600 million will be dedicated to upgrading water and waste water systems in first nations communities.

York North is also home to many farmers. Under budget 2003, agricultural producers will see an increase in funding support through a variety of measures, as well as increased funding to Canada's veterinary colleges.

• (1550)

Let me briefly mention some other key investments in the budget.

Canadian families will benefit from an infusion of \$965 million to the Canada child tax benefit. Some \$1.7 billion will be invested to further strengthen research and innovation. As well, \$285 million will be devoted to improving skills and learning opportunities for Canadians.

*The Budget*

I am also encouraged by the significant allocations in the budget for sustainable development initiatives. First among these of course is the \$2 billion over five years to help implement the government's climate change plan for Canada.

The budget will also invest an additional \$1 billion for other environmental measures. As part of this, there is a commitment of \$74 million over the next two years to help establish 10 new national parks and five new national marine conservation areas. This falls short of the recommendations of the Panel on Ecological Integrity of Canada's National Parks which called for a larger five year funding commitment, but I hope that we will see significant funds in future budgets to complete the action plan for national parks.

In addition, there are new moneys to implement the species at risk act and the significant improvements made to the legislation by members of all parties during its review by the Standing Committee on Environment and Sustainable Development.

I would now like to turn my attention to initiatives successfully undertaken by the Arctic research caucus.

Last year I was approached by an eminent Canadian Arctic scientist, Professor John Smol, who told me about the grave funding crisis in Arctic science. With the support of the former secretary of state for science and technology, the member for Vaughan—King—Aurora, the Arctic research caucus was formed.

In recent years the government has created a number of initiatives that reflect our distinctive identity as a northern people. These include the Arctic Council, the Arctic University, the northern dimension of Canada's foreign policy and the ratification of important international agreements, such as the Kyoto protocol and the Stockholm convention.

Arctic research is of enormous importance to all Canadians. It contributes to our understanding of so many issues facing northern communities. Ecologically for example, the importance of Arctic research is not limited only to climate change. It is also the pillar upon which our knowledge of all northern scientific issues rests, such as ozone depletion, transboundary pollutants and the changing nature of Arctic ecosystems.

I am pleased to say that budget 2003 has recognized some of the urgent short term funding needs for Arctic research. It provides \$16 million over the next two years to expand federal programs in northern science. The polar continental shelf program will receive an additional \$6 million over two years. There is a requirement in the budget documents that a portion of the \$125 million in new funds given to the granting councils be devoted to northern research. This is good news.

However, as our Arctic research caucus has discovered through its work, there are long term, more deeply rooted problems with the state of northern science. Chief among them is the fact that no one minister or department is responsible for a coordinated approach to the development and delivery of northern science policy and programs.

Other issues remain, including how research is conducted in the north and the ways that northerners, particularly aboriginal peoples, are included. But this budget takes important first steps by providing

new funding to crucial programs that support northern research. As well, the budget speech recognizes the unique contribution that Canada can make to the scientific study of the north.

In closing, a budget is more than a mere tally of revenues and expenses. It is the articulation of a vision for the future of the country. As budget 2003 so clearly outlines, our future is bright, our path is bold and our commitment to Canadians is fiscally sound, yet rooted in opportunities.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Madam Speaker, I listened intently to the speech by the member for York North. I paid particular attention to her reference to there being no need to balance the books; that was not part of what she thought was important. At least I give her credit. It is a return to the Liberal roots that we have seen for 30 years that put the country in such a difficult position to begin with.

I have two questions for her. Does she not recognize that accumulated deficits which now make our national debt on the federal side \$536 billion mean that about 23% of every tax dollar Canadians send to Ottawa goes to pay the interest? In fact, last year it was \$36 billion. Does she not recognize that is a huge problem for Canadians and there is a huge danger that we are going to go there again?

Since the Liberals have been in power, from 1993-94 to 1996-97 spending actually declined by 3.8% or \$13.3 billion. In phase two, 1996-97 to 1999-2000, spending increased by \$6.8 billion or 6.7%. In phase three, the one we are in right now, the spending spree, 1999-2000 to 2004-05, the timeframe the finance minister introduced in his budget, spending is increasing by \$40 billion, or 37%, during this period of time.

I have to ask the member for York North if she believes that this kind of spending level is sustainable. After all, if population growth and inflation were taken into account as a formula for how much spending should increase, that would be roughly 2% to 2.5% a year. Here we have spending levels in excess of 7% to 8% under the current government. Does she believe they are sustainable at that level?

• (1555)

**Mrs. Karen Kraft Sloan:** Madam Speaker, what the member opposite forgets is the condition of the nation's finances when the Liberals were elected and became the government in 1993. At that time we inherited a debt of \$43 billion. Actually that was the deficit, \$43 billion. Canada was identified as the basket case of the G-7 at that time.

We have come from being the basket case of the G-7 to leaders of the G-7. Our debt to GDP ratio has gone down by 20%. It has gone from the mid-60s down to 47%.

*The Budget*

Unfortunately I do not have it with me but there was an article in the *Globe and Mail* this past week which talked about the truth in the spending numbers. I am going to send it to the hon. member opposite to ensure that he is accurate in the numbers that he is quoting.

As I said in my speech, I am very proud of our government's record. We have shown fiscal responsibility. We have shown that we are prudent managers of the nation's finances. We made the tough cuts and indeed, Canadians sacrificed along with us as we made those tough cuts. Now we are making investments in the future that are really important. The bottom line of government is not a financial bottom line, it is the health and well-being of our people.

**Mr. Charlie Penson:** Madam Speaker, I rise on a point of order. I had asked a question of the hon. member and I would like her to answer it. Is this sustainable?

**The Acting Speaker (Ms. Bakopanos):** That is not a point of order first of all. That is a point of debate.

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Madam Speaker, I was going to say that it is sustainable because it is only 12%. It was 16% in the early 1990s.

Could the member very quickly comment on the budget from an environmental standpoint? I know the member is very strong in this area. How will it help her community in terms of the initiatives for spending targeted for environmental purposes?

**Mrs. Karen Kraft Sloan:** Madam Speaker, I represent the riding of York North, which is about a one hour drive from Toronto on a good traffic day. I have to say that there are times in the summer when we have real pollution issues in our community and indeed in the farther edges of my riding along beautiful Lake Simcoe. There are people who have difficulty breathing air. On one particular initiative I would like to commend the Minister of the Environment and the Minister of Finance for the investment that they have made in cleaning the air for Canadians.

**Mr. Rahim Jaffer (Edmonton—Strathcona, Canadian Alliance):** Madam Speaker, I rise to speak to the budget. Simply put, the budget is a failure. It has failed Canadians in some very basic ways. Why? Because the budget is born out of petty internal Liberal politics. It is a budget which says to Canadians that the billions lost to scandals and the massive tax burden do not matter because the Prime Minister wants a legacy. This is no way to budget the money of Canadians, never mind run a country.

By looking at specific examples within my critic portfolio of national revenue, such as the GST, the air tax, RRSPs and income tax, I will lay out the case that the budget has failed Canadians and failed my constituents of Edmonton—Strathcona. Also, as the Canadian Alliance has done in the past, by providing examples of fiscal responsibility that often the government has followed, I will put forward solutions that will rectify the shortcomings of the budget.

As the revenue critic for the Canadian Alliance, I had few expectations the government would do anything to help Canadian taxpayers in the budget. However, I did hope the government would allocate money in the budget to fight GST fraud. In fact, it did not.

GST fraud, simply put, is the writing of fraudulent GST rebate claims on non-existent international shipping orders and then

submitting them to Revenue Canada. CCRA then cuts a cheque back to the perpetrators of the fraud, such as organized crime. What is worse, the government knows about these criminals and does not even care enough about this type of crime to investigate it properly.

• (1600)

[Translation]

In fact, the history of the GST under this government, and the previous Conservative government, has been marked by the refusal to heed numerous warnings.

The first warning came from New Zealand tax expert Norm Latimer. At the time, he warned the government that this kind of fraud had been committed in New Zealand and that very specific changes needed to be brought in to stop it, including asking businesses submitting claims to attach receipts. Twelve years later, this requirement has yet to be applied.

[English]

In 1994 the Fraser Institute held a conference that discussed this very issue and put forward recommendations. In 1997 the Auditor General once again raised the alarm bells. What was the response of the government? It was to disband the special GST fraud investigations unit at Revenue Canada in 1995. This action was undertaken by the minister of finance at the time. The GST fraud unit was responsible for investigating these crimes. Now, thanks to the man who wants to be prime minister, there is no longer anyone watching the store.

Why is this important and why have I laid out the case that the government needs to address GST fraud in the budget? The answer is simple. GST fraud could be costing Canadian taxpayers a reported \$1 billion or more a year. It is \$1 billion disappearing into the pockets of those, in the words of the Parliament Secretary to the Minister of National Revenue, described as drug dealers and gun dealers. In another case in Surrey, B.C., \$22 million was stolen and laundered through the Khalsa Credit Union, whose founder and CEO is under arrest for participating in the Air India bombing, Canada's worst act of terrorism.

The Canadian Alliance hoped that the government would have reallocated funds under CCRA to re-establish the GST fraud investigations unit. We had hoped that it would have finally heeded the numerous warnings and implemented regulatory changes to stop this type of fraud. It did not. It is just another way the budget has failed Canadians.

More important, a Canadian Alliance government would undertake to reduce the overall level of the GST. We believe that this is an important step in the overall process of reducing the tax burden of all Canadians.

*The Budget*

[Translation]

Like the GST, the air travel security tax is a heavy burden this government is imposing on Canadians. In the previous budget, the former Minister of Finance chose to impose a uniform \$24 tax on the Canadian travelling public. He argued that this measure was to improve safety following the events of September 11.

However, the fact is that this tax went directly into the consolidated fund and was used to fund numerous white elephants, such as the gun registry and the sponsorships awarded to Liberal cronies.

Instead of investing the money of Canadians in such a way as to ensure their safety and security, the Liberals are investing it to ensure they get re-elected.

● (1605)

[English]

Sadly, the money has not gone toward security upgrades at our airports, especially where it is needed the most, like resources for our customs agents who do a great job despite the government's poor management. What it has done is to further hurt Canada's airlines, already reeling from the downturn in air travel following 9/11.

The Canadian Alliance has been calling for an end to this tax since its inception. The government's response was to slightly reduce it, not eliminate it. This is totally unacceptable, yet another failure of this budget.

[Translation]

Another thing the government has failed to act on is the immediate increase in the RRSP contribution limit to enable Canadians to save for their retirement.

This budget will have the RRSP contribution limit increase to \$18,000 by 2006. While commendable, this measure is spread over a much too long period. Canadians must have the assurance that they can save for their retirement now, not later.

Also, this limit is lower than the one recommended in the report of the Standing Committee on Finance, which was an all party report.

[English]

Just as Canadians need to be secure in their ability to save for their future, they need to be secure in the knowledge that the money they earn is not gobbled up by income tax. Unfortunately, this budget fails Canadians in that respect. As a result, Canadians will continue to be taxed beyond their means. Nowhere in the budget is there reference to cutting the personal income tax rate. Instead the Liberals seem content to continue the harsh level of taxation on families and other Canadians who are struggling to get by.

The Canadian Alliance has pledged on numerous occasions that we would cut personal income tax rates. We are still committed to that and will follow through when we become government.

With the surplus as large as it was in this budget, it would have been prudent for the government to give most of it back to Canadians and not spend it like drunken sailors. It is unacceptable that in the budget the spending is up by 88% and tax reduction is only 12%. Outrageously, in the case of EI, the reduction will only

amount to 2¢ on every dollar. The money belongs to the workers and employees and deserves to be returned, not spent by this irresponsible government. We would have liked to have seen much more on that front.

Let me conclude by bringing this full circle by looking at what a Canadian Alliance government believes and what we would have done differently.

The Canadian Alliance stands for tax relief for all Canadians. The Canadian Alliance is working for individuals and businesses to ensure payroll taxes do not destroy jobs. The Canadian Alliance is for a strong health care system. The Canadian Alliance is for a vibrant military, able to defend the interests of freedom and democracy around the world. The Canadian Alliance is for reducing the national debt level so our children and grandchildren do not have it hanging over their heads like an albatross. Most of all, the Canadian Alliance believes in respecting all Canadians.

This is what the Canadian Alliance is against. We are opposed to giving away government contracts as a way of securing corporate donations. We are opposed to wasting a billion dollars on a gun registry that will not stop criminals. We are opposed to a billion dollars in HRDC grants that just seem to disappear. We are opposed to allowing organized crime and terrorists the freedom to defraud our GST system for another billion dollars. Most of all, we are opposed to a government that openly disrespects Canadians.

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Madam Speaker, I listened to my colleague's comments. I am a little disappointed because the fact is we have made strategic and significant investments in health care, which is what Canadians wanted. We have been able to do it without a deficit. We are the only G-7 state paying off the national debt, down to 44.5%, and spending is at 12%. It was at 16% in the 1990s and it will decrease to below GDP in the next two years.

If we did everything the Canadian Alliance said, we would spend ourselves broke. At the same time, if we cut everyone's taxes, there would be no more revenue coming into the government and therefore we could not invest in the areas that the hon. member has suggested we should do.

The hon. member forgets that we have a \$100 billion tax cut in five years, and we are presently in the third year. In the budget we have dealt with the issue of the capital tax, again responding to small business. The hon. member should know that the finances of the nation have never been better.

*The Budget*

We go back to 1995 when the *New York Times* said that we were a basket case. Today we are not. I would like the hon. member to respond to the issue that in June 1995 the *New York Times* said that we would almost have to go to the IMF because we were in such dire financial straits. Today, we have no debt. We have six balanced budgets or better. We are able to cut personal income taxes and invest in Canadians. Could the member respond to that?

•(1610)

**Mr. Rahim Jaffer:** Madam Speaker, I am not sure if I mentioned I am splitting my time with the member for West Vancouver—Sunshine Coast.

The parliamentary secretary mentioned he was disappointed. He was disappointed because the truth hurts, let us face it. I want to remind the parliamentary secretary, which he failed to address in his comments, that we have seen one of the largest surpluses in the budget than we have ever seen. The government could have put some of that money back into the pockets of Canadians.

Let us face it, the parliamentary secretary talks about strategic investments for Canadians. Some of the best people to make those investments are Canadians themselves. When we compare the tax rates of this country with our biggest partner down south, we know why we have these productivity gaps. We know why we are losing a lot of youth to the south. The government should start realizing that unless it starts to bring personal income tax in line with that of the United States, we will continue to lose to our partners to the south. There is no reason that should happen, especially in a country as rich as ours.

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Madam Speaker, the parliamentary secretary bragged about balancing the budget. Anyone can balance a budget if taxes are increased. That was the challenge. Balancing a budget by increasing taxes on the backs of taxpayers is not a miracle. The government members are bragging about the budget. I consider the budget to be a tax and spend budget.

The member for Edmonton—Strathcona mentioned that EI premiums were decreasing by only 2¢. Would the member agree with me that the government, instead of reducing the premium significantly, has stolen \$25 billion from the EI fund that belongs to employers and employees?

**Mr. Rahim Jaffer:** Madam Speaker, there is always a thoughtful question from this side of the House. I am always pleased to respond to my colleague who is a very thoughtful member in this place. He is absolutely right. That money belongs to the employers and the workers of this nation who would have created more jobs if that money had been left in their hands.

Let us face it, the government fails to recognize that. It is giving a measly 2¢ to workers. It could have done a lot more if it had reduced that EI surplus, of which it has taken advantage. Even on the side of CPP, the government has actually raised the premium. Payroll taxes are incredibly high in this country.

The parliamentary secretary mentioned one thing about debt. Debt did not even come to the lips of the Liberals. It was because of the opposition that the government actually followed through in reducing the debt. I wish the parliamentary secretary would give credit where it is due.

**Mr. Rob Anders (Calgary West, Canadian Alliance):** Madam Speaker, I have a question for my hon. colleague from Edmonton. I think it was the Liberals in 1993 who talked about how they would kill, scrap and abolish the GST. Now that they have had a huge budgetary surplus, whatever happened to killing scrapping and abolishing the GST? What has happened to even reducing the GST?

**Mr. Rahim Jaffer:** Madam Speaker, again that is an excellent question. We have to remind ourselves that the government made one of its biggest promises, which was to eliminate the GST. The government has not done that. In fact it has managed it so poorly that now we are losing almost billions of dollars in fraud. That is a shame.

**Mr. John Reynolds (West Vancouver—Sunshine Coast, Canadian Alliance):** Madam Speaker, I found it extremely interesting listening to the parliamentary secretary brag about a government that has cut the deficit. He forgets that the government when was elected it promised Canadians it would eliminate the GST. That is not the real reason why it paid down the deficit. It paid down the deficit by cutting the guts out of health care and the defence department. I could go on and on. That is the real reason it got the deficit down. Then the government had the GST money to play with, to spend on its Liberal programs. The government also does not talk about the fact that the debt is larger today than when it took over.

What is there to brag about? The debt is larger. The government could have used a lot of the money it spends on its wasteful programs, like the billion dollar boondoggle and the gun registry, to lower the debt, to ensure that our dollar was stronger and to ensure that Canadians did not owe so much money. That is the Liberal way.

The budget of February 18 was as close to a socialist Liberal document as the House has seen since the wild spending days of the sixties and seventies. The word “prudence” has been ripped from the Liberal vocabulary.

This was an equal opportunity budget. Every working Canadian has an equal opportunity to watch his or her hard earned dollars squandered by a lame duck Prime Minister and a wannabe Prime Minister. Every mother, father and child is equal in Liberal eyes as a potential source for the dollars needed to buy off the special interest groups or as inspiration to write reams of new legislation to control their lives.

This is a government that believes every living Canadian has an equal opportunity to be denied a higher standard of living because Liberals like to chase hare-brained schemes that cost billions of dollars more than the millions they promised.

Last week the finance minister boasted about the number of new jobs created within the Canadian economy. Liberals are always quick to claim credit for employment gains but they are painfully slow to recognize and respond to the needs of the people who are responsible for job creation. Remember that. Liberals take credit for the job creation but rarely do anything to help the real creators of jobs: Canada's living, breathing and risk taking entrepreneurs.



*The Budget*

Let me cite figures regarding Canada's food services industry. This is an industry with annual sales of \$42 billion with more than one million employees. It is the largest employer in this country. That is over 6.5% of Canada's total workforce. These are employers and employees who fund the employment insurance program, and \$45 billion over recent years has been stolen from them by the Liberals.

The Liberals rattle on about a \$45 billion employment insurance fund but they hide the truth from Canadians. There is no fund. There is no surplus. All that money, all \$45 billion has been spent, squandered by the Liberals who all time pretended it was being banked for the employers and the employees.

Now the Liberals are promising to reduce contributions by 12¢ and that is beginning next year. That will give the Liberals a juicy \$3 billion to add to their slush fund in the next 12 months. Why could it not have been now, not next year?

I have two questions. Why is it when Liberals promise to return money to the taxpayers it is never immediately? It is always next year or the year after that. Why did they not reduce employment insurance premiums immediately? It would have pumped \$3 billion into the economy this year alone. That would have been \$3 billion for those employees and employers, the people, the entrepreneurs and the risk takers in this country. That \$3 billion, circulated among taxpayers, would help our economy a lot more than having Liberals pick it over like vultures on a carcass. We know that a lot of good and dedicated people at senior levels and middle management are as dismayed by political spending as we are.

Here is another question which has to do with the Liberal belief that equal opportunity means the working poor must feel more pain than wealthy Canadians. Why will the Liberals not adopt a yearly basic exemption which would benefit those most truly in need: low income Canadians and labour intensive businesses? A \$3,000 yearly basic exemption would benefit lower income Canadians and working students who pay a higher percentage of their incomes to the system than the higher income earners. Those Canadians who would benefit from this system should know and remember that it is the Liberals who are resisting this wonderful idea.

• (1615)

The Liberals who are resisting are those who pretend they have the talent, compassion and vision that leadership requires. They are the ancient mariner himself, the member for LaSalle—Émard, and the present finance minister, the member for Ottawa South. Many people who are employers and employees in the food services industry in both of those ridings should remember they have no friends in the Liberal Party.

What last week's budget confirmed for thoughtful Canadians is that the Liberals will never change. They will continue to gouge all Canadians for more tax dollars because the Liberal priority is to spend.

A party that cared about the future of Canada, and not about the future of the party alone, would have brought in a budget of compassion and vision. A party that cared less about power and more about the people it purports to govern would have reversed the spending and tax cut numbers in that budget. It announced \$17.4 billion in new spending over three years, but returns only \$2.3

billion to the taxpayers over that same period. That tells us what the Liberal government is all about.

It would amaze and please taxpayers if just once the Liberals announced they planned to return more to taxpayers and to spend less on HRDC boondoggles, the firearms registry, or to lose less to GST fraud.

A government that cared less about power and more about its citizens would never have promised and then tried to implement a firearms registry program. This is another billion dollar scandal on top of so many that have gone on before. I mentioned the HRDC boondoggle and we are waiting with trepidation for the final cost to taxpayers of the GST fraud, but a billion dollars is not out of the question.

A government that cared about families and lower income earners would listen when the Canadian Alliance called for a reduction in the federal tax on gasoline. A government that cared would immediately implement a yearly basic exemption for lower income earners.

A government that cared would never have squandered all the billions of employment insurance money sent in by trusting and hardworking Canadians. They all believed that money was being banked for their use on a rainy day. Little did they know that the Liberals did not put one penny in the bank. They spent every last one of those pennies, some \$45 billion dollars.

A government that cared about Canadians would have listened when the Canadian Alliance said there was sufficient surplus in last week's budget to allow for a reduction in the much hated goods and services tax. A party that cared about Canadians would never have lied in 1993 and promised to scrap, kill, and banish forever the Conservative goods and services tax. This was a promise made during the election, but totally ignored after the election.

A compassionate and caring government would understand that many of the people who work at lower paying jobs are not always there out of choice while others are. It would never occur to a smug Liberal finance minister that many of the people in the food services industry, for instance, are there because they are working their way through school. They do not have scholarships like the ones awarded to up and coming Liberals.

• (1620)

Only a Liberal could sit back smugly and say that only Liberals know best when it comes to day care and one Liberal size fits all.

Why can families not choose on their own the way they want to raise their children? For instance, a married couple employed in the food services industry with children might well be working opposing shifts so that one parent is with the children at all times. That is good parenting by any definition except the Liberal definition.

*The Budget*

If the finance minister and the Liberals had any compassion, they would have introduced a yearly basic exemption of \$3,000. That would make a small difference in the lives and well-being of that married couple employed in the food services industry. Had the government listened to the Alliance and implemented a \$3,000 per child deduction, that couple would still be productive members of society and have the option of choosing what they deem best for their family and their children. We do not understand, nor do Canadians, why the Liberals believe only they and the bureaucrats know best how Canadian parents should raise their children.

Another question that must be asked is, why do Liberals keep on committing our military people to foreign assignments while letting their clothing and equipment become tattered and rusty? It is bad enough they cannot make up their minds about what to do regarding the Iraq crisis, but to treat our military the way Liberals have treated our military is beyond comprehension.

Liberals ask so much of our military personnel and yet give them so little of what they need to do the job that is asked of them. Unlike Liberals, we in the Canadian Alliance are proud of our men and women in all branches of the armed services. Like Canadians generally, our people in the armed forces deserve better.

This was not a budget for Canadians. This was a budget for the ambitious and vindictive, on one hand a finance minister's leadership agenda, and on the other hand a Prime Minister who seeks revenge. It was not a budget for future Canadians either. The debt today is higher than it was when the Liberals were elected in 1993.

• (1625)

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Madam Speaker, I listened attentively to the hon. member's comments. I must say that his definition of compassion and ours on this side of the House are entirely different.

This is a government which makes no apologies for the fact that we have reduced the national debt from 71.5 % of GDP to 44.5%, and going to 40% by 2005, and that we have had six balanced budgets or better.

What areas in which the government showed compassion would he cut? Would it be the investments we made for people who have low incomes, child poverty, or the homeless? Would it be the military, our urban communities, or health care, which is the number one issue of Canadians? In terms of compassion, is that what he would cut?

Clearly, a government must be accountable. When in opposition, one can rattle on and say one would do this, that and the other thing. The bottom line is that we have shown a balanced approach. We have been able to cut taxes and reduce debt. We have been able to invest in key areas of this economy and continue to provide so that Canada today is the envy of the G-7, not the basket case it was viewed as in 1995.

**Mr. John Reynolds:** Madam Speaker, to say that Canada was a basket case is an embarrassment to me as a member of Parliament. It never was a basket case. The government had a deficit and cut health care in the country by \$20 billion which affected every poor Canadian. That was not compassion. That was the government wanting to help its friends.

Let me go through some of those areas. The government cut the heck out of the military. Where was the compassion when it sent soldiers away with uniforms that were the wrong colour, things that did not work, and boots that did not fit? Where was the compassion in the Liberal Party? Its compassion is for Groupaction, an agency in Quebec, where its friends got money and grants and kicked it back to the Liberal Party. That is where its compassion is. Do not talk to me about compassion in this party.

Let us talk about money. I will tell members right now what we would cut. We would cut the scandal in GST fraud. All the money that has been ripped off there, which the minister keeps denying, will come up before the next election. We would not have had the billion dollar boondoggle of HRDC, having spent millions on computers still sitting in warehouses. That is where the compassion is in the Liberal Party, giving its friends contracts for computers they never use.

We would not have spent \$1 billion on a gun registry after telling the Canadian public it would cost \$2 million. Where is the compassion about a gun registry that does not work? Some 90% of the registration is not working properly. Ask any major police force in the country if it really helps and they will say no. We can always find a Liberal police chief somewhere in the country who will write a nice little letter so the minister can rap it off his sleeves. The Liberals keep on wasting money on the whole damn program.

Liberals talk about compassion. There is no compassion in that party over there. Let us talk about Groupaction and that whole scandal with 13 police investigations.

The Prime Minister talked about having a government that would not be like the one before it and would have no scandals. We have more police investigations on that side now than there ever were on the other side. The previous government might have had a couple of big scandals, but the Liberals have major scandals. They have taken money and gone through agencies, and that is correct. That is why there are police investigations. That is why there have been charges laid and convictions.

Liberals talk about compassion. We would not have cut that \$20 billion out of health care. They ruined the health care system in the country, then gave Mr. Romanow another \$25 million to wander around and tell us what we already knew.

A parliamentary committee is talking about democracy. Democracy should be happening right in the House of Commons. We should not be hiring Mr. Romanow to be telling us what to do in health care. We should be dealing with elected members of Parliament in committee telling the government what should be done, and the government should be listening. But no, the government likes to hire the Romanows, have a committee somewhere, investigate, and look into things.

*The Budget*

That is not compassion. They do not even answer the questions. Let us give food service workers a \$3,000 cut-off. These kids that are going to school are putting money into EI that they are never going to collect. Does that make them think that government is fair and equal? No, it does not. That is not compassion to our young workers.

The food services industry is the largest industry in the country. The industries of lumber and building cars do not equal the food services industry. It is the largest employer with 1.02 million employees. It has been begging the government to do what would help it with its businesses and employ more people. It employs a lot of young people who are working their way through high school or college, or helping families who do not have a lot of money.

There is no compassion there. The Liberal government is not a government of compassion. It is a government of helping its friends.

• (1630)

**The Acting Speaker (Ms. Bakopanos):** Unfortunately time has expired for questions and comments.

**Mr. John Reynolds:** Madam Speaker, I rise on a point of order. If the parliamentary secretary would like to ask another question, I would seek unanimous consent to let him do that. It would be a wonderful idea.

**The Acting Speaker (Ms. Bakopanos):** Is there unanimous consent of the House to allow one more question from the Parliamentary Secretary to the Minister of Finance?

**Some hon. members:** Agreed.

**Mr. Bryon Wilfert:** Madam Speaker, I listened to the tirade of the hon. member across the way. Let us deal with health care. The reality is that health care is delivered by the provinces. The province of Ontario last year announced \$1.2 billion in new health care funding, to which \$1.1 billion were federal transfers. While it was busy cutting taxes before it dealt with its own books, it was busy slicing up the health care system. It reorganized the hospital system and fired 5,000 new nurses, not us. I would like the member to respond to that.

**Mr. John Reynolds:** Madam Speaker, it was not a tirade. I was simply mad because the government has no compassion. Every time it talks about health care, it tries to knock the government of Ontario.

I went through the health system in Ontario. I went for an operation in a hospital right here in Ottawa. My mother has been in the hospital. The hospital care that my mother and I had in this province was as good as it could be. The nurses and doctors were spectacular. Do members know what they all asked me? Why did the federal government cut this \$20 billion out and slow down what the provinces were doing?

Do not knock Ontario. Ontario is the most successful province, other than Alberta, in creating jobs and through no help of the federal government. It is the government that has no compassion that hurt all the provinces in health care and tried to blame it on the premiers who were re-elected. I can remember sitting in the House and hearing all members on the other side saying Harris will never be re-elected. He was re-elected because the people of Ontario liked what he was doing, contrary to what the federal Liberals said. He was a good manager and did a heck of a good job. So is Ralph Klein

who is doing a great job in his province, which has some of the best health care in Canada.

In my riding alone the hospital was voted as having one of the best systems in all of Canada for health care. There is nothing wrong with our health care program, except the lack of federal money that the government stole out of it to pay off—

**The Acting Speaker (Ms. Bakopanos):** Resuming debate, the Parliamentary Secretary to the Minister of International Cooperation.

[*Translation*]

**Mr. André Harvey (Parliamentary Secretary to the Minister of International Cooperation, Lib.):** Madam Speaker, it is a pleasure for me to start by saying that I will be sharing my time with the hon. member for York West, who has done an absolutely amazing job on a caucus committee of bringing to the attention of the government and the Prime Minister how important municipal infrastructure is.

I heard my hon. colleague from the Canadian Alliance a few minutes ago. I think that our country is better than members of that party would have us believe. Had he spent time working in countries where misery abounds, he would better appreciate this country, which is sometimes a bit too easy-going to defend its initiatives.

When we consider our country's performance over the past few years, particularly during the past two years when international politics have been extremely troubling, some statistics bear repeating.

Canada had the best growth in 2002 of the G-7 countries, a performance that it is expected to repeat this year. Of the G-7 countries, the wealthiest countries in the world, Canada alone forecast a surplus for 2002-2003. We expect balanced budgets or a surplus for the next two years.

Some 560,000 jobs were created in 2002, the biggest 12-month increase, compared to the 229,000 jobs lost in the United States. The Americans are an important reference for the world. Given our performance, we have reason to be proud.

I am not saying that the budget is perfect. However, the budget has achieved an essential and extremely important balance between budgetary control, as there is still a modest but significant surplus, also forecast for next year, and important social initiatives.

Obviously, the provinces could be less critical. However, what I clearly understand—especially the criticisms from the Bloc Québécois—and what is of primary interest to my hon. Bloc colleagues, are the transfer payments. Their goal is to get rid of Canada. They want transfer payments for labour force training, which have been provided for the past few years. These amount to \$600 million per year.

*The Budget*

Before, the Canadian government had a program for manpower training, which was greatly appreciated in all of our ridings. In 1996 we agreed to its transfer, and new programs were created. Emploi Québec was created. Many people have expressed the opinion to me that the federal government's pulling out of manpower training programs was pretty much of a mistake.

Just look at the municipalities, the NGOs, the rural municipalities in Quebec in particular, where the Canadian government had 1,100 employees involved in manpower development. This was thought of as transfers of funds. But the only purpose the Bloc Québécois representatives had in mind was to get the federal, the Canadian, government, to hand over the funds, with the hidden agenda of eliminating the Canadian government's presence as much as possible.

Obviously, this is not a view I share. This is the pet theory of a Quebecker whose constantly refrain was, "Dump the blame on the feds all the time. Say everything is their fault".

I recall the situation with health when the Bloc managed to create a consensus with the PQ in Quebec to the effect that "the Canadian government puts in a mere 14¢ on the dollar". That is absolutely false. It has been said, and it has been written, but the truth needs to be revealed. It is not easy to do so. The reality is that, prior to this last budget, the Canadian government invested 40¢ on the dollar, not 14¢. That was before the announcements in the budget.

All in all, it is important to say that, while not perfect, the Canadian government has brought down a budget on which I congratulate the Minister of Finance, and of course the Prime Minister, who is primarily responsible for all budget decisions. It is important to point that out.

• (1635)

We keep hearing that the budget is doing nothing for the provinces. The fact is that in excess of 50% of budget commitments will go into the provincial treasuries. One can therefore not say that the Canadian government did not make any effort to improve the services provided by the various provincial governments.

For health care, it will be \$35 billion. The accord provides for \$16 billion over five years for the health care reform that will take place in the provinces and territories and target primary care, home care, which is extremely important, and drugs, whose costs are prohibitive.

Over five years, \$9.5 billion will go to increasing cash transfers to the provinces and territories. There will be an immediate investment of \$2.5 billion as part of the Canada health and social transfer. We will be providing \$1.5 billion over three years to improve access to public diagnostic services; \$1.3 billion over five years to support health care programs for the first nations; \$600 million to speed up the implementation of a national system of electronic health files; and \$500 million for research hospitals, through the Canada Foundation for Innovation.

In the area of health, the Government of Canada has proven that it is listening to Canadians. It is not the fault of the federal government that some provinces, particularly Quebec, have forced thousands of nurses and specialists into retirement. That is not the fault of the federal government. We are making a massive contribution, covering

40 to 50% of health care costs, not 14% as the Bloc Québécois and the Parti Québécois say.

Our country deserves to be told the truth. We may not be perfect, but we are leading the world in economic performance. We can take some criticism, but such falsehoods cannot be repeated over and over. That is what the latest budget allows us to show. We are doing more, even considering that we were already doing a lot in major areas.

For families, the budget includes an increase of \$965 million for the national child benefit supplement; there is \$935 million to help the provinces improve access to quality day care services, and \$50 million per year in a new benefit for children with disabilities. That is significant.

We do not expect the Government of Quebec to shout this from the rooftops, but these are funds that, for the most part, will be transferred to provincial initiatives. Facts are facts. It is impossible that there is nothing good in the budget.

**An hon. member:** Wait and see who will be elected during the next election.

**Mr. André Harvey:** A Bloc member just told me to wait and see who will be elected during the next election. It is always a pleasure to run against the Bloc during election campaigns. The pleasure will be even greater since more and more Quebeckers are questioning the role of the Bloc Québécois in the House of Commons.

**An hon. member:** Look what happened in Lac-Saint-Jean.

**Mr. André Harvey:** The public is smart. It knows very well that in 1993 the Bloc was elected, boasting it would hold real power. The public now realizes that was a joke.

**An hon. member:** There have been byelections.

**Mr. André Harvey:** Yes, let us talk about byelections. You went from 43% to 7% of the popular vote. The worst is yet to come.

There have been many initiatives to do with the environment. There was the Kyoto protocol. Several billion dollars will be invested to expedite the implementation of the Kyoto protocol. Again, Quebec is asking for transfers. All the Bloc Québécois and the Parti Québécois ever ask for is transfers. Your strategy is becoming very clear: drop the word Canada from everything. But you will not succeed because we will be much more careful in our approach.

We want to be present. We are elected and politics is what we do. We want the work done by the Government of Canada to be as visible as the work by the Bloc Québécois and the Parti Québécois. The great Quebec consensus is supposedly still asking the federal government to hand over the money for it to manage.

• (1640)

We certainly do not want to have funds transferred to trusts in Toronto, as was the case in health—\$800 million. We want the funds to go directly to the primary clients.

It is my pleasure to—

*The Budget*

**The Acting Speaker (Ms. Bakopanos):** Unfortunately, time has run out. The hon. member for Surrey Central.

[*English*]

**Mr. Gurmant Grewal (Surrey Central, Canadian Alliance):** Madam Speaker, the government members, one after the other, stand up and brag shamelessly about the budget. Their record is dismal, whether it is raising taxes since 1993 and forgetting about tax cuts, forgetting about its promise to Canadians to abolish the GST and, in fact, charging GST on taxes shamelessly.

The government's record is dismal on health care, defence and various other things, including compassion for families. Its record is dismal on infrastructure development. Ninety-five per cent of the taxes it raises goes to general revenue and just 5% goes back into infrastructure development. Its record is shameless.

I wonder sometimes, with the smaller amounts it has spent everywhere, whether the budget is sustainable.

I would like to find out something from the member. I think this year's budget is just like ice cream. There is something for everyone but by the time we taste it, it melts just before our eyes. How would the member comment on that?

[*Translation*]

**Mr. André Harvey:** Madam Speaker, their radicalism is obviously condemning the hon. members of the Canadian Alliance to remain a truly regionalist party. One just cannot express such radical opinions without qualifying them. Our Canadian fellow citizens are no fools. As far as tax measures are concerned, more than \$20 billion in tax deductions are provided for this year, for a total of \$100 billion over five years. I think that is definitely not insignificant.

Regarding infrastructure, members of the Bloc Québécois among others questioned whether the amount was \$1 billion or \$2 billion. These past few months, it was \$8 billion, which will be invested in infrastructure projects.

Last spring, the last of these projects under the strategic infrastructure initiative enabled us to use funds to build a national highway between Quebec City and the greater Saguenay—Lac-Saint-Jean region. This initiative is ongoing, with only about one-quarter of the funds assigned, and additional funding has been provided for infrastructure projects.

As regards employment insurance, the Bloc Québécois has run three election campaigns on the issue of unemployment. What they want is to see all of Quebec out of work. The premium rate was set at \$3.25; it is now down to \$1.98. We promised that we would do our utmost to ensure that premiums are more or less equivalent to the expenditures made out of the fund. I think this is a wonderful initiative.

It is in this sense that I say that this a balanced budget that is well accepted by all Canadians. Measures are being taken to pay down the debt; indeed, over \$50 billion has gone towards this, including \$3 billion this year.

Social initiatives are being taken regarding the environment. All our fellow citizens are receptive to the Kyoto protocol. I am convinced that, by the end of the agreement, around the year 2010,

we will have largely achieved our objectives, thanks to the budget resources that were allocated in the most recent budget of the Minister of Finance and of the Prime Minister.

All in all, I think that in spite of the problems that confront us, there is a balance in the budget that allows us to spread the good news to all our fellow citizens. They know full well that the truth does not always lie in the highly partisan political statements that are made. We would rather tell the truth quietly, without engaging in partisanship.

I am very proud of the budget that was brought down, and it is a real pleasure to inform our fellow citizens.

● (1645)

**Mr. Gérard Asselin (Charlevoix, BQ):** Madam Speaker, in the little time I have remaining, I would first like to question the hon. member for Chicoutimi—Le Fjord.

I want to remind the hon. member that, in 1993, the people of Chicoutimi—Le Fjord elected the Bloc Québécois' candidate, Gilbert Filion, who did an excellent job here in the House of Commons.

In 1997, the current member for Chicoutimi—Le Fjord had to run as a Progressive Conservative to get elected. Shortly thereafter, he became an independent and then was elected as a Liberal in the 2000 election. How can the hon. member be taken seriously as a parliamentarian?

The hon. member is telling us that this is an excellent budget. I would remind him that the majority of his constituents, regular people, workers, are low income earners. They are women, youth and the unemployed. The latter are getting employment insurance because of the dairy crisis and the softwood lumber crisis, because of problems that this government has not be able to resolve. As a result, these people need employment insurance.

Four out of ten people are entitled to employment insurance. No wonder premiums are now \$1.98. Despite this, the government is still putting \$6 billion in the surplus pot.

When Brian Mulroney introduced the GST—and the hon. member for Chicoutimi—Le Fjord was a Progressive Conservative at the time—the Liberals promised to scrap it once they were elected. But, it is still there, just like the gasoline tax. Rebate cheques were issued, however, just before the last election, to pay heating oil—

**The Acting Speaker (Ms. Bakopanos):** Unfortunately, time is up, but I will give the hon. parliamentary secretary the opportunity to reply in less than one minute.

**Mr. André Harvey:** Thank you, Madam Speaker. Yes, the people of Chicoutimi—Le Fjord did try a Bloc MP, but just for the one term. This proves the sound judgment of my fellow citizens.

As far as employment insurance is concerned, premiums have been cut by more than one third, and improvements have been made to the program, with more to come. All in all, I believe that the people in my area, the electors of my riding, have decided that one Bloc MP for—

**The Acting Speaker (Ms. Bakopanos):** The Hon. Parliamentary Secretary to the Minister of Public Works and Government Services.

*The Budget**[English]*

**Ms. Judy Sgro (Parliamentary Secretary to the Minister of Public Works and Government Services, Lib.):** Madam Speaker, I am very pleased to have this opportunity to respond to the budget and all that it means for Canada and Canadians.

As many in the House know, my main focus since becoming a member of Parliament has been to focus on our urban regions and the people who live and work in those communities. Therefore I will focus my remarks on the ways the budget will impact in our cities, about programs that will help build a solid economic foundation and which areas I believe we still need to address.

Budgets are about investments, about people, about choosing priorities and about balancing the needs of one over another. The choices we make will determine how well and how wisely we build a country for the future. The budget and the work we do in the House is also about nation building, about working together to secure our future and the future of our children and grandchildren. It is also about the values and principles that we share as a nation and about Canada's place in the world. This budget very much reflects those priorities.

I will begin by thanking the finance minister for his reference to the work of the task force in his speech last week. His acknowledgement of our work is an indication that the government is listening to Canadians, and I appreciate his acknowledgment of the Prime Minister's caucus task force on urban issues which my colleagues and I worked on together.

Out of the 52 recommendations in the interim report of the task force, 30 are incorporated, in one way or another, into the budget.

I want to mention how proud my colleagues and I in the task force are of the work that we have accomplished but we recognize that there is still much to do. The reports have been very well received across the country by mayors, provincial officials, urban experts and national organizations. In fact, our reports have become a reference tool for many government and non-government people working in this field.

Many Canadians question the role of members of Parliament but let me state that excellent work is being done, and has been done, by members from all regions. Members of Parliament have a great opportunity to make a difference and the work of the task force proves that is the case.

The government has a clear continued commitment to the urban agenda but perhaps one of the questions we should ask ourselves is what the role is of the federal government in cities. After all, we do have a significant presence in terms of programs, services and as an employer.

A rudimentary survey by the task force showed \$55 billion going into 10 major urban regions in each year alone. This was a very basic scan.

We are the national government and we have responsibilities to work with all orders of government to meet the needs of our citizens in areas that are within our jurisdiction. It is in everyone's best interest to ensure services and programs meet the needs of our growing population.

The federal government is an active partner with governments and the private and voluntary sectors to ensure that Canadians have access to health care, post-secondary education, employment, transportation, safe streets, skills and training, pensions and income support for families.

Eighty per cent of Canada's population lives in urban regions. Do we not have a responsibility to those communities? I would say yes, without a doubt.

As the main engines of the economy, it is vital for our cities to be successful and it is essential that the national government create the economic environment for that to happen, along with the provinces and the cities. When the cities do well, the whole of Canada benefits.

Let me remind members that only the provinces have the authority to give the cities what they really need, and that is, a wider source of tax revenue, more autonomy and a greater share of the wealth that is generated by them. Yet the Ontario government continually denies Toronto's request for a simple issue like a hotel room tax or allowing the cities to impose any other kind of support that could ease the strain on the property tax base.

As it was stated in Toronto Dominion's report, it is time to unshackle our cities.

In my own city of Toronto, the pressures caused by downloading, amalgamation, rapid growth in population and an aging infrastructure bring social and economic problems and stresses on budgets that affect the quality of life and the ability to be competitive. In other cities too across Canada there are similar concerns.

By recognizing these pressures, the federal government continues to work in collaboration with the provinces to relieve the demands on housing, transit, infrastructure, health care and so on.

The budget covers a range of issues that have an impact on cities: health care, infrastructure, transit/transportation, housing, immigration, the urban aboriginal community, research and development, culture and the arts and support for poor families. As well, new money for child care will directly benefit the people living in our cities.

• (1650)

This budget commits a total of almost \$10 billion to programs that will benefit cities and have a direct impact on Canadians living in our cities.

Almost two-thirds of the budget is going into renewing Canada's health care system, one of the finest in the world and one that is extremely important to all of us as Canadians. New money for primary health care, home care, drug coverage and the new program for compassionate and palliative care to help people who have dying mothers, fathers or other family members, will all benefit cities where the pressures of the health care system are felt the most. This is a significant investment.

*The Budget*

A sustainable infrastructure program was a key recommendation in our report. The budget announced an additional \$3 billion to the strategic infrastructure program, bringing the commitment to this specific fund alone to \$5.25 billion that is targeted, not for every city in Canada but specifically for our major cities. We are talking probably a maximum of 10 cities that would be eligible for that fund.

An additional billion dollars was set aside for infrastructure projects for our smaller municipalities. This investment is the basis for a 10 year permanent infrastructure program that will be continually added to in future budgets.

It is worth repeating that the government has been into infrastructure since 1993. Is this enough? Not for some cities with major infrastructure problems and with aging infrastructure in need of repair. However for the first time there is a real commitment to a long term agenda for infrastructure that the mayors and the Federation of Canadian Municipalities have been requesting for years.

The message we heard as a task force from municipal governments was that they wanted to be able to do long term planning. Now they have a program and they can commence their planning.

I would have liked to have seen more money in the budget go into the area of infrastructure but I recognize that budgets are all about balancing priorities between people and the needs of communities.

Since 2000 the total infrastructure money committed by the federal government is \$8.25 billion. With leverage from the private sector and the province, we can triple that amount. That is the intent of infrastructure programs.

The task force recommended a national transit-transportation program as well. I was pleased to hear the Minister of Transport yesterday announce a vision for the future of Canada's transportation system. I see this as a framework for a future national program with dedicated funding for transit and transportation.

We can and must do more to help our urban regions as we are the only G-7 country without a national transportation program.

The task force also recommended a national affordable housing program. An additional \$320 million was added to the affordable housing agreement, which brings our commitment to a billion dollars on affordable housing.

Of course the government went ahead and continued to support the supporting communities partnership initiative and the residential rehabilitation assistance program. It brings that up to about \$1.2 billion to assist the cities to deal with the homelessness issue.

The RRAP program, which is the residential rehabilitation assistance program, also had additional money put in which helps seniors and the disabled.

However more must be done. We need to look at tax changes in order to create the environment for affordable housing.

The increased funding for the urban aboriginal programs is a significant and a welcome investment.

On the environment, environmental issues which threaten the quality of life are a major concern for cities. Three billion dollars was allocated in the budget to promote sustainable development, which is transit-transportation; to create a healthier environment; to clean up federal contaminated sites; and to work at improving air quality. Two billion dollars of that will go into Sustainable Development Technology Canada, including sustainable transportation, and to look at alternative fuels, such as ethanol, wind power and fuel cells, which our rural caucus continually reminds us how important that is. There were various recommendations in this report that clearly will help us.

There is much more to do when we are building a nation and much more has to happen. The cities' agenda is a work in progress and the operative words are "in progress". I believe the budget goes a long way to meeting those issues. However much more needs to be done and we need to be doing that together in co-operation with the provinces and with the cities.

Alone we can do little but together we can do a lot.

● (1655)

**Mr. Rob Anders (Calgary West, Canadian Alliance):** Madam Speaker, with the airline tax that was brought in for security purposes, I was wondering why we do not see more sniffer dogs. Whenever I visit the border posts they tell me that the number one thing they need are sniffer dogs.

We have a tax that brings in a lot of money, and sometimes more than what the airport actually costs for security and everything combined, and yet in Quebec, for example, we only have one sniffer dog for eight border crossings between Quebec and the United States. Can members believe that? One sniffer dog and their noses do not even last for a full shift.

Why this government imposes a tax like that and yet does not even produce more tangible things that are needed on the front line, I do not know.

I would like to ask the hon. member a second question. How is it fair that her government has an EI tax applied to students when a lot of students will go ahead and work in part time jobs, never get enough hours to ever be able to collect employment insurance and yet they are paying this tax? There is no benefit to them whatsoever. They will never be able to collect employment insurance but they are forced to pay into it. How does she justify that?

● (1700)

**Ms. Judy Sgro:** Madam Speaker, it is interesting to hear the member's interest in sniffing dogs. The last time I went through the airport was a couple days ago. I have to tell members that the amount of investment that has gone into security issues in our airports to ensure the safety of each and every person who uses the airports is quite overwhelming. Whether the extra dollars go into sniffing dogs or whatever may be the case, we have a security system that is out there protecting all of us.

*The Budget*

When we talk about the different issues in EI and what happens to students, many of our students benefit as a result of whatever contribution they make to EI directly, through HRDC programs or through other education opportunities.

Clearly, we all have to pay a certain amount of taxes that in the end of the day I believe is reinvested in improving the quality of life that is so very important in this country.

**Mr. Charlie Penson (Peace River, Canadian Alliance):** Madam Speaker, I would like to ask the hon. member who just spoke how this will work. She talked about infrastructure for cities and \$3 billion over 10 years that was identified in the budget, which is \$300 million a year. My understanding is that there are a lot of people who thought the federal government in this budget should have backed off on its spending so it could have created some tax room so that the provinces could have supplied money for infrastructure for the cities in the natural flow of authority, because constitutionally that is how it is structured.

We have the scenario of the federal government getting into provincial jurisdiction again and not doing it very well at that, \$300 million over 10 years. The question really has to do with how this will be allocated. I remember the infrastructure program of 1994 and it seemed to me that it was very politically motivated. In fact, the research showed that the Liberal held ridings received about four times as much money as any of the opposition. Will that be the same scenario this time around, that it is done on a basis of where they want to satisfy political needs? I remember Lloyd Axworthy's riding in Winnipeg at the time received four times as much money as my riding in Peace River and yet there were lots of applications in. So it seemed like it was a very strange approach politically driven. How will it be allocated this time around?

**Ms. Judy Sgro:** Mr. Speaker, I am glad to have another opportunity to talk a bit about this infrastructure program. The strategic infrastructure program was initially introduced to target the problems that we were seeing in our large cities, Toronto, Montreal, Vancouver, Calgary and so on. We are targeting this for projects that are in excess of approximately \$75 million.

Over and above that program, which had \$2 billion put into it two years ago, another \$3 billion has been added. It has \$5.25 billion for the large cities. It is not meant to be allocated on a city by city basis. It is where the large cities are and that is our section.

One of the real benefits of the infrastructure program is that it levers other money. Therefore it is \$5.25 billion from the federal government, that should also lever the appropriate amount from the provincial government and the cities. Maybe the private sector will be another partner in that but all of that is meant to be the leverage to turn around and to help build this country.

[*Translation*]

**Ms. Madeleine Dalphond-Guiral (Laval Centre, BQ):** Mr. Speaker, with your permission, I will be dividing my time with the hon. member for Matapédia—Matane.

They say if you want to keep you friends, pay up. A budget is all about paying up. Far be it from me to judge the friendships of the Minister of Finance, but I doubt he made any new friends with this latest budget. He seems to have had neither the courage nor the sense

of responsibility to solve the urgent problems being experienced by many of our fellow citizens.

Not being the first, or the last, to comment on this budget, I shall concentrate on two areas of particular concern to me: disability issues and immigration.

I will begin with a few words on the child disability benefit. First, the government introduced a new \$1,600 a year benefit for disabled children.

On the face of it, we can only applaud this additional support. It is overwhelmingly evident that financial resources play an important role in the education of any child, and needs are no less great because some children have functional limitations—on the contrary. This is especially true for low income families. But even when trying to be helpful, the government seems to be repeating mistakes of the past.

It is apparently incapable of learning from its mistakes. If he is really listening to the people, the Minister of Finance knows full well the problems inherent in the eligibility criteria for the infamous DTC, the disability tax credit. The minister has determined that the new child disability benefit will only apply to those children who are eligible for the DTC. That is the problem. Persons who suffer from episodic and mental conditions who receive the disability tax credit must be reassessed. These criteria are clearly discriminatory.

Why did the minister not base the eligibility criteria for the child disability benefit on the proposals made by health professionals and organizations representing the disabled, which more accurately reflect the reality of living with a disability?

By accepting these recommendations, the government could have provided the technical advisory committee on the DTC with appropriate guidelines for their reflection. While we applaud this new measure, we are critical of the fact that it perpetuates the same injustices as the disability tax credit.

Let us look briefly at this technical advisory committee. Will this new committee on tax measures for persons with disabilities be able to work miracles? The government announced, through the budget, that this committee would comprise members of organizations representing persons with disabilities, medical practitioners, and private sector tax experts, who will advise the Ministers of Finance and National Revenue on tax measures for disabled people.



*The Budget*

The budget outlines a few of the issues that will be examined by this committee. Let me review them. The first one concerns the eligibility for the tax credit, particularly for persons who suffer from episodic and mental conditions. The second is the list of activities of daily living used to determine eligibility for the credit. The third concerns the identification of professionals allowed to certify eligibility.

Here we may see a faint glimmer of hope in terms of the requests and recommendations contained in the unanimous report of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities.

● (1705)

We will have to wait and see what will become of the other recommendations contained in the report, aptly titled, "Getting it Right for Canadians: the Disability Tax credit".

After reading the budget, when it comes to persons with disabilities, we can only talk about a glimmer of hope, nothing more. Why do I say this? Simply because the Minister of Finance used the budget to reintroduce his controversial draft legislation from August 30, 2002.

Even though the House took a clear stand against any tightening of the DTC eligibility criteria, by unanimously adopting an NDP motion on November 20, 2002, even though we presented a petition containing the signatures of over 6,000 Quebeckers who wanted to ensure that people with disabilities were treated fairly before the budget was brought down, even though the Minister of Finance received hundred of letters from citizens calling on him not to limit support to persons with a disability, the minister turned a deaf ear by reintroducing the proposed amendments from August 30.

The budget contains three measures relating to the DTC.

While the first measure ensures that individuals markedly restricted in either feeding or dressing themselves will continue to qualify for the DTC, the two other measures deal specifically with the definitions used for feeding or dressing oneself.

Indeed, the second measure specifies that the activity of feeding oneself does not include any of the activities of identifying, finding, shopping for or otherwise procuring food, or the activity of preparing food to the extent that the time associated with that activity would not have been necessary in the absence of a dietary restriction or regime. Clearly, this is about redefining the expression, "feeding oneself" in order to get around the Federal Court of Appeal decision allowing a celiac sufferer to qualify for the DTC.

The third measure specifies that the activity of "dressing oneself" does not include the activities of finding, shopping for and otherwise procuring clothes.

What we are particularly concerned about is that the minister is suggesting that the changes be applied starting with the 2003 tax year. Are we to understand that the Minister is counting on imposing these new measures through his budget rather than with a bill properly introduced in this House? Let us hope not, but we will obviously be taking a very close look at the application of these measures.

In conclusion, since time is running out, allow me to address the immigration situation. I have just come back from a trip to the Maritimes and Quebec with the Standing Committee on Citizenship and Immigration. This trip gave us an opportunity to hear some very relevant testimony, as well as some genuine cries for help.

These comments were useful because they touched on the importance of, and the issues related to, immigration for regional development. The people we spoke to raised concerns and told us of the major problems that stem from inadequate funding for the many challenges related to integrating newcomers.

To say that the federal budget is extremely disappointing in terms of anything that directly or indirectly affects immigration is an understatement. An additional \$41 million for a major project is not enough; it is an insult to intelligence. Even though Quebec has a special agreement, this does not stop us from strongly deploring the fact that the Minister of Finance has done little to meet the needs in immigration.

What could the Minister of Citizenship and Immigration say to all those people in the Maritimes who braved the snow, wind and cold to come and ask us for additional funding for immigration, for issues related to the integration and settlement of newcomers?

Will the government one day acknowledge the true challenges that the public faces in this regard? Until then, our vigilance will not waiver and our demands will be more urgent, both for people with disabilities and for welcoming and integrating newcomers.

● (1710)

[English]

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, first, with regard to persons with disabilities, the government provides just over \$3 billion in support, over \$1 billion in programs and \$1 billion that deals with tax issues.

I want to zero in on a comment the hon. member made with regard to the preparing of food, which is very important. The amendments that have been brought in are less restrictive now than they were in August. In fact people who currently have difficulties with preparing food are not affected by this. On people with celiac disease, a medical expense tax credit is available for them to receive additional assistance.

I would like the member to study those two aspects which are very important. Not only is the spirit of what the member is asking being adhered to but the letter as well. Could the member comment on that?

*The Budget*

•(1715)

[*Translation*]

**Ms. Madeleine Dalphond-Guiral:** Mr. Speaker, this is questions and comments period, and I cannot help asking a question too. Does the Minister of Finance intend to implement, during the 2003 fiscal year, the measures outlined in the budget without actually introducing a bill in the House that would allow for a debate, by both government and opposition members, on the whole issue of disabled people?

The reality is that there is an increasing number of disabled people and this number will continue to grow. The extraordinary sums of money that the minister is talking about do exist, but the needs largely exceed them. It seems to me that a government's responsibility is to act like a good father. Would a good father leave his children in poverty and pay more attention to those who have the good fortune of being well-off? To ask the question is to answer it.

To me, this budget is not at all consistent with the sound reasoning of a responsible father.

[*English*]

**Mr. Bryon Wilfert:** Mr. Speaker, with regard to the issue she raised, the member can take a look at the budget bill herself.

With regard to the issue of fiscal imbalance, the Bloc members often speak about fiscal imbalance. They speak about it now because the government has had surpluses. In the days when it did not have surpluses, the Bloc never said that there was a fiscal imbalance. When Bloc members speak about tax points, they only speak about new tax points. They do not recognize old tax points. They speak about the 14¢ on the dollar for health care which is totally erroneous. We know it is closer to 40¢ when we put in cash and tax points.

Could the member comment on the issue of fiscal imbalance? How does she see this budget, which clearly has poured significant dollars into health care and the support of the province of Quebec in this regard, will benefit the people in her community in terms of medical services?

[*Translation*]

**Ms. Madeleine Dalphond-Guiral:** Mr. Speaker, the parliamentary secretary is being extremely generous. He is asking me to talk about health. If I know anything about anything, it is health.

Of course, the budget requires financial commitments, but this government has no choice. Furthermore, its commitments are nowhere near the recommendations made by the Romanow commission, set up by the Liberals. The government is not doing what the Romanow commission asked. Quebec is short at least \$200 million.

For the Liberals to think that this budget is incredibly generous shows, in my mind, their arrogance. I think this means they are ignoring the fact that, for over 10 years now, the federal government has progressively reduced its contribution to health. This is the reality. At the very beginning, they contributed 50%, and now it is a few pennies per dollar spent.

We are an ageing population; people therefore have more problems; more sophisticated services cost more and, in this communication era, people know what will make them better. This

is how things stand and, naturally, the provinces are footing the bill, while the federal government is accumulating astronomical surpluses. Of course, it is paying down the debt but, obviously, if the roof starts leaking, it is better to fix the roof than pay the mortgage.

•(1720)

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Mr. Speaker, first of all, I would like to congratulate my colleague, who has ended her speech with an example that I use all the time: it is better to repair a leaky roof than to pay the mortgage. A house will be worth nothing if its roof keeps leaking.

The image that came to mind when I was listening to the budget speech is that this is budget of illusions. One need only look at all the announcements that have been made, and will be made. There are some really good examples.

Tomorrow morning, if there were a change in finance minister or prime minister, I bet that 70% of what was announced in the budget speech would disappear in a puff of smoke.

The Quebec and Canadian economies would plummet, and 70% of what was announced in the budget speech would disappear in a puff of smoke.

There would be somewhat more complex financial problems, a higher unemployment rate, and 70% of everything announced in the budget speech would disappear in a puff of smoke. I can give some examples.

Here is what is said about helping Canadian families. There is talk of increasing the National Child Benefit, but only by 2007, according to the budget. People thought it was going to go up overnight, but it will only be a few dollars higher, and while the increase will start to kick in next year, the increase announced will not be fully in place until 2007.

Then there is the infrastructure program. As far as municipal infrastructure is concerned, there is talk of \$1 billion over the next 10 years. So, ten years, ten billion divided by ten, gives about \$100 million a year. Divide that amount by ten provinces and three territories and not much is left. In fact, it does not even build 10 km of highway, which is the example used in Quebec for municipal infrastructure.

What does a billion dollars over ten years mean? What guarantee do we have that in a year, or two, three, four or five years, a future finance minister or prime minister will respect that commitment? There is no obligation.

*The Budget*

Let me give another example. There will be \$320 million over the next five years to improve the agreements between the provinces and territories in terms of affordable housing. Once again, if we take \$320 million divided by ten provinces and three territories over five years, what is left for Quebec? What is left for tomorrow to build suitable housing for those who need it? Practically nothing, that is what. There are no guarantees. Again, it is an illusion. There are no guarantees that in one, two or three years, this money will still be available. We are in the middle of the Liberal leadership race. The member for LaSalle—Émard, who is a candidate, did not necessarily agree with the measures proposed in the budget. He did not agree with the federal government engaging in what I would call rash spending, even though there is a huge surplus.

Another example is that of strengthening aboriginal communities. This one is my favourite. It is for \$172.5 million over 11 years to support aboriginal languages and culture. Who can guarantee that in 11 years this measure will still be in effect? Who can guarantee that it will still be in effect a year or two from now?

When you read the budget it is the same throughout. It talks about health and transfers for health. Again, we are told that the cash portion of the Canada social transfer will be complete in 2006-07. The budget for the Canada social transfer will be complete in 2007-08. What we are looking at is 2006-07, 2007-08, or 10 or 11 years down the road. I doubt that anyone in this House will still be here by the time any of this might actually get done. This budget is a complete illusion.

• (1725)

The government has created expectations, particularly among the least well off, and these people are going to wake up to a painful reality when they realize that these expectations have not been met, despite the fact that they are being told they will be.

What we would have liked to have seen in the budget, what I personally would have liked to have seen and did not see, was something specifically for the regions. This budget contains absolutely nothing in terms of regional development. There is nothing to bolster existing regional development programs. There is nothing to strengthen Canada Economic Development programs.

There are regions such as mine, where the unemployment rate is 23%. These are regions that need immediate support, that need support not only from the Government of Quebec, but also from the federal government, given that we are still a part of Canada, unfortunately. And as long as we are a part, we should see some of our tax money, which is spent so poorly.

So, there are regions such as mine, and there are probably regions like yours, in Ontario and elsewhere, where people would have liked there to have been an increase in regional development budgets, to allow these regions to catch up to the rest of the economy and to continue to expand.

The only measure that I see, and it is ludicrous, is the cut in the transportation tax. That really rubs me the wrong way. Soon our region will no longer have any air service because Air Canada is supposed to pull out. But the government is going to cut the transportation tax anyway. Well, if there are no more flights, you cannot take the plane; it does not do you much good.

This is the type of measure which, supposedly, will help the regions. However, it is absolutely useless to us. What we want is help for regional transportation, particularly on the part of this government, which has totally abandoned the whole transportation system, including railways, airlines and so on.

Today, we can see that regions like mine will be hard hit by this type of measure. Indeed, when there is no longer a transportation system, it is very difficult to convince businesses to come and settle. An adequate transportation system is necessary in order to be competitive. This system must be provided at competitive prices, and we must make sure that people can travel and have access to markets.

So, the budget has not met, among other things, the need for a major investment in wind energy. The government talks about the Kyoto protocol, but instead of investing in new energies, it invests to benefit certain companies that pollute.

There is something else that we would have liked to see in the budget, but that is not included in it. I am referring to a true employment insurance reform. This government must stop plundering the employment insurance fund. The Bloc Québécois, the unions and the employers in Quebec have long been asking the federal government to create a true employment insurance fund and program.

A true employment insurance program is one for which more than 40% of workers qualify. Currently, not even 40% of the workers qualify for the employment insurance program. People contribute to an insurance program, but do not qualify for benefits. This is unacceptable.

What the budget promises is that “Yes, we will look at this issue. We will review it”. However, the employment insurance program has been reviewed, amended, and so forth for years. And in recent years, since the cuts that began in 1993, it has been reviewed and reviewed again. Every year, the Department of Human Resources Development gives us its impressions.

As far as the employment insurance plan is concerned, I agree completely with the Auditor General: a real EI plan is urgently needed, with an independent fund administered by the workers, and we should make sure that this plan does not penalize regions like mine by requiring young people to accumulate 910 hours of work when they first enter the workforce.

[English]

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, the hon. member suggested that the budget had no real assistance for either Quebec or his region. I would assume that the hon. member has constituents who get ill and therefore the significant increase in transfer payments for health care will be of benefit to his community. I assume that the issue of child poverty is a concern and a problem in his region. Again, that is being addressed. Homelessness is being addressed. Urban communities and farming are being addressed.

*The Budget*

The fact is that all Canadians are benefiting because again we have a balanced budget or better. The Province of Quebec is benefiting, particularly because of federal transfers for the needs of his community, so I was a bit surprised to hear that there is nothing in the budget. Clearly there is a lot in the budget and I would invite the member to look line by line at some of the very important initiatives that are being helped.

One of the comments he made was about EI. The minister has indicated very clearly that we are going to move on EI reform. I would remind the member that for the last 10 years premiums have been going down, whereas they were going up under the previous administration. Again, that benefits everyone.

Those are the kinds of things that I would hope the member would highlight in looking at those benefits. I did not hear anything, unfortunately. Maybe the member could suggest what he would do if his party had the opportunity to bring down a budget.

• (1730)

[Translation]

**Mr. Jean-Yves Roy:** Mr. Speaker, I must tell the hon. member that, contrary to what he just said, I did look line by line or almost.

At present, with the Canada health and social transfer, more is invested in health. Obviously, this will affect my region.

But 16 cents on the dollar will not help increase services much. Funding will not be back to where it was, and it will not make it possible to provide more services or to meet all the needs. It only responds to part of the needs.

As far as EI is concerned, in the last election campaign, in 2000, people expressed outrage in public forums in New Brunswick and promised EI reform. How much has been achieved to date? It should happen in two or three years, we are told.

I would answer my hon. colleague that we have had it with promises. What we want is action. We want a real independent EI fund to be established. We do not want any more studies. People in our regions have been suffering long enough from the cuts that were made.

**Mr. Gérard Asselin (Charlevoix, BQ):** Mr. Speaker, thanks to the people of the Gaspé Peninsula and the South Shore of the St. Lawrence, those on the North Shore were able to work.

I would like to ask the hon. member for Matapédia—Matane a question. In terms of regional development, what concrete measures are being taken to ensure that someone reading the newspaper the day after the budget is tabled will see that things are changing for the better? Cuts are made by the federal government, but are there indirect consequences? What more can dairy farmers and producers expect from the latest budget tabled by the Prime Minister and the Minister of Finance?

I think that the government could have helped forestry workers and farmers indirectly. It could have eliminated the federal gasoline tax. We know that, today, machines are used in forestry and farming.

The gasoline excise tax was introduced to fight the deficit. Today, there is an accumulated surplus of \$15 billion. This government had

a real opportunity to eliminate the excise tax and the gasoline tax to directly benefit producers.

**Mr. Jean-Yves Roy:** Mr. Speaker, it is my pleasure to answer my colleague.

As I said earlier, when I looked at this budget, the first question that came to my mind was, "Is there really anything for the regions?" I say no.

Take the softwood lumber example. Mills are currently closing in Quebec. The Bloc Québécois asked for the second phase of a true assistance program. What we got was the first phase. Where is the second phase that was announced? It is urgently needed. No one says anything about it anymore. It is another illusion, another promise.

When I talk about assisting the regions, I am talking about employment insurance, among other things. I will give the parliamentary secretary a very concrete example. Tourism is an industry in my riding. Right now, it is mostly seasonal work. If you want to hire young people from a *cégep* in the region, such as the Rivière-du-Loup *cégep*, forget it. They will not be able to work for 52 weeks because this is a seasonal industry. At the end of the first year, what do they do? They go to Toronto or Montreal. That is how regions are gutted and that is how you gutted mine.

• (1735)

[English]

**Mr. Alan Tonks (Parliamentary Secretary to the Minister of the Environment, Lib.):** Mr. Speaker, the 2003 budget is a budget marked by milestones and major new commitments. While we have heard many comments in this budget debate up to now, some of the overview has to take into consideration the accountability with which the budget was designed.

It is a budget that is not only based on accountability but continuity, maintaining the prudent and balanced approach to fiscal planning that has contributed so much, so directly to Canada's economic stability and success. It is a stability that must be predictable in the global world in which we live, the ups and downs of the economy, and that in fact leads investors to conclusions that they may or may not invest. The approach in the budget is to make it absolutely clear that the country is on a sound financial foundation.

The country is moving forward in a progressive and dynamic way. We are doing so from a position of considerable strength. There will be no return to deficit financing, something Canadians made very clear and a pledge the government has kept. Maintaining a balanced budget and reducing the debt will remain the anchor of our fiscal strategy.

Canadians seek a society which is built on their commonly held values, an economy that maximizes opportunity for all and an honest and transparent accounting of government's efforts to achieve those goals. This is the challenge Canadians have brought to their government and this is the challenge the government has seriously taken up.

*The Budget*

Budget 2003 responds to this challenge in three ways. First, it builds the kind of society with its typically Canadian values by making investments in individual Canadians, their families and their communities. Second, it builds the economy that Canadians need by promoting productivity and innovation while staying fiscally prudent. Third, it builds the accountability that Canadians deserve by making government spend more transparently and more accountably.

Budget 2003 recognizes the critical link between social and economic policy and how an integrated approach produces policies that will benefit all Canadians. It is based on sound financial management and a responsible stewardship of our resources.

Stewardship is a word that we do not use lightly. Stewardship involves making contracts with people and organizations, that in good faith we will abide by the agreement, that we will work together on the values and on the objectives that we have in the budget. It is this sense of stewardship that is rooted in the budget that will provide Canadians with the tools they need to realize the great potential our country offers.

The budget provides important new investments to build the society Canadians value and the economy we need. Canadians have also made clear that these investments must be backed by enhanced accountability to Parliament and to the public.

We started on the right track in 1994 through a vigorous review of all government activities. It resulted in the largest scale down in government spending since our post World War II demobilization. It was hard but it allowed us to create new efficiencies in many areas and it enabled us to eliminate the deficit.

Government programs should be subject to a regular review to make sure that they still fulfill an important purpose, that they are meeting the needs of Canadians and that they remain justifiable amid new and emerging priorities. In particular with the nature of the global environment where there is such change and such flux, Canadians and investors need to have that sense of predictability.

Federal departments and agencies should be regularly challenged to demonstrate both efficiency and the relevance of their programs. If they cannot or do not meet those tests, then they should reallocate their funding elsewhere.

● (1740)

The government wants Canadians to know better than ever where and how their tax dollars are being used and that they are being used wisely. To that end, it is determined to make its management of taxpayer dollars more efficient, transparent and accountable by doing the following things: first, by systematically reviewing programs to make sure they are still responding to the needs of Canadians; and second, by allocating resources from where they are less needed to higher priority areas.

There is more to sound fiscal management than avoiding deficits and reducing debt. The government must also manage tax dollars responsibly while delivering cost effective and efficient and effective services. That is why budget 2003 announces that the government will launch an ongoing review of all non-statutory programs to ensure that they continue to be relevant, effective and affordable.

Over a five year cycle, Treasury Board will examine the non-statutory programs of all federal departments and agencies. In doing so it will be guided by questions similar to those used for the federal government's program review in 1994-95. They are as follows.

One, is the program still relevant to the needs of Canadians? Two, are the program's resources being used in the most efficient and effective way to deliver the agreed upon and appropriate results? Three, is it necessary for the federal government to operate this program at all or could it be transferred to other levels of government or to the private or voluntary sector? Four, is there scope for considering more effective program structures, alternative structures and service delivery arrangements? Five, are department and agency management practices appropriate and of sufficient quality?

In the Minister of Finance's economic and fiscal update last October, the government promised to reallocate funding from lower to higher priorities. Budget 2003, as an illustration, delivers on that commitment by requiring departments and agencies to reallocate \$1 billion per year from existing spending starting in 2003-04 to help fund the cost of new initiatives announced in the budget.

In budget 2003 the government takes several additional steps to make itself more accountable to taxpayers. Consider for example its management of employment insurance contribution rates. Budget 2003 reduces the EI employee premium rate for 2004 by 12¢ to \$1.98 per \$100 of insurable earnings from \$2.10 in 2003. This will be the 10th consecutive annual reduction in the rate, representing annual savings for employers and employees of \$9.7 billion in 2004.

The budget also announces that the government is beginning consultations with Canadians on a new transparent process for setting EI contribution rates for 2005 and beyond. This is something that has been raised by the Auditor General and it is something the government is addressing in this budget.

Budget 2003 follows up on the government's commitment to review the air travellers security charge to ensure revenue from the charge remains in line with the cost of the enhanced air travel security system over the next five years. Now that the review has been completed, the government is in a position to announce in this budget a reduction of the charge to \$7 from \$12 each way for domestic flights, and that is by more than 40%.

Accountability is also the anchor of the new health accord. The accord sets out a new accountability framework which includes a commitment facilitated by a new health council to report regularly to Canadians. To improve the transparency and accountability of federal support to provinces and territories, the government will create two new transfers a Canada health transfer in support of health and a Canada social transfer in support of post-secondary education, social assistance and social services, including early childhood development.

### *The Budget*

The government will also make a number of changes to improve the accountability and governance arrangements of arm's length foundations. In combination with clarifying the policy principles underlying the use of foundations, these measures will ensure their continued effective and appropriate use.

● (1745)

Starting with the budget, the government's financial statements will be presented on a full accrual accounting basis. This will make the government's financial reporting more comprehensive, consistent, clear and up to date. The Auditor General of Canada and the Canadian Institute of Chartered Accountants have called for this reform. There are several benefits to moving to accrual accounting.

First, all tax revenues are accounted for in the fiscal year to which they relate rather than when they are received. As a result, the government's books for each year will provide a more accurate and timely reflection of the year's economic development.

Second, full accrual accounting recognizes the depreciation of the government's physical assets. This will lead to better recording of assets, better policies for maintaining those assets and better decisions about whether to buy, lease or sell buildings and equipment.

Third, there will be more complete recording of the government's liabilities, such as the potential cost of environmental cleanups and retirement benefits for veterans. This will encourage departments to develop better plans for managing them. In short, with a more accurate picture of costs, revenues and liabilities, Parliament and Canadians will be in a better position to hold the government accountable for its management of their tax dollars.

Good regulations are also essential to the functioning of our economy and society. The Organisation for Economic Co-operation and Development, the OECD, has recognized Canada's success in this area. There is always room to improve, particularly in promoting a healthy marketplace and strengthening investor confidence. To this end, budget 2003 includes up to \$30 million a year to create a coordinated national program to strengthen enforcement against serious securities and corporate fraud offences as well as to support the redesign of Canada's regulatory environment.

Budget 2003 delivers a wide range of action on the top priorities of Canadians while maintaining our commitment to prudent fiscal planning for balanced budgets. The budget takes serious steps forward in our quest to build the society Canadians value, the economy Canadians need and the accountability Canadians deserve. The challenge now is for Canadians to work together to build an even greater Canada, a Canada of economic excellence, fiscal responsibility and social equity.

I will sum up by outlining a couple of other areas which I think need to be addressed. There have been many claims that the budget does not come to grips with the issue of urban Canada. Having been a member of municipal councils for over 25 years, I would like to address a couple of points.

It is often missed that we operate within certain principles that are based on the need to reach out not only beyond our urban areas to our rural areas but in fact to the world. To do this we have talked about sustainable development, that we do not burden future

generations by creating a legacy that is unsupportable, that their natural environment is exploited to the extent that there will be no quality of life for future generations.

Sustainable development is a concept that should bind Canadians together, not only with the world, and in the budget we are talking about investing in larger amounts for international development, but it should bind the regions of our country together. We do that by establishing other principles such as Kyoto. The budget recognizes the Kyoto commitments. The Kyoto commitments are investments that will lead us to sustainable development that will bind our regions and our cities together.

I would like to make reference to a few of those programs for those who think that cities have not been addressed to the extent they should have been. The budget has an investment which will allow us to increase our support by \$300 million to science, research and development activities through the Canadian Foundation for Climate and the Atmospheric Sciences.

● (1750)

The value added that comes from research and development in new technologies, which will give us a better handle on climate change, will be done mainly in cities but will benefit the regions of Canada. As well, another \$200 million will be dedicated to further investments in long term climate change technologies. Finally, we have a comprehensive strategy for climate change challenges by integrating these actions with other strategies. In climate change, that is in the area of binding our principles around Kyoto together with our principles of sustainable development.

We also have support for small businesses, which I can relate to, with an increase by 2006 in regard to \$300,000 of income, which will be made available as a result of a special small business tax rate of 12%. That reduction represents more money to the small businessman to reinvest back into their businesses. Removal of the limits on the small business capital tax rollover is included in the budget. The budget also has a mechanism with respect to qualified limited partnerships. Again, small businesses in cities and throughout Canada will benefit from these kinds of mechanisms.

In regard to housing and daycare in the cities, on top of commitments that have already been made, the budget allocates additional moneys for the development of housing and for support for day care. Not to quote out of context, but we really should know, for example, that the Canadian Council on Social Development takes the commitment made by the government to day care as an extremely important, proactive and dynamic move to recognize the needs of poorer families within our country. As well, the national child benefit has been improved. Finally, the issue with respect to affordable housing and building for those who need it most has been addressed in the budget.

*The Budget*

We have listened to Canadians. This budget is accountable, it has listened to Canadians and it is prudent. It has involved Canadians in establishing the kind of predictability they have faith in. While the budget cannot and has not been all things to all people, it is a good start. As the finance minister said, this is a down payment. A down payment is a statement of claim and faith that payments will continue to be made with respect to what equity is being built into. We are building equity in the people of this country who we trust. We will work together to build strength and to meet the demands of the global community and of the future that we all face together.

**Mr. Rick Casson (Lethbridge, Canadian Alliance):** Mr. Speaker, I have one question to pose to the member. I had the opportunity to travel with the finance committee when the prebudget debate and consultations were going on. I discovered that most of the people who came to the hearings came asking for more and more. Very few came with any idea as to how to manage the finances a little better. I did not hear anybody present any ideas along those lines, ideas for the government to pursue as far as creating a fairer tax regime for Canadians is concerned.

It seems to me that the government has responded to that. It has listened to everybody and has tried to appease everybody, but it has not come up with an overall plan as to how this budget will further Canadians in the long run and establish Canada as a unique country with very definite ideas on where it wants to be in 10 years. I think what happened through the consultation was that all those requests for more money came in, the government indicated it had more and it sprinkled some money out to a lot of different areas. But I see nothing that points to a strategy of making it a better and more unique country 10 years down the road. I would like the member to comment on or defend what I see as the wrong approach in this budget.

• (1755)

**Mr. Alan Tonks:** Mr. Speaker, as we live in a highly pluralistic society I am sure that there are Canadians from various interest groups who feel we should have a policy that is directed to freeing enterprise and having less government intervention in the economy. We have people at that extreme, but we have people at the other extreme, people who feel that there should be a highly interventionist relationship between their government and the financial institutions and the various interests throughout the country.

Then there are the people in the middle, who feel that perhaps we should try to invest strategically in a manner that adds value and multiplies that value added through the various sectors such as housing, transportation, pharmaceuticals and biomedical technology, which creates that confidence that Canada is moving ahead in creating a quality of life that is inclusive, with equitable treatment.

Mr. Speaker, you're damned when you do and you're damned when you don't in trying to take all those interests and meet them halfway by saying yes, the government cannot do everything, but this is what we can do. We can invest together in terms of this particular sector and that sector. We can build housing in this way. We can recognize that we can create capital, but we must use it in a very prudent manner.

For those who come more or less in the middle of all that and are not highly interventionist but simply will not leave people vulnerable, this budget represents that kind of approach. One can

be critical of it, but when we hear what those in the international community say about the prudent stewardship of the fiscal foundation of Canada, they cannot be all wrong.

Moving ahead in the centre, carefully, prudently, wisely and caringly, is reflective of this budget. I personally support that particular treatment of people and groups.

**Mr. Svend Robinson (Burnaby—Douglas, NDP):** Mr. Speaker, the hon. member for York South—Weston talked about who the government listened to in this budget. I want to tell the member that it is pretty obvious who it did not listen to.

It certainly did not listen to the Federation of Canadian Municipalities. The Federation of Canadian Municipalities has condemned the budget. It has said that the budget is totally unacceptable when it comes to responding to the needs of Canada's cities. The government certainly did not listen to the chair of the big city caucus, Glen Murray, the mayor of Winnipeg. How did he describe the budget? He said it was a joke in its response to the needs of big cities.

Who else did the government not listen to? It did not listen to its own colleague from York West, the chair of the Liberal urban task force. The member for York West has said the budget falls far short of what is acceptable.

The government did not listen to the eloquent pleas of Stephen Lewis, who pointed out that Canada's contribution to the global fund for Africa has fallen far short of what is acceptable. Our commitment should be \$150 million. We put in \$50 million.

I want to ask the hon. member why, instead of putting money into gains for the wealthy, into eliminating the capital tax and increasing RRSP limits for the wealthy, the government did not listen to Canadians. Why did it not listen to cities like Burnaby and elsewhere and put far more resources into child care and into infrastructure for cities?

**Mr. Alan Tonks:** Mr. Speaker, I would like to explain that I spent 12 years on the board of directors of the Federation of Canadian Municipalities. One of our colleagues was the president of the Federation of Canadian Municipalities. I had an opportunity to talk to the president very briefly when he was here and he was very optimistic with respect to what the budget would hold.

In 1977, when we had our Federation of Canadian Municipalities annual meeting in Winnipeg, I believe there were about 350 members and we had no federal representatives coming to that particular meeting. It was the same at subsequent meetings for a number of years. The FCM has become a model for municipal co-operation and in fact is recognized by the government in terms of the green fund that is administered by the Federation of Canadian Municipalities.

When I was on the board, we could only dream of working toward those kinds of programs. This budget increases that. I think that is far from being a joke. People who characterize it that way obviously do not have the history to know that we have been working consistently to increase the role.

*The Budget*

The member talked about Stephen Lewis and Africa. We can do more in Africa, but the Prime Minister is recognized as having taken on the Africa agenda. We have made a commitment to increase our commitments under our aid programs in Africa, so I do not see that any apologies are required there.

Finally, with respect to day care and working with respect to our housing interests for more vulnerable people, as I said, we have not finished the job, but in this budget one can find commitments where we have listened to those communities, and we will continue to work with them.

• (1800)

**Mr. Sarkis Assadourian (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I will be brief. My colleague across the way mentioned that municipalities are not happy, but the fact of the matter is that \$14 billion has been given to the municipalities in the last nine years.

Some newspapers complained that GTA members are not effective. Also, we have people complaining on this side that GTA members are very effective in the Toronto area. I wonder if the hon. member can comment on these two conflicting points of view, because some people say we are very effective and the opposition says we are not very effective.

**Mr. Alan Tonks:** Mr. Speaker, you may think that perhaps I am a little too close to provide an objective answer to the question, but having chaired the caucus, I think that the members of the GTA have consistently raised concerns with respect to transportation and congestion issues.

In both the infrastructure program and the strategic infrastructure program, \$2 billion was announced that is yet to be expended. Proposals are being received from the municipalities. With respect to the \$3 billion over a 10 year period that is announced in the budget as an infrastructure down payment, the opportunity is there for the members to work with municipal governments in the GTA, for example, and right across the country, to prove their effectiveness by working together on sustainable development and housing issues. The people will be the judge of what we have accomplished when they see the quality of life that we all will enjoy in this country.

**Mr. Monte Solberg (Medicine Hat, Canadian Alliance):** Mr. Speaker, it is my pleasure to rise in debate on the budget that just came down not long ago. I will also be splitting my time with the member for Selkirk—Interlake.

If I were to characterize this budget compared to any previous budget the government has brought down, I would say that this one is by far the worst budget the government has ever produced.

At a time when taxpayers are building up a massive surplus for the government, the government rather imprudently has decided, instead of paying down the debt, lowering taxes, or eliminating waste, to go on an incredible massive spending spree the likes of which we have not seen in this place since I have been here.

Not only did the government blow the surplus for this year, but it will blow it for next year, the year after, and the year after that. We are very disappointed on this side that the government has been that irresponsible with taxpayers' money.

I wanted to mention that in light of the hon. member for York South—Weston who just spoke. He spoke about how the government was making a commitment to transparency, accountability and eliminating waste.

What did the government do? Did it eliminate any waste in the budget? Did it announce any waste that it is eliminating? No. It drove spending through the roof. The government did not announce one dollar in reductions in wasteful spending, even though we all know that there are billions of dollars of waste in that government.

Let us look at the firearms registry. This is a program that was over budget by 50,000%. I know that sounds incredible and I invite people to do the math. It was supposed to cost \$2 million. It will come in around a billion dollars at least. Now we are talking about the firearms registry going even higher than that. We are very discouraged with how the government treats taxpayers' dollars.

Since 1997 the government has driven spending 45% higher. It is rather obvious that the spenders on the Liberal side have taken control and they are going crazy with taxpayers' money. At the same time we still bear a debt of \$536 billion. We spend about 21% of every tax dollar to pay the interest on the debt. We have many concerns with the budget.

When the hon. member talks about transparency I am concerned about the fact that the government did nothing to address the issue of trusts and private foundations. These are agencies and different bodies that the government has set up outside of the normal accounting practices of government, so that in effect it can hide surpluses and keep these bodies away from the prying eyes of the Auditor General and parliamentarians who want to bring scrutiny to this use of taxpayers' money.

The government talks about transparency and accountability on one hand, however, on the other hand it does nothing about it. It flouts the Auditor General. The government goes ahead and continues those sorts of practices.

Another thing the government has done, and again the Auditor General has been extraordinarily critical of the government on this count, relates to the child benefit. Instead of booking it as an expense which it clearly is, and not a little one because we are talking about almost \$10 billion, the government books it as a tax cut. This is unbelievable.

This is not a situation where people are allowed to keep their own money. In some cases people are not paying any income tax and still receive the child benefit. It cannot be called a tax cut. The Auditor General and just about everybody who follows these things has been extraordinarily critical of the government on that count.

The government talks about transparency and accountability. What does the government do? It ignores recommendations from people such as the Auditor General and go merrily along and continue to book these things as tax cuts, when in fact they are undoubtedly a huge expenditure. On those counts we are critical.



*The Budget*

• (1805)

I want to say a few words about a policy area that is of my particular interest as the critic for human resources development for the Canadian Alliance. It is something that the member for York South—Weston just spoke about a minute ago. I want to speak about child care.

I have a couple of boys, and my wife and I over the years have tried many forms of child care. When we were first married we had our oldest son in day care for a period of time. After that we had our boys staying in one case with a neighbour across the alley. She looked after our youngest boy for a long time. Our oldest boy at one time went to a friend a couple of blocks away. Of course, for a number of years my wife made the choice to stay home and look after the children herself. We have done it all. We know a little about child care from personal experience.

I do not understand why the government places absolutely no value in parental personal values and the choices that they want to make with respect to child care.

The government brought in a billion dollar program in the budget to funnel people in to its chosen form of child care, which is regulated day care. In other words, if persons choose day care they will get a tax break, but if they choose some other form of child care, like looking after children themselves or taking them to grandma or to a neighbour, they are out of luck. For some reason the government does not value the idea of choice in child care. It wants to ram everybody into its particular form of child care.

The Canadian Alliance opposes that. We say that what should happen is that all parents with children should get a child care deduction. In the 2000 election we proposed a \$3,000 deduction for all families with children under the age of 16. That would mean they could take that money and use it for whatever they want. Maybe that would allow one spouse in the relationship to stay at home with the child now that they have that big tax break, or they could take that money and purchase day care with it, or they could take that money and use it to pay the neighbour across the alley to look after their children.

The government has decided that there is one way and one way only to look after children, and that is to force them into regulated day care. That is wrong.

Why does the government not respect the ability of parents to make those decisions? Why does it discriminate against single income families, people who make the decision to stay at home? Why does it force people who would make a different choice to pay taxes so that the government can then take that money and channel it into one form of child care, which is regulated day care? Some people may make that choice. I do not care. It is up to them, but let us not discriminate against people who make a different choice.

I do not know how many times in the last Parliament, when this became a big issue, we received e-mails and letters from people who said that they were sick and tired of seeing the government discriminate against a particular form of child care. Overwhelmingly this was people who were single income families, people who decided to have either mom or dad stay at home and look after the

children or in some cases it was to have grandma across the way look after the children.

I am hugely critical of the government when it comes to that particular issue. I do not understand why the minister, who has never provided an explanation, has taken this hard core, uncompromising stance against single income families who make other choices. It is completely and utterly wrong.

The budget has made a number of mistakes and I have pointed to many them. We hope that the government will come to its senses and not spend away the entire surplus, not only for this year but years to come. We hope that the government will start to recognize the expertise of individual parents who know much better how to care for their own children than the hon. Minister of Human Resources Development.

• (1810)

**Mr. Bryon Wilfert (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, there is a deduction for parents with children aged seven years and under. If they do not send them to day care they already get a tax benefit. The member failed to mention that.

The member talked about uncontrolled spending. I have pointed out many times in the House that, in fact, that is a fallacy. It is around 12% and it was 16% in the early 1990s.

One of the things that the Alliance members keep saying, when I mention that the debt to GDP ratio has gone from 71.5% down to 44.5%, is that it is smoke and mirrors. They say that the debt has gone up. I would like them to table the documents to prove that because in 1997 the debt was \$552.5 billion and it is now \$507.7 billion. I would like them to provide that information.

**Mr. Monte Solberg:** Mr. Speaker, what we are asking for is equality when it comes to child care. We want everyone to be treated equally. The hon. member cannot say that the government does that because, in fact, it does not. It favours a particular form of child care.

When it comes to the debt there are two important facts. First, 21¢ of every tax dollar still goes to pay the interest on the debt. Second, the debt did go up under the Liberal government. It is higher today than it was when the government came to power in 1993. It was about \$500 billion when the government came to power. Today it is \$536 billion.

• (1815)

[*Translation*]

**The Acting Speaker (Mr. Bélair):** It being 6.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment now before the House.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

*The Budget*

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

**Some hon. members:** Nay.

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

*And more than five members having risen:*

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

• (1845)

[English]

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

*(Division No. 53)*

## YEAS

## Members

Abbott	Anders
Anderson (Cypress Hills—Grasslands)	Asselin
Bachand (Saint-Jean)	Bailey
Barnes (Gander—Grand Falls)	Benoit
Bergeron	Bigras
Borotsik	Bourgeois
Breitkreuz	Burton
Cadman	Cardin
Casson	Crête
Cummins	Dalphond-Guiral
Desrochers	Doyle
Duceppe	Duncan
Elley	Epp
Fitzpatrick	Forseth
Fournier	Gagnon (Québec)
Gagnon (Lac-Saint-Jean—Saguenay)	Gaudet
Gauthier	Girard-Bujold
Goldring	Grewal
Grey	Guay
Guimond	Hanger
Harper	Harris
Hearn	Hill (Prince George—Peace River)
Hilstrom	Hinton
Jaffer	Johnston
Kenney (Calgary Southeast)	Laframboise
Lancôt	Lunney (Nanaimo—Alberni)
Marceau	Martin (Esquimalt—Juan de Fuca)
Mayfield	Meredith
Merrifield	Moore
Obhrai	Paquette
Penson	Picard (Drummond)
Plamondon	Rajotte
Reid (Lanark—Carleton)	Reynolds
Rocheleau	Roy
Sauvageau	Skelton
Solberg	Sorenson
Spencer	St-Hilaire
Strahl	Thompson (Wild Rose)
Toews	Wayne
White (Langley—Abbotsford)	White (North Vancouver)
Williams	Yelich — 82

## NAYS

## Members

Alcock	Allard
Anderson (Victoria)	Assad
Assadourian	Augustine
Bagnell	Bakopanos
Barnes (London West)	Bélair
Bélanger	Bellemare
Bennett	Bevilacqua
Binet	Blaikie
Blondin-Andrew	Bonwick
Boudria	Bradshaw
Bryden	Bulte

Byrne	Caccia
Calder	Cannis
Caplan	Carignan
Carroll	Catterall
Cauchon	Chamberlain
Charbonneau	Coderre
Collenette	Copps
Cotler	Cullen
Cuzner	Davies
Desjarlais	DeVillers
Dhaliwal	Dion
Discepolo	Drouin
Duplain	Easter
Eggleton	Eyking
Farrah	Finlay
Folco	Fontana
Frulla	Fry
Galloway	Godfrey
Godin	Goodale
Graham	Grose
Guarnieri	Harb
Harvard	Harvey
Ianno	Jackson
Jennings	Jordan
Keyes	Kilgour (Edmonton Southeast)
Knutson	Kraft Sloan
Laliberte	Lastewka
LeBlanc	Lee
Leung	Lincoln
Longfield	MacAulay
Macklin	Mahoney
Malhi	Maloney
Marcil	Marleau
Martin (LaSalle—Émard)	Masse
Matthews	McCallum
McCormick	McGuire
McKay (Scarborough East)	McLellan
Mills (Toronto—Danforth)	Minna
Mitchell	Murphy
Myers	Nault
Neville	Nystrom
O'Brien (London—Fanshawe)	O'Reilly
Owen	Pacetti
Pagtakhan	Paradis
Parrish	Patry
Peric	Peschisolido
Peterson	Pettigrew
Pickard (Chatham—Kent Essex)	Pratt
Proctor	Proulx
Provenzano	Redman
Reed (Halton)	Regan
Robillard	Robinson
Rock	Saada
Savoy	Scherrer
Scott	Serré
Sgro	Shepherd
Simard	St-Jacques
St-Julien	Steckle
Stewart	Stoffer
Szabo	Telegdi
Thibault (West Nova)	Thibault (Saint-Lambert)
Tirabassi	Tonks
Torsney	Ur
Valeri	Vanclief
Volpe	Wappel
Wasylycia-Leis	Whelan
Wilfert	Wood — 156

## PAIRED

## Members

Beaumier	Bertrand
Brown	Dubé
Lalonde	Loubier
Manley	Ménard
Perron	Phinney
Speller	Tremblay — 12

**The Speaker:** I declare the amendment lost.

*Government Orders*

**Mr. John Duncan:** Mr. Speaker, I rise on a point of order. I understand that today in the foyer the member for Mississauga Centre made the comment, "Damned Americans, I hate those bastards". I have Americans as family. I demand a retraction and an apology in the House right now.

**The Speaker:** The hon. member is well aware that the Speaker has jurisdiction over statements in the House, but not those made outside this House. I do not propose to engage in the matter. The hon. member has made his point. I believe that is the end of the matter so far as the House is concerned.

Pursuant to order made on Monday, February 24, 2003, the House shall now resolve itself into committee of the whole to consider Government Business No. 14. Accordingly, I do now leave the chair for the House to go into committee of the whole.

\* \* \*

• (1850)

**FISHERIES**

(House in committee of the whole on Government Business No. 14, Ms. Bakopanos in the chair)

**Hon. Don Boudria (Minister of State and Leader of the Government in the House of Commons, Lib.)** moved:

That this Committee take note of the fisheries.

**Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.):** Madam Chairman, as Canada's Minister of Fisheries and Oceans, I appreciate the opportunity to rise in the House this evening to discuss Canada's fisheries. Indeed, there are a number of fishery issues of great importance to Canadian communities. I would like to touch on a few of them today.

I would like to begin, if I may, with the helpful support my department received last week concerning the federal budget. I would like to thank my colleague, the hon. Minister of Finance, for developing this budget which combines continued fiscal prudence with a mixture of strategic expenditures that will make an important contribution to Canada's economic and social prosperity.

My department received a number of pieces of good news in the budget. Take the Canadian Coast Guard for instance. I am sure all members of the House recognize the important role played by the Canadian Coast Guard, a key Canadian institution and an important and highly respected cornerstone of my department.

Last week's budget also recognized this important role and announced that the Canadian Coast Guard would be receiving \$94.6 million over two years. This funding will be invested in the Canadian Coast Guard's fleet and shore based infrastructure and will help the Coast Guard plan for the recapitalization of its fleet and shore based infrastructure.

As a result of the budget, we are planning our activities based on a permanent infusion of \$47.3 million annually. This is in addition to January's announcement that \$37.5 million would be invested in my department for marine security. This funding will allow the Canadian Coast Guard to implement an automatic identification system, with the long range vessel identification and tracking capability.

It will allow our conservation and protection program to expand its surveillance program, which means more air patrols on both coasts, inside and outside Canada's 200 mile limit.

[*Translation*]

Last week's budget also provided \$12 million over two years to be invested in a soon-to-be-announced programming initiative, which will enhance the ability of the aboriginal communities to participate in the decision-making and management process for Canada's fisheries and other areas related to DFO's mandate.

Over the next five years, we are planning our activities based on a permanent annual infusion of funds. The Government of Canada is also allocating \$33 million over two years to implement the Species at Risk Act. DFO will be working with other departments on the distribution of this funding, which is in addition to the \$180 million announced in the 2000 budget.

As this initiative moves forward, my department will be expected to play an important role. As you know, the budget announcement also asked all departments to contribute to a federal goal of reallocating a total of \$1 billion from existing programs starting this fiscal year.

My department is committed to doing its share and has undertaken a comprehensive departmental assessment and alignment project, in coordination with Treasury Board Secretariat, to help us establish program priorities and necessary realignments to contribute to this government-wide goal. Indeed, last week's budget will go a long way towards helping us serve Canadians in future.

• (1855)

[*English*]

I would like to turn now to a few specific issues that have been raised here in the House recently and that I am sure hon. members of the opposition would like addressed.

Perhaps the best example right now is the situation we are facing with certain Atlantic cod stocks, particularly northern cod, and the stocks of the northern and southern Gulf of St. Lawrence. I know how important these stocks are to coastal communities throughout Atlantic Canada, in particular to Newfoundland and Labrador and Quebec.

While I am still waiting for the scientific advice to come in before I make a final decision next month, I think it is fair to say that the situation so far is not very promising. Research shows that these stocks have not recovered since the moratoria of the 1990s. While we have drastically reduced catch levels, these stocks have not responded and remain at very low levels.

When I announced the management plan last spring, I made it clear that if we did not see any more positive signs in the health of these stocks, some difficult decisions would have to be made.

However, before a decision is taken next month, we need to put together the best possible information on these stocks. That is why my officials are currently working hard to gather and analyze all information.

*Government Orders*

In fact, last week I met with the Atlantic fisheries minister to discuss an economic analysis that was undertaken by my department and our provincial counterparts to determine the extent of communities' dependence on this resource.

Indeed, while the number of fishers who still rely on cod is a fraction of what it used to be, we need to remember that any decision will have a direct impact on their livelihoods and their communities. While the number of jobs might not be what they once were for those people, they are the most important jobs in the world.

DFO scientists, as well as scientists and technical experts from industry and other organizations and countries, are currently involved in a peer review of all available scientific information.

The formal stock status reports will be made available next week at which time the FRCC will commence its consultations with the goal of having its report to me by March 21. This may sound like a long process but it is essential that we gather the most detailed information possible before making a final decision.

As minister, my responsibility on this issue is clear: to conserve Canada's fisheries and ensure that future generations are able to benefit from them. That, above all else, will guide my decision.

In addition, I am working closely with a number of colleagues on this issue to ensure that we have examined all the options at our disposal in preparation for whatever the final decision must be.

[*Translation*]

Snow crabs are another issue of concern. As you know, crab has been one of the engines of prosperity for the Atlantic fishery over the last several years.

In fact, snow crab landings in Atlantic Canada were valued at nearly \$400 million in 2001. But there are now serious concerns about snow crab in the northern Gulf of St. Lawrence. People who know crab know that these stocks are naturally variable and cyclical. Snow crab populations have periods of abundance, followed by periods of decline.

With this in mind, DFO has been monitoring the status of these stocks for several years. As anticipated, there appears to be a decline in the commercial biomass for these stocks, due to poor recruitment and early maturation.

There is a real likelihood that some crab quotas will need to be reduced in certain areas. My department is now working closely with industry to examine ways to minimize the impacts to fishers who rely on snow crab. Stakeholders must be prepared to accept greater sharing of the resource.

As I indicated, snow crab is very valuable to the industry. Wise and prudent management is needed so that we can rebuild certain crab stocks for the future and protect these stocks for future generations.

[*English*]

On the west coast there are also some emerging issues. One example is the sockeye salmon which is currently the subject of a comprehensive review. I expect to receiving the steering committee's

report shortly and I will be considering its recommendations in the time ahead.

Examples like these remind us of the importance of working toward a self-reliant, stable and, above all, conservation based fishery. They also remind us of the importance of working together to make it happen.

Clearly Canada's fisheries are facing a number of challenges in the times ahead. However, as we work together to find ways to deal with these challenges, we cannot lose sight of the fact that there are a number of success stories in the fishery as well.

For instance, last year Canada's fish and seafood exports reached a new record value of \$4.2 billion, and all indications are that we are headed for another record this year. In fact, Canada is the fifth largest exporter of fish and seafood products in the world, with leading companies in value added production, marketing, harvesting, and the world's best fishers and plant workers.

That is why I can say with confidence that, despite a number of key challenges in the fishery, we are on the right track. I remain committed to working with people throughout the industry to meet these challenges and to keep Canada's fisheries strong and sustainable in the years ahead.

● (1900)

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Madam Chairman, there are three issues that the minister raised that I would like to address. The first is the issue of the west coast sockeye.

Last year on the Fraser River there was a return of 15 million sockeye but there were 12 million allowed to spawn. That means that there were seven to eight million fish that should have been caught but were not, a cost to the British Columbia economy of about \$200 million. I would like to know why.

The second issue is on the coast guard. The budget for the coast guard since it joined with the Department of Fisheries and Oceans has been cut by almost \$100 million a year, \$500 million since the merger. The small pittance of \$96 million that has been added in the budget, when applied to the Pacific region when the Pacific region gets it cut, will not come close to supplying the hovercraft that is needed or to reinstating the marine communications and traffic services to its appropriate level. I would like to know why the budget cuts, why the stripping of the coast guard, especially in these times when there should be additional moneys spent to protect Canada's sovereignty and safety on our shores.

*Government Orders*

The third issue is on the east coast cod stocks. For years the FRCC has been giving advice to the government about catch numbers. The government listened to that but when the FRCC talked about seals the government did nothing. For years the FRCC has said that there should be a harvest of seals, not just to provide jobs but to protect the cod stocks, yet nothing was done along that line.

The government ignored FRCC's advice on seismic and ignored its advice on improving the enforcement of the department as well. I would like to know why, on that issue, the government has done nothing.

**Hon. Robert Thibault:** Madam Chairman, the question of west coast sockeye has been of great concern to me. I was quite active on the file last year.

The member will know, although he does not point it out, that we have had considerable problem with that stock in the last five years. The stock has had a huge pre-spawn mortality of 95%. It is also mixed with other species.

This year we are pleased that we had bigger returns than we have had in a long time, more than forecast, healthier fish and a very low pre-spawn mortality. That is a good sign for the future. We wish we could have harvested more. We are doing a comprehensive review right now to get the mechanism in place so we can do effective and timely management of resources like that.

However we also must remember that other salmon stock which are mixed into that are in a precarious state and are of concern. We must see to the viability of those stocks.

As for the coast guard, a substantial amount of money was given to the coast guard along with the full accrual accounting system that gives us a lot more purchasing power than we had under current year accounting rules. We will work with Treasury Board to see how much more we can do but I can say that we will be able to do substantial recapitalization. I do not expect the critic for the NDP to understand financial matters.

As for the cuts to the coast guard, there were no cuts to the coast guard since it was amalgamated with the Department of Fisheries and Oceans. There were some cuts when it was still at transport. When it came back to fisheries I believe \$45 million was put back into the budget.

On the issue of cod stocks, I understand the member's frustration. It has been raised to me throughout Atlantic Canada, particularly on the matter of seals. However I think the member is wrong when he says that I have not done anything and have not listened.

I have been minister for one year. Last year in the seal management plan I used a flexible approach. It is the first year in which we reached the quota. I even let it go over. We harvested over 300,000 seals last year. I introduced a three year management plan of 975,000 seals. It will mean a reduction for the first time in the herd. I also agreed with the FRCC that we had to look at the question of exclusion zones, the question of areas where predators might be risking the long term survival of those stocks. We are going forward with those things.

If people look at my record in one year at the department, I honestly think I have taken some serious initiatives.

● (1905)

[*Translation*]

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Madam Chairman, my question will be very short. The minister was just talking about the increase in the seal hunt, which has gone from 312,000 last year to 350,000 this year.

There is a problem. We have been negotiating with the Koreans for years without being able to break into this market. We have been negotiating with the Americans for years and are unable to break into this market. If we increase the number of seals caught, the markets have to open up.

When we put a question in the House to the minister responsible, he says, "We are in negotiations". Do you know what this reminds me of? It reminds me of the softwood lumber situation. One of these days we will be told once again that there is no solution.

Is it possible that one day the Korean and American markets will open up?

**Hon. Robert Thibault:** Madam Chairman, this is certainly desirable. We are working within international free trade organizations. The Minister for International Trade is working very hard on this issue.

We must recognize that without access to these markets, the seal market has been very good. Prices have been very high; demand was good. It seems it will be the same this year; things are looking very good. I think this industry will be successful again, which will be good for the communities in northern Quebec, Îles-de-la-Madeleine, Newfoundland and Labrador, and all the communities that depend on this industry.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Madam Chairman, I would like to ask the minister a question. He may think the NDP cannot count, but there is one thing for sure: the NDP knows when there are fish in the ocean and when there are not, and at present there are not. So being able to count is not important.

I remember when the Standing Committee on Fisheries and Oceans carried out a study and former Liberal MP George Baker—whom I can name, now that he is no longer a member of this House—and the other committee members presented recommendations to the government. I remember that George Baker did not even come to the House because the Liberals were going to vote against his recommendations. Even the member for Miramichi, who had promoted his recommendations, voted against them. Never mind not being able to count, he did not even know what he had recommended.

Did the government not agree at that time that there was a problem? First, the Standing Committee on Fisheries and Oceans had done its job and presented recommendations to benefit the fishery. Second, this week there were news reports that the minister is prepared to take a look at the situation for Newfoundland and Quebec, but what about the fishers of New Brunswick, P.E.I. and Nova Scotia?

*Government Orders*

Take groundfish as an example. Whether there is one fisher or two or three hundred of them, each should have equal treatment, regardless of where he or she comes from.

**Hon. Robert Thibault:** Madam Chairman, I wish to thank the hon. member for his more or less accurate account of parliamentary activities in recent years. I will defend this past year, because as the minister in charge, I made the decisions.

Regarding the effects on New Brunswick, Nova Scotia and Prince Edward Island, there will certainly be some if the most drastic decision is made in connection with the cod quotas for next year.

Without downplaying the effects on these communities, these are hardly comparable to the effects in the Gaspé, the Lower South Shore and Newfoundland and Labrador, where communities are very resource based. In some cases, it represents between 80% and 90% of their revenues, which are not very high to begin with.

This was revealed in the analysis conducted in conjunction with the provincial governments. All federal departments with responsibilities in these areas are encouraged to help these communities as well as the five provinces concerned.

• (1910)

**The Assistant Deputy Chairman:** There is less than a minute left. The hon. member for St. John's West.

[*English*]

**Mr. Loyola Hearn (St. John's West, PC):** Madam Chairman, we will undoubtedly have several rounds of questions tonight but for now I will ask the minister this. In relation to his dealings with the planned closure, if that is the word, or in his addressing of the decline in the Atlantic cod stocks, will the minister come up with a plan to deal with the people directly affected and make sure that they are accommodated within the fishery rather than closing the fishery?

If the minister has already made the decision to close the fishery, is he, his department and the government in general addressing the compensation package that will include something besides dealing with HRDC and ACOA, an extension of EI benefits or make work programs, because they are not acceptable. What is requested is that provision be made within the industry so that those people can live and survive and operate to some extent which will keep them involved until we can turn around the resource.

The minister will learn, if he stays around tonight, and I know he will because he is very good at that, there are ways that can be done. If everybody cooperates we might see a fishery of the future, which very few people have faith in right now.

**Hon. Robert Thibault:** Madam Chairman, the communities themselves have been doing a lot of work on these issues.

In Newfoundland the all party committee has been working and the Fish, Food and Allied Workers has been preparing some recommendations that it will be presenting to the FRCC. In Quebec the industry and the province are working together. They will be preparing some recommendations for the FRCC and I believe for myself also.

Looking at all aspects and depending on what decisions are taken on how that would apply, we have not made a decision. I have not

made a decision on those cod stocks. I am waiting for the process to go through.

As to the question of compensation, federal and provincial, my job is the protection of the resource and the protection of future fisheries. I have made sure, working with my provincial colleagues, that we give to the relevant departments and the provinces all the information on economic effect so that the proper decisions can be taken. I will continue working with my colleagues in that way.

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Madam Chairman, I appreciate the opportunity this evening to discuss fisheries issues in Canada.

Fisheries issues are extremely important both on the east coast and the west coast of our country. They are and have been the economic engine on both coasts in various periods in history. In many respects they still should be. In fact they still would be if they were managed in an appropriate fashion.

I would like to address two areas of concern this evening. The first area is the mismanagement of the Fraser River fishery this year. The second issue is the impending cod moratorium.

The government reorganized the fishery in 1996. It reorganized the fleet on the west coast of Canada in 1996. Fleets were cut back drastically. The number of boats fishing the Fraser River in any one opening decreased from about 1,500 to 1,800 prior to 1996 down to only 400 licensed vessels now. Previously a small boat fleet could fish from Washington State all the way to Alaska, any water, any fishery. After the reorganization in 1996 they were restricted to one of three areas.

The end result of all of that was that in 1999 for the first time in history there was no commercial fishery on the Fraser River. In 2000 there were about three days of fishing. In 2001 there was no fishery again. This past year there were only three days of fishing.

What was especially tragic about this past year was that there were 15 million sockeye returned to the Fraser River. The 15 million sockeye represented ample opportunity to fish regardless of the problems with late run stock. We do not stock fish in the middle of the year to protect the late run fish because the early stock comes back early and are going to die anyway. We have been through those numbers and there is just no percentage in doing it. The cost to the economy of British Columbia this year was close to \$200 million.

To put that in perspective on how poorly this was managed, for the gill net fleet in 1987 where there was a return of 12 million fish, there were 7,800 boat days of fishing. This past year with the return of 15 million fish, there were only 1,300 boat days. In 1987 with the return of 12 million fish there were 780 same boat fish days. In 2002 with the return of 15 million fish there were only 48 same boat days.

That is a tragedy in any man's language. It is a huge cost to those people who made huge investments to maintain their vessels and to fish. It is a tragedy as well because when there is over-spawning we do not get more fish back four years later. When there is over-spawning there is going to be less fish that come back.

*Government Orders*

As an example, in 1989 the department allowed an escapement of 3.1 million sockeye and in 1993, four years later, over 24 million came back. In 1993 it allowed an escapement of 6.4 million and 16.4 million came back. One can see that the numbers are dropping. That 1993 number was the highest previous escapement on this series in the Fraser River.

In 2002 there was an escapement of 11.3 million fish. My bet is there will be a drastic reduction in returns in four years. It just does not pay. The loss to the economy in British Columbia is not only the \$200 million that were lost this year but it is going to be tens of millions of dollars four years from now.

On the issue of the cod stocks, there is a huge problem because when we talk about cod stocks we are not just talking about the fish. We are also talking about it being the economic engine that drives Newfoundland and Labrador. No other province has been harder hit by the moratorium than Newfoundland and Labrador.

The fact of the matter is that since 1992 according to the FRCC, the numbers of cod are down. That is the best estimation of the scientists and the fisheries professionals who are involved in the FRCC. However, they have not been asleep.

● (1915)

The FRCC has made recommendations on catch numbers. The minister and others have heeded the catch numbers that the FRCC has recommended. Where they have failed, and failed miserably, is in the cautions the FRCC made about matters like seals. Let me read from the May 2001 report on 2J3KL cod:

The FRCC has grave concerns that seal numbers have increased substantially in Smith Sound in the past 2 years, and that this one remaining aggregation [of cod] may become the target of increased seal predation. That seals should be able to deplete the last remaining large aggregation of northern cod is unconscionable and unacceptable to the FRCC.

Yet the government did nothing about that. The report also states:

The FRCC recommends that areas be identified where cod are aggregated during winter or where seals are inflicting high mortality on cod, and these areas be designated as seal exclusion zones. Within these areas, measures must be taken immediately to protect and conserve cod.

What the FRCC meant when it said seal exclusion zones was no seals, none, zero, nada. We must get rid of them. We cannot allow them to attack the spawning stocks. We have to protect those very precious spawning stocks.

The government failed to heed that warning. That is a tragedy. That is why we are at the brink today, because the government has repeatedly failed to address the issue of seals.

The FRCC spoke many times on this issue. In the April 2002 report for the Gulf of St. Lawrence, it said, "Predation by seals is now the dominant source of exploitation on groundfish in the gulf". It is the dominant source of exploitation and what do we do? We set catch limits. Yes, we listen to that, but we ignore the dominant source of exploitation. That is simply unconscionable. There is no excuse for ignoring that.

Dr. Daniel Lane said in that report:

Reductions in seal populations are required in areas where groundfish spawn and on juvenile groundfish in the nursery areas. Unlimited, unhampered and unrestricted seal predation on highly vulnerable groundfish cannot be allowed to continue if groundfish stocks are to be allowed to rebuild.

How much clearer can it be? There is a problem here and the government has repeatedly refused to address the issue. There is simply no excuse for it.

Our science and knowledge is limited. Granted, we have been fishing the fish for 500 years, but there is a lot we do not know. However, when a group like the FRCC can make a very distinct recommendation, then we know that something has to be done.

It is not that these seals just eat the whole fish. I know there are some who say they only eat so many pounds a day. I have seen the damage that seals inflict on salmon on the west coast and I suggest it is probably the same on the east coast. They take a bite out of the belly and leave the rest. They go for the liver and stomach and do not want the rest. They do not want the filling; they just want a bite out of the belly. They kill the fish, time after time. That is a huge problem.

We have an issue here that the government has ignored. It has ignored the recommendations of the FRCC on seismic activity. It has ignored recommendations on increasing surveillance of fisheries and so on. It is a tragedy.

We have to remember that even if the FRCC comes down and recommends that a small fishery be allowed this year, the horror of a closure is still going to be hanging over our heads, because these stocks are not going to recover over night. Dramatic action is required by the government and it has to happen soon. It should have happened 10 years ago but it has to happen soon.

● (1920)

**Hon. Robert Thibault (Minister of Fisheries and Oceans, Lib.):** Madam Chairman, I want to thank the member for his comments. On the question of sockeye, I understand the frustration that we could have had more harvest, however that is why the review conference is going on. Does he not recognize the fact that we did increase the harvest in mid-season by over one million? I believe it was 1.6 million in that case.

Will he recognize that there is not necessarily a direct inverse relationship between the number of escapements and recruitment, that there are other factors that come into play like ocean conditions? Will he not recognize that nobody can understand why the salmon have returned in much better shape this year and why there was less mortality, and that there are conditions in the open ocean that we do not understand?

Will he not recognize that in the last year, since I have been minister, I have taken the recommendations of FRCC very seriously by using a flexible management approach on the seals, ensuring that we harvest to a level that would stop the growth and establish a plan for the next three years that would begin a reduction in the herd? Will he recognize also that we started the process for exclusion zones to see how that could work, where it would work, and where the cost effectiveness would be?

● (1925)

**Mr. John Cummins:** Madam Chairman, I appreciate the serious questions posed by the minister.

*Government Orders*

I understand full well that there is not an inverse relationship between the number of spawners that hit the spawning grounds and the returns four years hence on sockeye. However, I understand clearly that if we were to overcrowd the spawning grounds we would get less fish back. That is simply a fact. I do not think there is a scientist familiar with salmon on either coast who would argue with that. I have seen it.

When the fish come back in appropriate numbers they dig in the gravel and lay their eggs. The gravel remains relatively undisturbed after the eggs have been laid. If we were to have wave after wave of fish coming into a spawning area the ensuing waves would simply dig up the area where the eggs have been laid before. The fish try to lay eggs on top of that and there is mass confusion, and we end up with fewer fish the next time. Fewer fish survive, fewer eggs hatch and we end up with less fish. That is simply a given. Whether anybody has determined what the ratio is on that, I do not know, but it is a given fact.

The department did allow a slight increase in the allowable catch over the summer. However, let us not forget that the total commercial catch last summer was only 2.18 million. There are probably 6 or 7 million more that could have been caught and still allowed for an adequate number of spawners. Not only an adequate number of spawners but an optimum number of spawners. That did not happen.

The issue was not protecting the early arriving late-run sockeye stock. We had expert testimony before the committee a year ago last spring. Dr. Ian Todd of the Fraser panel and the international commission said that we should not sacrifice our fishing opportunities on the mid-summer runs to save these late early arriving fish runs because they are going to die anyway. He added that if we do not harvest those mid-summer runs to the optimum level, then we are going to overspawn. In conclusion, he said that we are going to have problems not only with the mid-summer run, but we are not doing anything to help the late summer runs. That advice was given prior to the 2001 season and it was ignored by the minister's predecessor.

I know the minister was new on the job then, but that was the case again this year. It was a drastic error and a huge cost to the British Columbia economy and it will continue to be.

I understand there have been some steps taken toward stopping seal predation. However, the fact of the matter is that if this country is interested in protecting the fish stocks on the east coast, we will have to take a strong stand on the seals regardless of what the international outcry will be. The way we will accomplish that is to take control not only of the Grand Banks themselves within our 200 mile limit, but we must take control of the nose and tail of the Grand Banks and the Flemish Cap, and manage that fishery for the people of the world and for Canadians. That is what has to happen. Until that happens we will continue to have those problems.

**Mr. Norman Doyle (St. John's East, PC):** Madam Chairman, I have been sitting on the all party fisheries committee for the last couple of months and the first thing that we find out is that the fishery has never really been treated as an important issue by the federal government until such time as it is looking at an economic and social disaster.

Let us look back at the billions of dollars that have been spent to alleviate the plight of fishing communities hard hit by the first cod moratorium. If even a tenth of that money had been previously spent in some fisheries management, perhaps there would not have been any need for the programs that we had at that time. Maybe the province would not have lost 70,000 people that it lost in out-migration over the last decade.

Concerns are high indeed that the government would be closing down the remaining northern cod fishery. The minister has all but made that announcement here tonight. What I have been really interested in finding out is, why has the federal government cut back so much on the science associated with seals?

In 2000 for example, DFO estimated that harp seals in 2J3KL consumed 893,000 tonnes of caplin, 186,000 tonnes of Arctic cod and 37,000 tonnes of Atlantic cod. Scientists are saying that the diet data from the inshore showed that the per capita consumption of cod by harp seals did not even decline with the collapse of the cod stocks.

I am sure that the hon. gentleman has a great deal of concern about the science associated with the cod stocks and seal predation. I would like the hon. member to comment on why the federal government has cut back so much on the science associated with seal predation and cod stocks?

• (1930)

**Mr. John Cummins:** Madam Chairman, I thank the hon. member for the question and I will not presume to answer for the government. I am also mystified on why there has not been more done in the way of science on most species of fish on both coasts because there is a dramatic need for that.

Since the moratorium, we are now pursuing species that we ignored pretty much in the past. We are exploring new opportunities on the west coast as well and yet we are not doing near enough science. But on this issue of the seals, the science has been done, and it is pretty darn clear and a matter of common sense that there is a huge problem.

The FRCC, which is a science-based organization, understands the science of the fishery and the impact of seals. It has clearly, time after time, pointed out that there is a huge problem with the seals and yet it is saying it has been ignored. As late as January 2003, in the latest report, the FRCC said last year's recommendation of evaluating Bird Island as a seal exposure zone for the protection of juvenile ground fish is still deemed necessary. Its recommendation even now is not being followed. That is the problem here. Members are ignoring reality across the way.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Madam Chairman, my hon. colleague has raised many issues but my question to him is on a postcard. We have heard the hon. minister say that the funding in the budget was great and wonderful for the Coast Guard. Yet, his own commissioner of the Coast Guard, John Adams, said it needs a minimum \$400 million, but there was \$95 million in the budget.



*Government Orders*

I would like him to respond very quickly as to why the commissioner of the Coast Guard says we need \$400 million and the minister responsible for the entire department says the \$95 million was just adequate?

**Mr. John Cummins:** Madam Chairman, again, I cannot understand the way the Liberals do the numbers over there, but the Auditor General evaluated the Coast Guard fleet at \$2.4 billion. She said that if we were a private owner, if we were the former finance minister, that we would invest about 4% a year in fleet revitalization and replacement. That comes out somewhere around \$40 million a year. We have not been doing that in the last few years.

In fact, the Auditor General also noted that even moneys that were designated for fleet revitalization were siphoned off elsewhere so they were not dedicated. That is part of the problem with the structure of the Coast Guard where it is part of the Department of Fisheries and Oceans. The problem is that it cannot protect its own budget because instead of reporting to the commissioner here, it reports to the director general on the west coast and elsewhere in the country.

[*Translation*]

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Madam Chairman, earlier, before coming into the House of Commons chamber, I reviewed statistics from Fisheries and Oceans Canada going all the way back to 1980. I was wondering how Quebec had managed not to rebel. Over the years since 1980, the Government of Quebec has been asking the federal government to recognize the division, along provincial lines, of the access to common pool fisheries resources in order to stop the erosion of Quebec's historic share.

I must quote a very specific example of the situation some species are in. In recent years, that is from 1995 to 2000, when we look at the fisheries in Quebec, the overall loss in tonnes suffered by the industry has been absolutely terrible.

For the crab fishery, the loss was 983 tonnes; for cod, 2,450 tonnes; for the gulf shrimp, 275 tonnes; for the northern shrimp, 27,159 tonnes; for black turbot, 2,069 tonnes. We lost a total of 32,936 tonnes in terms of fishing rights in Quebec between 1995 and 2000.

We are facing a very serious situation in Quebec. There is this continuous erosion. The situation is worsening, with the prospect of a moratorium on cod.

First, I want to review the past a little, to see what was done in Fisheries and Oceans since the federal government took over. I would simply point out that, in 1992, the Canadian government signed the Rio Declaration, which contained the precautionary principle and the sustainable development principle.

In the fall of 2001 in Paris, this same government took part in a week-long international conference, five days from 8:30 a.m. to 8:30 p.m. I attended this conference, and I am still yawning. We prepared fisheries plans at this conference. It was on oceans, law of the sea, fisheries, aquaculture, sustainable development and the precautionary principle. We prepared the plans together to ensure the future of the fisheries.

In the fall of 2002, after the Johannesburg summit, this same government—which had agreed with what was prepared in Paris—

signed the same plans that were submitted. If we look at the past—I hope that the future will be different—we see, in terms of federal fisheries management, that marine resources have been unfairly distributed.

I noticed this earlier and I pointed it out; Quebec's historic shares are not being respected. This is extremely important to the Gaspé. In the Gaspé, the fisheries are part of its history, they built the Gaspé, they ensured its development.

The cod moratorium, obviously, could kill an entire industry, a traditional industry that has developed over the years and that is internationally renowned. Cod, for example, is dried and salted.

Marine resources are unfairly distributed. In the past, the department showed a certain lack of responsibility. There were numerous hesitations by one minister after another in making decisions to protect the resource. If the resource had been protected, we would not be here today facing the possibility of a moratorium on cod fishing and, possibly, other types of fishing.

In fact, it is becoming increasingly obvious that there is no protection outside the 200 mile zone. NAFO member countries come to fish, they literally come to steal our resource without any real control measures and without sufficient action being taken by the government to make these people understand that we need to protect our resource, that we need to maintain it not only for us but for future generations.

We can also say that the Department of Fisheries and Oceans has not really cooperated with Quebec, with the rest of the provinces and with fishers. I am still talking about the past.

● (1935)

All we hear when we meet fishers and other stakeholders is that the Department of Fisheries and Oceans does hold consultations everywhere, but every time, the result is the same; it does not change anything whether or not there are consultations. The government consults us, but it does not heed our recommendations. It consults fishers, but it does not heed their recommendations.

Let us take the seal industry as an example. Fishers have been saying for years that seals are the main predators for cod and groundfish. Fishers who are there have been telling the department for years that seal quotas have to be increased so that predation by seals is less damaging to the resource.

Unfortunately, it is only this year that quotas have started to increase significantly. Now, as I mentioned to the minister earlier, we must develop markets so that this industry can prosper. If it is not replaced, the existing fishing industry will at least have to be rejuvenated, particularly with regard to the development of the seal industry.

I want to come back to the possible cod moratorium, because this is an issue that I think is very important. I am not sure if it was a good idea for the Minister of Fisheries and Oceans to throw out the idea that there might be a cod moratorium right before Christmas.

*Government Orders*

If I were one of the 4,000 workers affected, I am not sure what kind of a Christmas I would have had. I do not know how I would have taken the news, knowing that I am an EI recipient, knowing that I was coming up to the spring gap, and not knowing if I would have a job and if I would be able to provide for my family to live decently in the spring, when I would no longer be receiving EI.

What we were calling for, when the idea of a possible cod moratorium was raised last fall, was a real support program. But when we talk about a real support program, we are talking about a program that will help people survive and get through the crisis. We are not talking about the current EI measures, which do not support people enough to get through them the crisis.

What I mean by a support program is a support program for the regions that are affected and direct support for the people affected. What happened in the early 1990s, when the first moratorium was set, was that there was an assistance program, but it did not necessarily assist the people who were affected, the plant workers. Fishers wound up without any income and on social assistance because the assistance programs did not target them properly and did not meet their needs.

You cannot take fishers out of the industry when they have worked in it for 30 years. You cannot make them into high tech workers overnight. That is impossible. We have to provide targeted assistance programs that meet these people's real needs and provide them with an adequate income.

If people wind up in difficult circumstances, it will be because of mismanagement at the Department of Fisheries and Oceans.

Therefore, as we have pointed out on several occasions, we must create assistance programs through all the organizations, whether it is fishers who will be affected themselves or fishers' associations, particularly on the Lower North Shore and the North Shore of the St. Lawrence River, because they are the ones who could be the most affected.

● (1940)

We are talking about over 4,000 people who could be affected, not just in the Gaspé. These 4,000 people include over 1,000 workers in Quebec. When we talk about 1,000 workers, we are not just talking about 1,000 individuals, but about 1,000 families that will be affected.

In the Gaspé, this is a catastrophe, because the unemployment rate is already very high. The region was hit very hard by the 1992 moratorium. Whenever there is a crisis in the fisheries, the region experiences a catastrophe that generates gloom. It is very hard. When it hits, some 1,000 jobs are lost overnight, which means that 1,000 families are in dire straits and that about 3,000 or 4,000 individuals are affected.

This is very hard in a region where unemployment is already very high, because these people no longer have any hope. They do not know where to go. They do not necessarily have the training to do something else.

It is essential that the federal government be involved in and committed to a true assistance program. It must not do what it has

done in the past, and it must definitely not rely only on what is provided under the employment insurance program.

In 2002, the total allowable catch for cod was 7,000 tonnes in northern Gaspé and 6,000 tonnes in the south of the Gulf of St. Lawrence. Economic spinoffs are of the order of \$30 million, for a poor region like the Gaspé. So, this is very important. This is \$30 million which, all of a sudden, is available to thousands of people who collect employment insurance benefits during part of the season. This \$30 million is very important for the economy. I could go on, but I will get back to this later on.

● (1945)

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Madam Chairman, I listened very closely to my hon. colleague's speech. However, I would like to point out a few inconsistencies and perhaps give him the opportunity to enlighten us.

First, he said that in the past the Minister of Fisheries and Oceans always worked without really consulting anyone or, if there were consultations, they were a sham because no one was listening to the fishers.

The decision by the minister last year to allow the seal quota to increase to 305,000 individuals, and to increase it again this year over a three year period up to 975,000, clearly shows that the minister listened to what the fishers have been demanding for many years, which is to increase the quota.

On one hand, the member said, "Look, maybe the minister should not have talked about the possibility of a moratorium last autumn, because it sent shock waves through the communities concerned by this issue". On the other hand, he said, "They act quietly, in secret". I think the minister was being honest when he said that the depletion of the cod stocks was a serious issue. Some decisions are hard to make. It took a lot of strength and honesty to warn these people that there were some serious problems with the cod stocks.

Therefore, I think the hon. member would acknowledge that, last fall, following their conference, Atlantic ministers asked the minister to take action. So, the government could not have acted in secret. It acted quite openly. I would like the member to clarify that for us.

The other point may be more telling. The hon. member told us that Quebec's share of quotas dropped by 32,000 tons from 1995 to 2000.

This is what I would like the member to tell us: if Quebec's share has been so drastically reduced, does he not remember that, between 1995 and 2000, it was the Bloc members who travelled to the maritime regions of Quebec to defend the interests of their province and who then let huge quotas be transferred to the other provinces, at the expense of Quebec.

**Mr. Jean-Yves Roy:** Madam Chairman, the hon. member started at the end. I merely wanted to tell him that Liberal ministers managed the fisheries, and that Quebec has long asked to be involved in managing, for one thing, the fishery in Quebec. We are asking to manage the resource.

*Government Orders*

So, if it had not been for federal Liberal ministers, if the Quebec government had been managing the fishery, perhaps Quebec would not be experiencing so many problems in this area today. That is my answer to the hon. member.

I would like to point out something else. The hon. member said that the minister was honest in telling people that there might be a moratorium. People should not be told there might be a moratorium unless there are measures to help them. It is simple. To announce a possible moratorium, you say, "In the event of a moratorium, we will try to find ways to help you". You do not say, "There might be a moratorium, thanks, have a nice day". That is not how life works. If I tell you I am going to cut off one of your feet, I am going to tell you why. And I am going to tell you, "I am going to help you. I am going to try to look after you". This is an example. If I am a doctor, and I tell you this one day out of the blue, I am at least going to offer you something to offset the news. I am going to say, "You will get something; we are going to try to help you".

However, this is not what the minister did. The minister said, "There may be a moratorium, but we do not know what we can offer you. Perhaps we will help you. We do not know. There are programs in place". We are told again today, "I am not responsible. It is other departments that are responsible. So we will sit down together".

But we may be a month away from a moratorium. Imagine people in their living room saying, "In one month, I will have no job and I already no longer qualify for employment insurance, because the Liberal government cut my benefits. I am stuck in the gap". What a life. What hope is the government giving to these people? Absolutely none. It tells them, "We will sit down and review the situation". But we are a month away from a possible moratorium. I am sorry, but it is a little late to start thinking. The government should have begun its thinking process long before; it should have set up a committee with the provinces and the main stakeholders, as we had asked back in November, but this was done only after the holidays. Again, this is a little late.

● (1950)

[English]

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Madam Chairman, I certainly appreciate the member's comments. He is a great member of our fisheries committee and is very knowledgeable on these fisheries issues.

I would like to ask him a question. I have a report from Fisheries and Oceans Canada's Science Branch, the Canadian Science Advisory Secretariat, which is "not to be cited without permission of the authors", but I guess in this place that really does not matter. It is an assessment of the cod in the southern gulf of St. Lawrence. It states that the directed cod fishery in the southern gulf of St. Lawrence was closed in September 1993 and states:

The trend in the research survey index since 1993 suggests there has not been any increase in the abundance of the stock. Weights-at-age appear to be increasing but are low and natural mortality...appears to remain high...The stock assessment indicates population biomass remains low, similar to the mid-1970s, and is near the lowest seen since 1950. The spawning stock biomass in 2002 is estimated at 84,000 t[onnes] compared to 87,000 in 2001 as estimated in the previous assessment...Rebuilding of spawning biomass over the next 2-3 years is unlikely.

To me this suggests that we have a problem that has been longstanding. The member has suggested in his comments that the

government has ignored the fishermen in the area, the people who have an interest in the fishery. Here we have the government's science department saying something very definitive and very clear. In his estimation, why has this message not been getting through to the government across the way?

[Translation]

**Mr. Jean-Yves Roy:** Madam Chairman, that is exactly it. I will simply give Newfoundland as an example.

With the committee, in Newfoundland, we met their minister of fisheries and some of his predecessors, as well as industry stakeholders. What they told me—and I will never forget what I heard in St. Johns, Newfoundland—was this: since 1949, that is since they handed management of the fisheries over to the federal government, things have gone from bad to worse.

There is a reason for this. It is because the federal government was unable to manage the resource. It did not invest enough in research. We do not even know as yet what the real problems affecting the resource are, whether in the gulf or off Newfoundland, and in the Maritime provinces.

Someone has already brought up the seal question. Seals eat a lot, and my colleague has cited some examples, but do we know what one eats in a year? Not yet. There has not been sufficient investment in research for us to know that a seal eats  $x$  pounds of cod. What the scientists tell us is that there has not been sufficient research to provide an accurate answer.

There ought to have been sufficient investment, as soon as DFO was created and took over management of the resource, to provide proper knowledge of the resource so as to manage it properly. But that is not what happened. As one of my colleagues has said, the fisheries have never been of any great importance to this government.

It is no big deal to make 4,000 people unemployed tomorrow morning, or so we are being told.

[English]

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Madam Chairman, I will mention one of my biggest concerns. There was a 10 year moratorium on the cod fishery in what is called 4Vn, and I have a question for the hon. member before he leaves; he is probably hungry. My question, of course, is about the 10 year moratorium on drag fishing of cod just off the coast of Cape Breton in the Gulf of St. Lawrence. This year, unbeknownst to anyone, and who knows why, the minister made the decision to allow dragging in 4Vn just off the coast of Cape Breton and just inland off P.E.I.

We know that these cod stocks are fragile and precious. Why would the minister allow dragging, the most inefficient and most destructive form of fishing, in a precious cod stock when now he is saying that we have to preserve the stocks? I would like the member's comments on that, please.

● (1955)

[Translation]

**The Assistant Deputy Chairman:** The hon. member for Matapédia—Matane has 20 seconds to respond.

*Government Orders*

**Mr. Jean-Yves Roy:** Madam Chairman, why is the minister allowing dragging? I think that it is completely incomprehensible. I think that all fishers, whether they are lobster or crab fishers, would all say so. Drag fishing completely destroys the ocean floor and breeding grounds. It is simple, but I do not understand.

[English]

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Madam Chairman, first I want to mention a few concerns I have with what the minister said. He said that the government did not want to take financial estimates from the NDP. This is from a government that brought in Bill C-68, a \$1 billion cost overrun on a \$2 million gun registry; this is from a government that brought in a disability tax credit that punished well over 120,000 disabled people in the country; this is from a government that brought in an airport security tax, the highest in the world; and then it punishes the fish industry. This is all from a government of this nature.

I will talk about fish. In 1998, which the hon. member for Labrador and the hon. member for Burin—St. George's were present for at the time, although the member for Burin—St. George's belonged to another party back then, we prepared a unanimous report on the east coast fishery. We made wonderful recommendations that would have addressed a lot of the problems of today. We had a vote on that report in the House and, guess what? The nine Liberals, who signed off on that unanimous report, voted against it. The reason is that those who did not vote against it were not in the House to vote for it. The fact is that there were five members of that committee who were in the House and voted against it. The others were afraid to be here to vote for it.

In 1999 we had the west coast report, a unanimous report by a Liberal member. We voted on it. Four members of the Liberal Party who were here voted for it. The rest stayed away. The fact is that this is why we have problems in the fishery. We prepare unanimous report after unanimous report with Liberals signing off on them. We had a very good member, George Baker, from Newfoundland. We had a good member from Miramichi as chair. We had a good member from Malpeque, P.E.I. as chair. Now we have just as fine a chairperson from Ontario. The fact is that report after report gets completely ignored by the government. That is problem number one.

Problem number two is that in Atlantic Canada the fishery is still the number one employer and we have completely disregarded the hopes and aspirations of Atlantic Canadians. One just has to look at the Mifflin plan on the west coast or the Anderson plan, and long before that, which is where, in my mind, the destruction of the fishery started, the Kirby report. These were all by Liberals.

Now we have the minister from Nova Scotia. When will his name be added to the litany of disgraceful fisheries ministers who have destroyed a resource? I say that because time after time in committee, be it in fisheries or anywhere else, we ask deputy ministers, commissioners and people in the fishery department exactly what we should say and do and they tell us. They give us advice but that advice is ignored by the higher ups in Ottawa. Why that is we do not know.

However we do know that on the west coast 40% of west coast salmon are controlled by one entity, and that is Jimmy Pattison. One

entity controls 40% of a public resource. On the east coast the corporatization of a public resource is going on as we speak. That is graceful and despicable and it has to stop now. The fact is these corporations are not going to compensate the fishermen of Labrador and Newfoundland, Quebec and my province of Nova Scotia.

If people really want to know what is wrong with the fishery, they only have to go to the wonderful town of Canso, Nova Scotia. It is not in my riding but it is a 400 year old fishing community that is just about dead. The resource swims right by the pier and fishermen do not have any access to it, none whatsoever. It is disgraceful.

We have brought up the law of the sea. Over 120 countries in the world have ratified the law of the sea but this country has not. My question is, why?

Sable Island gully has asked for protection. It has been waiting five years for protection for that and there is nothing today. We hear it is going to come but nothing has happened so far.

What about NAFO? We have made recommendations about overfishing of the straddling stocks off the 200 mile limit. Absolutely nothing has happened so far.

The reason the salmon swam up the rivers on the west coast was that regional decisions were not allowed to be made. Officials on the west coast would say "Let us make a decision. We will allow a \$200 million economic activity to happen", but it was not allowed to happen because of the management right here in Ottawa.

One of the recommendations we made concerned the 1,600 people who work at 200 Kent Street. No one fishes for lobster in the Rideau Canal. No one is seining at all in the river in Hull. The fact is that these people should be where the resource is. I know the member for Labrador agrees with me on that.

● (2000)

Just recently, in a television interview, the hon. member agreed that decentralization of management should be the government's number one priority. When the member has his opportunity to speak I would like him to talk about that because he is absolutely right, we must have that. People who work with the resource should live where the resource is, not in Ottawa where decisions are made constantly.

We constantly hear about the cuts to DFO. Three years ago I asked the acting commissioner of the coast guard, Mr. Turner, about cuts to the coast guard. He said that \$200 million was diverted from the coast guard into DFO. We just heard about the budget. The hon. minister, who I consider to be a good friend, says that the budget is great, the coast guard is wonderful and it is fabulous that money was put into the coast guard. What he forgets is that John Adams, the Commissioner of the Canadian Coast Guard, just the other day said that the coast guard needed \$400 million this year, not over a period of time but right now.

The minister is not even listening to his own Commissioner of the Canadian Coast Guard. It is no wonder people are so frustrated and angry at this department when we have the person responsible for the coast guard saying one thing and the minister saying something completely different. It is unconscionable.

Will the people of Canada accept another TAGS program? I suspect that when the minister announces another billion dollar aid package, the people of Canada, maybe even the chairperson of our committee, will question why we are spending another pile of money on fishermen on the east coast. That is a very valid question.

Since NCARP, TAGS and every other adjustment program, we have spent \$4.2 billion readjusting the east coast fishery. What do we have? We have a corporatized fishery, seals running amok and people leaving Newfoundland and Labrador.

Over 40,000 people have left the wonderful province of Newfoundland and Labrador since 1992. That is disgraceful. The fact is that most of these people were gainfully employed in the fishery. I know it must pain and hurt the representatives from Newfoundland and Labrador to see their outports and small communities dying like that. It is unbelievable. We know it happens on the prairies with the farmers but, in typical Liberal fashion, if it is an independent fisherman and their family or an independent farmer and their family, who really cares, unless they donate to the party. It is disgraceful.

This is about the 10th debate that I have participated in after the regular business of the day since I came here in 1997. We have brought up the exact same issues since 1997. Other people brought it up long before I did. Since 1992, when the cod moratorium started with John Crosbie, we are now 11 years later and we are back at the same problem.

What is the government going to blame it on, the environment? Is it going to blame it on seals? Is it going to blame it on fishermen? Let us remember the excuse of "too many fishermen, not enough fish".

This is the government that allowed dragging off the coast of Cape Breton 4VN when there was a moratorium for 10 years. How can the government possibly allow the most destructive method of fishing when the stocks are so fragile? How can it do that? We will never get an answer from those people because there is not one. How can it allow dragging? Why the Liberal backbenchers have not said anything publicly on that is beyond me. If they are serious about it they should really say something.

We have to understand that there are many problems with the fishery but the problems start at the top. We have problems on the

west coast, problems on the inland fishery, problems in the north and the east, and it is all centred around DFO in Ottawa.

It is time the government started listening to the fishermen and their families in coastal communities across the country and just maybe it will get the answers it needs.

• (2005)

**Mr. Lawrence O'Brien (Labrador, Lib.):** Madam Chairman, the hon. member said that I had never spoken publicly on the issue but that is not correct. I have spoken many times and I am not shy. If it means being on the side of the government that is fine. If it means being offside, well that is fine with me too. That is the way I operate.

My question for the hon. member is quite simple. We have a lot of fishery along the Labrador coast in the north of Canada and a lot of people from the south share in our fishery, but not a lot of people from the north have the opportunity to share in the fishery of the south. In other words, I subscribe to the rule of adjacency. What is the hon. member's take on that?

**Mr. Peter Stoffer:** Madam Chairman, there is so much opportunity to go after the Liberals, but I happen to like this particular member and so does my mother. I want to say that I also subscribe to the principle of adjacency. Adjacency is something that is not often discussed in our debates. When we discuss fisheries there is so much to talk about and adjacency is the reason.

It is interesting to note that the hon. member today in a television interview said that he believed in co-management. Co-management of the fisheries just happens to be the NDP policy. We want to thank the hon. member very much for that.

I support his efforts and anyone's efforts in terms of adjacency, especially when it comes to those people in the most regional outports of Labrador and especially in the beautiful territory of Nunavut.

**Mr. Norman Doyle (St. John's East, PC):** Madam Chairman, obviously, if the cod fishery should close, a couple of thousand fishermen or more will be out of work because of the federal government's mismanagement of the fishery.

In a statement the minister made in Halifax he said "I'm trying to figure out what aid is available to communities that would be affected by the closure of the east coast cod fishery". The article goes on to say "He has asked the provinces to inventory their programs as well".

That hardly strikes me as a firm federal resolve to take full responsibility for another fisheries disaster happening on the federal watch.

A few minutes ago I think the member said that we did not need another TAGS program, that it would not serve the fishermen well. I am wondering what kind of options would be open to the federal government to compensate fishermen and their families. Should there be a package to help fishermen in this regard? What are the options open to the federal government in the member's opinion?

*Government Orders*

**Mr. Peter Stoffer:** Madam Chairman, I am certainly not against another assistance package for fishermen who are displaced, if indeed the decision is made. What I am against is the fact that Canadians may question another one and they may want to know what is going on. Maybe that is what we need in this country.

This will be the fourth aid package, by the way, for east coast fishermen. Eventually the taxpayers of Canada are going to ask some questions.

My fear is that the aid package will maybe assist the fishermen and their families in a minimal way but it will not assist their communities. For example, when fishermen make money they spend the money in their community. What will help that community? What will assist the hardware store, the grocery store, the gas station or the outport community? What will help them? Will they be compensated? They were not the last time.

My fear is that the government will just look at the fishermen not at the community. As it has done repeatedly, it will go back to the province and download that responsibility to the province of Newfoundland and Labrador for example, and that is unacceptable. These people do not want an aid package. They want to work. They want to fish. We believe if it is done sustainably they should be fishing.

We go over this again and again. The problem lies within the top of DFO. It is not the fishermen and their families who are causing the problem. It is the management of DFO and it goes on and on.

Are we going to be here four years from now and debate this again? More than likely we will. When will it change? Unanimous report after unanimous report by our committee and many others and the government ignores them.

The absolute worst thing the government did just recently, after it had talked about the fragility of the stocks, how precious the stocks were, how conservation and the precautionary principles were the number one mantra, and it allowed dragging in the gulf after a 10 year moratorium.

My question to any of the government members, and I love it when they get up: Why did they allow dragging at this very sensitive time? It is unconscionable.

• (2010)

**Mr. Bill Matthews (Burin—St. George's, Lib.):** Madam Speaker, I listened with interest to all of those who have participated this evening and in particular, my friend from the New Democratic Party. I listened very closely to his observations about how Canadians might feel if indeed there is another aid package for displaced harvesters and fish plant workers in Newfoundland and Labrador or Atlantic Canada.

I am sure the hon. member is well aware that we have an exploding seal population that is consuming extraordinary amounts of fish resources. Therefore I am wondering if we can count on the hon. member and his party to try to bring Canadian public opinion on side that there must be more seals harvested, that we must reduce the seal population so the seals will consume less fish resources and our food chain replenishes and we will see a rejuvenation of our cod

stocks. Can we count on the hon. member and his party to persuade Canadians that this issue has to be dealt with?

**Mr. Peter Stoffer:** Madam Chairman, I would refer the hon. member for Burin—St. George's, who I consider to be a good friend, to the 1999 seal report. I would ask him to read exactly what the minority report has to say. We support the vast majority of the report, the fact that the seals are a harvestable product. We support the economic opportunity from seals.

I keep hearing about seal exclusion zones. We never hear how that would be done. What does that mean? We are asking for clear clarification of that. We supported, without hesitation, the increased seal harvest that the minister did over a three year period.

Also, we want the government to do exactly what our report said, and that is to find markets for the seals, open them for those products and ensure that seals are fully utilized. Therefore, the economic opportunities from seals will exist throughout all of Atlantic Canada with the regular fishery.

We have always supported that and we will continue to do so.

[*Translation*]

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Madam Chairman, my colleague said earlier that the people in communities would be hit hard by a moratorium, that people want to fish.

He says that we should decentralize fish management, that all of the officials are at 200 Kent Street. We may or may not agree on this point.

Given that we have a specific short term problem and that there is a lack of resources that will have quite a negative impact on our communities, what does the member suggest to respond to the crisis we are experiencing? What would be his suggestion, other than to say that people want to fish? We agree with him on that, but if there were no fish, what would he do?

[*English*]

**Mr. Peter Stoffer:** Madam Chairman, if the government decides on a moratorium and the fishery has to be shut down, there has to be compensation not only for the fishermen and their families but for their communities as well.

Also, the member wants quick remedies. Put money into the Coast Guard. Ensure there is enforcement out there. Let us not forget that recently a Russian vessel had 49 metric tonnes of moratorium cod in its hold. What happened? The vessel went back to Russia.

Let us enforce the 200 mile limit. Let us ensure that there is no illegal fishing out there. Let us open up the market on the seals and ensure that the seals are fully utilized. Let us ensure that the fishing is done through a hook and line method and not through dragging.

If the member wants some specifics I can go on all night. However, I know I am about to be cut off. Put the money into enforcement and into management. Allow regional managers to make decisions when they deem it necessary, especially on the west coast. If the regional department had been allowed to make a decision, then \$200 million of economic opportunity would have happened and would not have been wasted.

*Government Orders*

If those types of things happen on the east coast, then we to stop them. We have to put faith in our east coast people. We have to put faith in our fishermen, their families and their communities. These people make a living from the resource. They feed us. They risk their lives when they are out on the water. We need to concentrate and look at their needs.

If the fishery is to be shut down, ensure these people are looked after as well as their communities. Do not download this problem to the provinces.

• (2015)

**Mr. Loyola Hearn (St. John's West, PC):** Madam Chairman, when we agreed to the debate, we agreed that it would be on fisheries generally because people in other parts of the country have problems with the fishery besides those of us who represent the great province of Newfoundland and Labrador.

Within our own region, there are other problems besides the pending action, which is the best word to use, because we do not know what will happen in relation to the downturn in the fishery, particularly the decimation of the cod stocks.

We have a major problem with licensing. We have people who have never caught a fish in their lives who hold all kinds of licences. We have fishermen who have done nothing but fished all their lives who are being told they are not fishermen anymore and that cannot get a licence. That is thoroughly and utterly disgraceful, and the department has to start addressing that problem.

We also have a problem with buyouts. Just over the last few years we saw a number of fishermen who decided to get out of the fishery and they sold their licences. I believe we had four different buyouts. One was given a lump sum, tax free payment for the licence. The next group got a lump sum payment but were charged taxes on 50% of it, another group on 75%, another group on 25%. There have been all different kinds of arrangements with CCRA and nobody understands the process. Of course some people who were hit with taxes on the full allotment got very little out of it. They gave away their livelihoods and realized that the return was nil. That is another problem that has to be addressed.

Those are for other forums when we have time to really get after the minister on them. With the little time we have tonight, the pending crisis is the Atlantic cod stocks and what is happen with them.

My colleague from Sackville—Musquodoboit—Eastern Shore, where I had a very enjoyable weekend speaking with his friends, mentioned the possibility of dealing with the fallout through some kind of make work program or some kind of handout to the people of Newfoundland and Labrador. Let me make it quite clear. We do not want handouts and we have never asked for them.

If people look back in history, Newfoundland came into the Confederation, or as we say, Canada joined us, in 1949. We did not come into the Confederation empty handed. We came in with more resources per person than any other part of the country brought into the Confederation. In relation to the fishery, we came in with the richest fishery in the world.

I was only a kid at the time. I remember standing on the side of the road watching salmon jump all over the harbour where I lived. I remember watching fishermen come in with their herring nets and their catch of herring. I remember running across the beach and bouncing up and down on the spawn that the caplin left as they moved out to sea. I remember watching boat after boat come in loaded with codfish. It is not there today. The food fish is not there.

I could thrown in squid, which we all loved in the fall because of the fun of trying to catch squid and keep away from getting squirted in the eye. Squid and caplin were the prime food fish for the cod in our respective area, and undoubtedly also herring. We do not see them anymore. Consequently we do not see the cod anymore. We cannot have one without the other.

In those days I remember one occasion when I had just got my first gun. Some young friends of mine rushed in and said that there was a seal in the harbour.

**An hon. member:** Register it.

**Mr. Loyola Hearn:** We did not have to register it then. It is registered now.

A seal at the time was news. We only seldom saw a seal in the harbour. Of course they wanted to see what kind of a shot I was. They found out.

• (2020)

The truth of the matter is we had all kinds of fish, as my colleagues opposite are aware, and we had very few predators. When spring comes and I am sitting on my front porch, I see more seals than I see herring, caplin, cod fish or salmon. There is something wrong with this imbalance.

What is the one word that perhaps could solve this problem? That one word is science or lack thereof. We talk about complete and utter mismanagement by the department of fisheries over the years, and it has happened. A lot of fingers can be pointed in a lot of directions, but they should mainly be pointed at the governing body. It is ultimately responsible.

When we joined Confederation, the federal government took over management of our fish stocks. We cannot manage anything if we do not understand it or do not know what is happening. If the scientific knowledge base in a major department responsible for our oceans is reduced to the point where it is practically nil or the scientists themselves within the department start complaining about the lack of action within their division, it is a very serious situation. The age of many of the scientists is such that within a very few years they will have retired without any effort made whatsoever to replace these very knowledgeable individuals. If we are wondering how many seals there are or what they eat or their effect on the cod stocks or where the caplin are, we could have these questions answered if we have proper scientific knowledge.

Regardless of that, as a result of science, as a result of improper enforcement measures and a lack of caring, we are faced with a situation where the people who participate in the fishery in Newfoundland and Labrador will once again get hammered within the next few weeks.

*Government Orders*

We do not want handouts. It is a shame the government does not have a vision. A few short years ago we had one of the most abundant resources in the country, a renewable resource, a resource that was looked after, managed, patrolled and policed. If we could hold the level of stocks, the food and cod fishery and any other groundfish and pelagic we wanted to keep and added to that the sedentary species like crab and lobster, which have become so valuable, Newfoundland on the fishery alone could be an extremely wealthy province. It does not matter whether it is our hydro power or our minerals, they have been developed for somebody else.

Will the people of Canada stand back and see another handout go to Newfoundland? Since 1949 the people of Newfoundland have made tremendous contributions in what they have given Canada, from the use and abuse of our fishery, to the minerals that have gone to all parts of the country for processing and job creation, to the hydro power that has flowed throughout this country.

**Mr. Lawrence O'Brien:** That is in Labrador not Newfoundland.

**Mr. Loyola Hearn:** Madam Speaker, I apologize. The member is correct. It is Newfoundland and Labrador but most of these resources come from the Labrador section.

We have spread these resources across the country with minimal effort, not counting the use of our air space that puts hundreds of millions of dollars into the central coffers and we do not get a penny.

We do not want handouts. We want a chance to manage, to control and benefit from our own resource. We would be a contributing partner in Canada, not there to take. We are contributing partners but we could do it formally and in the recognized sense, if people only understood it.

I thank members from the Alliance, the NDP, the Bloc and the Liberals, all of whom are here tonight to debate an issue so near and dear to Newfoundland and Labrador. It is our future. Unless we cooperate and understand each other, we will get the we should not have it attitude or whatever, and we do not want that. We want a fair deal.

• (2025)

**Mr. Bill Matthews (Burin—St. George's, Lib.):** Madam Chairman, I want to commend my colleague from St. John's West for a most passionate and understanding speech about the plight and how far we have come or have not come since 1949. As well, the member for Delta—South Richmond referenced the FRCC report and seal exclusion zones. I really wanted to ask the member for Delta—South Richmond the question, but I will ask the member for St. John's West.

How would he describe a seal exclusion zone? How does he see it working? Does he think that a seal exclusion zone would work if we put up a number of signs saying "no seals allowed" or "enter at your own risk"? Would we put a big net across some inlet or bay or erect a fence?

Every now and then the issue of seal exclusion zones comes up. No doubt it was mentioned in the FRCC report a couple of years ago. Occasionally it surfaces again.

How would the hon. member with his experience and who can now see the seals from his porch because there are so many of them

in his home community, see a seal exclusion zone working? I am at a loss to understand how it would work.

**Mr. Loyola Hearn:** Madam Chairman, my hon. colleague is on the fisheries committee as is the member from Labrador. The member for Sackville—Musquodoboit Valley—Eastern Shore talked about reports that were brought in and then voted against. Let me say that any work that has been done in our committee, with the prior chairman and the present chairman, has been unanimous. We have had a very unified committee. I think it is because of that the minister got the money for his Coast Guard, that he got the money for his infrastructure. We have created an awareness of this overall problem.

To answer the specific question, I would think that the member is just as familiar with rural Newfoundland as I am. I would suggest to him there are two types of predators we should keep out of areas where cod congregate and breed at certain times, the various nurseries. One would be the foreign activity and dragging in general in these zones. That can be regulated.

With seals, I am not aware that seals would read signs or if we put nets out how practical that would be. I am sure it is not possible. But I would suggest to him that he has many constituents and I have many constituents who could tell us how to create seal exclusion zones. That might be the way to go.

**Mr. Norman Doyle (St. John's East, PC):** Madam Chairman, I want to congratulate my colleague from St. John's West on a great speech. It showed that he understands the fishery very well.

The people in Newfoundland and Labrador and successive governments there have been calling on Canada to exert custodial management of the fish stocks that straddle the 200 mile limit. There is a 1995 United Nations protocol on straddling stocks that came into effect in December 2001. The European Union has yet to ratify that protocol. The European Union's behaviour to date indicates that it is not going to be keen on ratifying such a system, which is why Canada has to take the bull by the horns and take unilateral action on custodial management outside the 200 mile limit.

Would the hon. member care to comment on that?

**Mr. Loyola Hearn:** Madam Chairman, I wish I had a couple of hours for this one. The member well knows how near and dear the custodial management and the extension of our boundaries are to me and to the other members of the committee.

If NAFO does not have the teeth to enforce regulations outside the 200 mile limit on the nose and tail and the Flemish Cap, somebody has to do it. Canada is the adjacent state.

A good question to throw out is, why has Russia been able to apply to the United Nations to extend its limit to take in almost half the Atlantic Ocean? There are at least 30 other countries that have bought the specific software for putting in such a request and they are just waiting to see if Russia is successful in getting its boundaries extended. Our government has not taken any kind of action.



*Government Orders*

Also outside the 200 mile limit on the nose and tail and the Flemish Cap, Canada controls the land base itself. We control the sea bed, what is in it and what moves adjacent to it, the sedentary species. If we have such control, why do we let foreigners drag their heavy doors through our property? Nobody has ever addressed that or taken it to court, and we are told we might have a case.

We have not had any leadership from our country in relation to protecting our resource. It is only fish. I said earlier, a properly managed fishery could turn around the future of Newfoundland and Labrador and contribute significantly to turning around the future of Canada.

● (2030)

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Chairman, I will give my hon. colleague from St. John's the opportunity to elaborate a bit further. We heard from the Canada Lands Surveyors the other day regarding the opportunity of expanding the 200 mile limit. They indicated that even though we have not ratified the law of the sea, we may have legal jurisdiction to continue to do that.

I remind members that the Flemish Cap, nose and tail of the Grand Banks used to be called the Grand Banks of Newfoundland. Now it would be the Grand Banks of Newfoundland and Labrador.

I would like to let the member go on a bit more about that because he is right. If we had the courage and fortitude to stand up for Canadian fishermen and their families, we could extend that limit tomorrow.

I could give the assurance that the rest of the world would say that we are not kicking the foreigners out. We are basically saying that they are now going to fish under the quotas we set and that we are going to monitor and make sure they have the quotas, that there is no cheating, that no one is skimming from the top. We are going to make sure that they only have the fish they are allowed to catch and after that they can leave.

A lot of people think that we would kick people out permanently. That is not true at all. We want to operate it under a Canadian management regime with the science and enforcement to ensure that the fish will be taken according to the regulations and not according to the cheating that is going on now.

**Mr. Loyola Hearn:** Mr. Chairman, the member is so right. What Newfoundland and Canada have asked for is just to manage the quotas that are allocated by NAFO so that the other nations that have had rights out there almost as long as we have can continue to fish as long as they obey the rules. In fact, we could benefit from more off-loading and whatever, as long as they obeyed the rules.

The member is right. They were always the Grand Banks of Newfoundland. When we came into Confederation we brought them with us, but Canada changed it and referred to them as the Grand Banks off Newfoundland. It says "o-f-f", with that extra "f", but it is not. It is the Grand Banks of Newfoundland without the extra "f". They are our banks, the Grand Banks of Newfoundland.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Chairman, I do not know if members recall that not too long ago I raised a question about the parliamentary committee. It went to Newfoundland and to the Atlantic region.

At that time I remember that George Baker said the problem was in the Grand Banks where the foreign fishing was happening. There was a unanimous recommendation that some changes had to be made. I recall that he did not vote on the recommendation. At the same time the member for Miramichi did vote on it and he became the chair of the committee. He was kicked out by the Liberal Party because of the position that George Baker took.

The people of Newfoundland supported what George was saying should happen. The foreign fishery was coming in and just taking over. It did hurt.

Would the member agree with me and the people of Newfoundland that George, being from Newfoundland and coming from the region, was right, and the committee was right because all parties agreed with the recommendations, except the government which refused the recommendations? That was a few years ago. It probably would have saved the fishery and it would not be where it is today.

● (2035)

**Mr. Loyola Hearn:** Mr. Chairman, that is a serious question. Again that is right. If government had only listened to, and I will not say the committee because what the committee was bringing to government was the same as what our own committee brought to government, the views of the people as presented to them in the various hearings. Nobody knows how to solve the problems better than those faced with the problems every day.

Unfortunately with some of the committees in the past, reports were put together, submitted even unanimously and then people voted against them in the House. That has not been the case with our present committee. It does not matter to which party members belong, we have stood by and supported the recommendations strongly and hoped the government would listen.

**Mr. Bill Matthews (Burin—St. George's, Lib.):** Mr. Chairman, as co-operative as I would like to be with my hon. colleague, I cannot forgo my slot on this very important debate this evening.

I want to commend all of those who have participated in the debate, both for the questions and the answers. I think there is one thing we realize, those of us who have been involved in fisheries issues for a number of years and those of us who have served and are still serving on the Standing Committee on Fisheries and Oceans, and it is that we have a very sincere group of individuals who work on that committee. They take their work very seriously and realize that regardless of party affiliation we all represent the same people and we all try to work in their best interests.

This is a wide ranging debate in which we are talking about fisheries in general. Of course for me the region of the country that matters most, not that I do not care about the west and the north and the Great Lakes, is certainly the Atlantic fishery, and Newfoundland and Labrador in particular.

I want to say at the outset that a couple of positive initiatives have been undertaken by the current Minister of Fisheries and Oceans in the last short while, which I think should not go unnoticed. I can be very critical when I have to be, but I think it is also very appropriate that we commend when necessary and when deserved.

*Government Orders*

I would like to commend the Minister of Fisheries and Oceans for his recent initiative pertaining to the temporary crab harvesting permits, which he has converted into licences now. For some while now this of course has been a desire of those crab fishermen and in particular the union that represents them. I think that is a very positive initiative.

There is no question in my mind that the minister's recent announcement on the three year allocation of seals is positive. It is a move in the right direction. There is no doubt considerable debate about whether or not the numbers taken will see a decrease in the seal population, really a wide ranging debate, but again we have to come back to the issue of utilization. If we were to take more seals than the market could consume, what would we do with the seals taken? That is the issue on seals.

I think that in all fairness the minister is moving in the right direction. He has increased the seal allocation for the next three years and there is a carryover provision in case there are bad ice conditions or bad harvesting conditions. At least if they are not caught not this year, the catch can be carried over, which I feel is positive.

Another initiative that has caught much attention in the last few years and has not been dealt with is the vessel replacement program. That has been ongoing for quite some time. Because of the changing fishery, in Atlantic Canada in particular, there is a desire on behalf of fish harvesters to at least have the flexibility move to larger vessels for safety and comfort. There is a changing fishery because of the very issues we are talking about tonight, a moratorium in the past and a potential moratorium now, and harvesters are having to move to multi-species fishing, having to go to larger vessels and having to be more mobile to make a living.

I know that there is a consultative process ongoing right now, but I sincerely hope, and I am sure all members present sincerely hope as well, that we reach a successful conclusion on this issue, because it is very important for the reasons I have outlined, in particular the issues of safety and comfort for crews who have to go further from shore and further from home to try to make a living. I hope we will see a successful resolution to that before too long.

When the minister spoke tonight, he gave an overview of fisheries within the country. He talked about some pending difficult decisions that may have to be made, particularly with respect to the gulf cod fishery and our northern cod fishery. Let me be categorical and to the point: My preference is that there not be a closure of either one of those cod fisheries.

A number of speakers this evening have given an historical overview of what has happened since we have imposed moratoriums in different zones. There is one thing that I think is consistent. Where we have imposed moratoriums in the past, we have not seen an increase in the biomass in the zones that have been shut down.

● (2040)

There is something other than fishing pressure that has caused the problems and that is still causing the problems. That is why I am going on the record as saying I do not support a closure of those fisheries. In particular, I do not support a closure of the gulf fishery, where even though the stock is not in great shape I guess it is fair to

say it is in better shape than the cod in 2J3KL. I am hoping we can avoid a closure.

I do not wish to upstage the all party committee, which has been doing some very good work in Newfoundland and Labrador. A number of my colleagues are members of that committee and are present this evening. I do not want to upstage them, but I think if we do move to more conservation friendly gear types, if we look at issues and species in the food chain, which the member for St. John's West has already referenced as being so important in the food chain for cod, if we take some measures that will strengthen and regenerate that food chain, then I think we will see a regeneration of our cod stocks. I think it is going to take a number of initiatives by the minister and by the department to make that happen.

A number of speakers this evening have also referenced DFO science and the need for more financial resources to boost up the scientific branch of the Department of Fisheries and Oceans. I could not agree more with all those who referenced that tonight. We have gone through approximately 12 years of a moratorium now. My view has always been that in troubled times such as these we do not cut back on our scientific branch. We should boost it up. We should give it adequate financial resources to do its work.

We need to determine the causes. Yes, there is no question that fishing pressure, fishing practices and abuse by some individuals, and by our own in some cases, we cannot ignore that, has led to the problem. It is my sincere belief that we really should have maintained a more than adequate scientific branch at DFO instead of going in the opposite direction.

I think it is incumbent upon me now to say this in light of the budget of just a few short days ago, in which there was significant reference to the government's scientific program in general. What I want to say to members present tonight, to the parliamentary secretary to the minister and to the minister and his staff who may be listening is that I hope there is a very concerted effort put forward to find adequate financial resources to boost the scientific branch of DFO. I am sure that somewhere in that broad, general government scientific program we can find adequate dollars to significantly and properly boost this scientific branch of DFO, because we really need to know the answers.

We know some of the answers. We know some of the problems. We know that gear types have been destructive in some cases. We know that seals consume an extraordinary amount of fish resources. We know that we are taking species other than cod from the ocean, which is interfering with the food chain. But I think we really need a boost in that DFO scientific branch.

A number of speakers this evening have referenced the Coast Guard as well. The minister himself referenced it. There is no question that \$95 million is positive. I think what it will do is relieve the pressure on the operating and maintenance budget and consequently enable the vessels to sail more. We know they need to sail more. We know they need to be at sea more. The vessels have not sailed at times when they should have because there have not been adequate financial resources for them to do so. I think this \$95 million will at least reduce the pressure on the operating and maintenance budget and allow the vessels to be at sea more, where we want them.

*Government Orders*

I have covered a number of issues here. The one I have not touched on is custodial management. I think my position is quite clear on that. I do support the Government of Canada implementing a custodial management regime, a Canadian fisheries management regime. As a number of speakers have said already this evening, it was never the standing committee's intent in its report to kick the foreigners off the nose and tail of the banks and Flemish Cap. It was to look at historic fishing practices and to look at historic total allowable catches. But any regime must be a management regime that is implemented by Canada, and it has to be managed by Canada. If necessary, it should be paid for by Canada, because we cannot afford to lose this very valuable protein resource for the world or for this great country.

● (2045)

**Mr. Rex Barnes (Gander—Grand Falls, PC):** Mr. Chairman, I would like to ask the hon. member a question, because I know he is very knowledgeable in the fishing industry. We know that there are approximately a million pups being born every year. I know he speaks highly of the fact that his government decided to increase the allocation and have a carryover provision, but it does not come close to doing the harvest of seals that is required to save the cod stocks. I want to know what his view is on that and I want to know what his party's stand is on that. I think his party has failed miserably with regard to this.

**Mr. Bill Matthews:** Mr. Chairman, I want to thank the hon. member for his question. I want to reiterate once more that the minister's decision of this year to increase the seal allocation is a positive move. No doubt, as I said before, there is a debate on whether the numbers that we are taking are sufficient to decrease the seal population.

I guess what I have to say to the hon. member is this. There are two extremes in this debate. One is, let us go out and wipe out several million seals. The other is, let us take a seal allocation that the market forces will consume, so that we have markets for the product, a total utilization of the product. These are the two extremes of the argument.

To be very honest, to be totally responsible tonight, not wanting to be irresponsible, I think the seal allocation and the numbers of seal that should be harvested should be market driven. I have to try to answer the member's question by a question. If we went out and took two million seals and the market would only consume 500,000 seals, what would the member suggest we do with the other one and a half million seals? That is the dilemma. That is the predicament. That is where the debate is, in that range.

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Chairman, the hon. referenced some comments I made earlier, which I think showed some confusion in his mind about the impact that seals have had on the fishery. Certainly his comments just now in response to my friend on this side show that the confusion persists, that it is deep within him.

**An hon. member:** Oh, oh.

**Mr. John Cummins:** Confusion is an operative word when we talk about the hon. member. He started out as a Tory. He should have known that there were problems with the fishery. Then he jumped ship.

I would like him to know this. The council, the FRCC, reported that there were two million seals in the eighties when there was an abundance of cod. It estimates now that there are at least eight million of them. That is why the FRCC recommended that certain areas be designated as seal exclusion zones. The FRCC was very clear. It said:

Reductions in seal populations are required in areas where groundfish spawn and on juvenile groundfish nursery areas. Unlimited, unhampered and unrestricted seal predation on highly vulnerable groundfish cannot be allowed to continue if groundfish stocks are to be allowed to rebuild.

It is very clear that the FRCC is recommending a very substantial cull of seals. There is no question about it. It would be far in excess of the minimal amount that the minister has allowed this year. It would be far in excess of that.

It does not take a genius to figure this one out. If we have eight million seals and we are only culling 300,000, we are not going to be eliminating some of the herd. We are not going to be cutting it back down to the point where we have maybe two million, three million or four million seals. It is simply not going to happen. They talk about seal exclusions. Any fool knows, or should, that seals do not read. They may read better than some on the other side, but we should understand that some drastic action has to be taken. If the member is not certain about what the FRCC means by seal exclusion, he should ask the FRCC. It means a drastic elimination. I would like the member to comment on that.

● (2050)

**Mr. Bill Matthews:** Mr. Chairman, I am delighted to know the hon. member has come back from a good supper. It is obvious that it has improved his attitude.

Let me just say this to him. Maybe the hon. member thinks that we all should become members of the gun toting party. Maybe that is how he thinks we will keep the seals out of a zone where we have healthy codfish that are delicious meals for hundreds of thousands of seals.

My point is, yes, the FRCC recommended a seal exclusion zone. We are not talking about a garden gate with all this fish inside the gate so that we can close the gate and the seals will not get in. I am talking about being practical. It is one thing to recommend things, but practically, how do we establish a seal exclusion zone? The members can get up and be funny all they like. That is fine if that is the way they want to treat the issue, to be funny about it, but I am asking a serious question.

I take the FRCC very seriously. It does serious work and excellent work for the minister and the department, but how do we implement a seal exclusion zone? That means no seals. How do we implement that in an ocean, when we have a biomass of cod and hundreds of thousands of hungry seals out there, when we say let us establish a seal exclusion zone?

I have asked the question before. No one can define a seal exclusion zone. How do we implement it? How do we make it successful so those seals do not get in and eat the cod? No one has answered the question yet. The hon. member should not be funny about it, because we are talking about an ocean. We are not talking about a garden gate.

*Government Orders*

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Chairman, I could not help but notice that tonight, out of the seven members of Parliament from Newfoundland and Labrador, five of them are participating in the debate. It shows how seriously their representation takes this debate.

The hon. member mentioned licensing and everything else. We know very well that in Newfoundland and Labrador and other parts of the country people who do not fish own many licences. That is something that the Canadian Council of Professional Fish Harvesters have stated time and time again. Its policy is quite simple: if we do not fish, we should not own a licence.

What is the hon. member doing inside the walls of government to advise the minister of exactly that principle alone. He knows that the FFAW, the MFU, the PEIFA, and many others in Newfoundland and Labrador and throughout Atlantic Canada are saying the same thing. They want regulations in place that state that if a person does not fish, they should not own a licence. I know that he agrees with that, but what is he doing inside the party to ensure that the minister knows that and will bring forth legislation to ensure that will be the case in the future?

**Mr. Bill Matthews:** Mr. Chairman, I thank the member for his very interesting question.

The member knows that we are going through an Atlantic fisheries policy review right now and we should allow that process to unfold. The issue that he raised is one that is under serious consideration now.

When it comes to licensing and resources, there is no doubt that everyone does not fish the resource. I do not believe that people who become millionaires and who live in Florida or other places detached from the fisheries should hold licences. As members of Parliament we struggle on a daily basis to find the resources to sustain communities that are already into the fishery and fish processing. Other communities which were in the fisheries have not worked for years. I believe the resource must be utilized by those people and there must be a balance. I am sure the hon. member knows that this is a complex issue.

Let me say one more thing about the possible closure of the gulf and the northern cod stocks. It is my belief that there is one resource that is abundant in our waters and that is the shrimp resource. It is a ballooning resource. It is my sincere belief that because of the crisis in the cod, and because there is no doubt in my mind that the crab zones are in trouble and we will see a reduction in quotas in some of those zones, the shrimp resource should be used to get us through this problem. Even if there is no total closure, but a reduction in the total allowable catch of cod in the gulf and the northern zones, somehow a way should be found to utilize those great shrimp resources for the benefit of those who will be hurt because of a cut or closure of the other resources.

It is an opportunity that, if we go about it right, we may find a way around this serious problem. People may not be hurt too badly financially and communities may survive.

• (2055)

**Mr. Andy Burton (Skeena, Canadian Alliance):** Mr. Chairman, I am pleased to rise today to speak on fisheries issues right across

Canada. The House has heard and will hear members of Parliament representing many different views on the serious problems facing our fisheries. My view is from the perspective of a Canadian having lived his entire adult life in coastal British Columbia. I have seen firsthand the economic impact, both positive and negative, that the fishery can have on a community, particularly a remote community.

I am a member of the Standing Committee on Fisheries and Oceans and, as such, I have had the opportunity to learn more about some of the problems the fishery has faced on the east coast. I will share those views this evening. First, I would like to look at the overall problems with DFO.

In my riding, I am asked more questions and hear of more problems and concerns regarding DFO issues than probably any other matter. It all boils down to a real serious lack of understanding and proper management with DFO. There is too much top heavy management and not enough on the ground. The bureaucrats tend not to listen to good scientific advice. They are slow in implementing quota change and bad timing on salmon runs is an example.

My colleague spoke earlier about the loss to the British Columbia economy on the sockeye run on the Fraser River last year. Some \$200 million were lost. On top of losing that economic impact, there is the possibility of damage being done to the spawning beds with over-escapement. I am not sure if that is clearly understood.

Over-escapement is as bad as under-escapement. If there were not enough fish spawning there would not be the returns, but if there were too many the damage to the fish beds and spawning grounds would be serious and there would not be the return either. Proper management is absolutely critical. It appears to be badly lacking not only on the east coast but the west coast as well, and it is getting worse.

We have a prolific river in my riding, named Skeena, which has some significant runs at times. The DFO manage it on a weak-stock management basis, which again eliminates access to a lot of the fish that could be harvested. Two years ago it cost the economy of Prince Rupert some \$40 million because of this weak-stock management practice. It just does not take into account the adequate harvesting of these resources at the proper times which can be done if done properly.

Another major issue in British Columbia is the aboriginal fishing strategy itself, which is creating problems and will create more problems in the future. It has even been found to be illegal and that is something the government has not dealt with or has dealt with in an offhand manner. It will be a huge problem if we do not deal with it properly, as I am sure my colleagues will agree.

*Government Orders*

As far as enforcement officers on the ground, there are too many bureaucrats in the big cities. There are not very many fish spawning in the city of Ottawa and yet there is a huge fishery bureaucracy. It is not much different in a lot of the bigger cities across Canada. We must have people on the ground who are close to the resource and work with the fishery. It can work for everyone if it is done that way. We have huge problems the way it is right now.

There is the whole licensing issue where more licences have been concentrated in the hands of fewer owners and it too is creating a problem. Instead of a fishery that created jobs for literally hundreds and thousands of people in the past, we are now concentrating those jobs on fewer boats and with too much control on the part of one group.

The Heiltsuk Band in my riding is having problems with its spawn on kelp fishery, which has traditionally been fairly significant to them. The harvesting of that resource in the past has gone on in a fairly large commercial way, which it does not have a problem with. However, it is not being consulted in terms of management. Again, it boils down to local input into management issues. We need to have more hands in the management of these resources, whether it is an Indian band or local community.

An issue that is becoming fairly controversial and significant on the west coast is the issue of aquaculture and where it might go in the future. It is an opportunity, if it is done right, that could probably be successful. However, there are problems and these problems must be dealt with.

• (2100)

The issue of sea lice and those types of things that are creating problems with the fish farming industry and with the wild stocks must be dealt with. It behooves DFO and the fisheries minister to deal with these issues. To date they have not been dealt with properly or adequately.

That being said, I firmly believe the industry does have a future. It is like any other industry. It must be properly regulated, and allowed to have some rules and regulations that it can live by. That has not occurred to date and it must be dealt with on the west coast.

There has been a lot of discussion this evening about seals. Quite frankly it is a growing problem on the west coast. There is not a commercial seal harvest on the west coast at this point in time. I think there has to be. I would encourage the minister and the government to consider seriously a west coast seal harvest policy in the near future because we will have the same problems. We are starting to have the same problems on the west coast as exist on the east coast and a lot of it has to do with the explosion of the seal population.

I am aware of at least one group that is seriously looking at creating an industry on the west coast based on the harvesting of seals. I encourage the minister and the government to give that proposal serious consideration. It would not only create a new industry for British Columbia, but it would also help to deal with the serious problems that we have with the decline of the salmon resource in British Columbia, just like the cod resource on the east coast.

There are so many issues with the fishery. The Coast Guard has serious underfunding problems which has not allowed it to do its job adequately. It does an excellent job with the resources it has. It has good people but it needs the resources to do its job in an even better manner.

On the north coast, for example, there is absolutely no radar coverage. Radar coverage in British Columbia goes only as far as about halfway up Vancouver Island. The north coast is absolutely wide open.

**An hon. member:** Sounds a little risky.

**Mr. Andy Burton:** It is a little risky, given September 11 and the possible threats out there. Our coasts are unguarded and it is something that must be dealt with. It can only be dealt with by adequate funding and the Coast Guard badly needs that funding.

The only MCTS Coast Guard operation in my region of Skeena is basically radio, VHF systems. When it goes down it is sometimes down for weeks on end because of weather, lack of parts, or old equipment. It just is not satisfactory and the Coast Guard cannot do its job without proper funding. We must address that.

The major thrust tonight was brought on by the Conservative Party and its concern about the east coast fishery problems. I had the opportunity last year to travel the east coast with the fishery committee and listen to some of the concerns. The possible moratorium on the northern cod stocks would be devastating to Newfoundland and Labrador. It would decimate communities and quite frankly there must be a better solution.

The solution that we must consider for the longer term is dealing with the seal population. There is absolutely no way that we can ignore that any longer. It must be dealt with.

There is a problem in Yukon and northern B.C. with placer miners. Fisheries and Oceans Canada in Yukon is creating a huge problem for the placer mining industry. It would devastate the Yukon economy. It would also seriously affect the economy in northern British Columbia because of regulations that are being put in place by the fisheries department that are absolutely untenable and cannot be lived with. Again, it is an issue that must be dealt with.

If the fishery were really a priority for the government, we would not be debating it this way. This would not have been a take note debate and our comments would have been taken seriously. I strongly urge the minister and the government to take these comments under serious consideration.

• (2105)

**Mr. Tom Wappel (Scarborough Southwest, Lib.):** Mr. Chairman, the hon. member, who is a very valuable member of the fisheries and oceans committee, raised a number of topics. I would like to confine myself to the issue of seals.

Just this week I received a letter from someone out in his neck of the woods urging that the seal hunt be banned entirely because there is a danger that the seal population will be wiped out.

*Government Orders*

Could the hon. member comment on the following and tell us if he agrees with it? The information that I have is that on the east coast, since he already told us there is not a commercial sealing industry on the west coast, the type of seal mainly used in the commercial industry is the harp seal. My information is that in 1970 there were approximately 1.8 million harp seals. Today there are approximately 5.2 million. That does not look to me like a harp seal population which is in danger of extinction.

It seems to me that there is a lot of misinformation out there that people rely upon and believe to be true. One can certainly understand that no one wants to hunt any species into extinction, but would the hon. member agree with me that some sort of a campaign of proper information needs to be mounted to properly educate Canadians on the true facts insofar as they relate to seals?

**Mr. Andy Burton:** Mr. Chairman, the whole seal issue started some 40 years ago when it became known that Brigitte Bardot went out on the ice flows, and it just became a very emotional issue. At that time, the stocks were very strong and we stopped harvesting in a major way. We can see what has happened.

There is no question that on the west coast we have a huge and growing seal population. They are just as devastating to the salmon as they are to the cod stocks. As my colleague said earlier, a seal takes a bite out of the cod's stomach and off he goes. He gets the liver and maybe a little more. They do the same thing with the salmon. One seal can knock off 30, 40, 50 salmon a day. That is devastating to the stocks. When hundreds of thousands, if not millions, of seals are knock off these salmon every day, it is a huge problem.

On top of that, they sit at the mouths of the rivers. Seals are pretty smart little guys and they know where the food is. They sit at the mouths of the rivers. When the fish go up to spawn, they knock them off. In the spring when the fingerlings, the little salmon, come out, the seals sit at the mouth of the river and fill their stomachs. They will have thousands of little fish in their stomachs. I have seen it when they have been cut open.

It is devastating to the fish stocks. If we are to have a fishery on either coast, we have to deal with this problem.

• (2110)

[*Translation*]

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Mr. Chairman, I thank the member for his comments. I think that it is worth noting that the Standing Committee on Fisheries and Oceans works well together. The concerns of both the west coast and the east coast are defended, which gives us a good idea of what is happening across the country.

The member mentioned aquaculture. I think that there is a lot to be learned from the west about aquaculture, given the number of years they have been practising it out west. We know that the resource problem is getting worse and worse. Aquaculture may be a worthwhile alternative if done properly, while respecting sustainable development.

My colleague mentioned that he supports aquaculture. I would like to know if that is the position of the Canadian Alliance and if his

party supports developing aquaculture. Could the member give me his party's position on this?

[*English*]

**Mr. Andy Burton:** Mr. Chairman, my colleague said that someone could learn a lot from the west about aquaculture. I think the west has a lot to learn about aquaculture. It is in its infancy in the west. I strongly believe that the industry has a future but it also has a lot to learn.

There have been problems in other venues with the industry. Right now in British Columbia there are some real issues around sea lice and siting of aquaculture operations. It is like any other industry, the rules and regulations have to be in place and they have to be enforced. DFO has fallen down very badly in terms of enforcing proper siting in dealing with some of the problems that have occurred with the aquaculture industry.

I believe the industry is willing to co-operate, to learn and move on. It also needs the co-operation of this government and the department of fisheries in terms of helping it to develop and grow into a viable industry in British Columbia.

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Chairman, with regard to aquaculture, two weeks ago, fishers from British Columbia were here. They had questions and they indicated that they were against aquaculture in their province for the very simple reason that there is no control and also because salmon can escape and get into the Pacific.

Speaking of experts, does the member not agree with me that the best experts are people with experience, in this case fishers who have been in the industry for 20 to 25 years? I once worked in mining. I remember an engineer who said that a miner with 20 years of experience and an engineer with seven years experience made a good team, a team with 27 years of experience.

Experienced fishers from British Columbia came to Ottawa to express their point of view, and it was not a repetition. Regarding the United Nations resolutions, some say there is no evidence yet that the fishery is threatened. What the UN says is that it must be clear that there is no threat.

All this is going on right now in British Columbia. The same thing could happen in Atlantic Canada. It is just another error by the Department of Fisheries and Oceans, which is not taking its responsibilities.

The minister was warned two weeks ago. He says that he is listening to his experts. Is it not time that he listened also to fishers, those people who make a living from fishing?

[*English*]

**Mr. Andy Burton:** Mr. Chairman, certainly my colleague has raised some very valid topics. One of the big problems is that DFO has not addressed its responsibility of dealing with aquaculture as a whole.

*Government Orders*

There have been huge cutbacks in DFO budgets. We heard earlier about the lack of scientific evidence and input into some of these problems, but aquaculture is an industry that is operated worldwide. It is in South America, Norway, Scotland, Ireland. There have been problems. We definitely have to learn from those problems. There is no question about that.

The point I am trying to make is that we have to learn in order to develop properly. If we do not do it right, it is like any other industry. It has to be done right. I do not care if it is a pulp mill, or a sawmill, or a steel foundry or any kind of industry, there have to be rules and regulations which have to be met and adhered to. I do not think aquaculture is any different.

Where we have fallen down is in setting out the rules and regulations and ensuring that they are adhered to, and there is where we have to learn in Canada.

• (2115)

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Chairman, as the hon. member for Skeena knows, and it is in a beautiful part of the country, there is a major disconnect between those in the regions and management to DFO and those in Ottawa.

He knows that when we were in Vancouver we asked one of the directors for the Coast Guard what the situation was with financial resources for the Coast Guard. He said that money was not a problem. When we went out to the regions, every person condemned that manager for what he said.

Recently in the public accounts committee, the ADM for DFO said that they had the resources and the personnel to do the job. Where the hell do those clowns get the idea they know what they are doing? That is unbelievable. The fact is they have no idea of what is going on in the regions of this country and that is one of our biggest problems.

Would the hon. member agree with that?

**Mr. Andy Burton:** Mr. Chairman, I definitely do agree. We have heard it very loudly and very clearly that there is not enough money, training or personnel. There will be some huge problems with the whole Coast Guard and DFO. It is a nightmare.

Quite frankly, with the few dollars that the minister has thrown at the Coast Guard in this budget is just not satisfactory. On the north coast, in my riding of Skeena, we heard very clearly, when the committee was there, about the problems with equipment breakdowns, old equipment and lack of personnel. It just is not on and it is time the government wakes up and realizes it.

**Mr. Lawrence O'Brien (Labrador, Lib.):** Mr. Chairman, it is indeed a great honour on behalf of my constituents of Labrador and on behalf of all Canadians, particularly on behalf of constituents in Atlantic Canada, to speak to this debate tonight.

I hail from a small community of 600 people called L'Anse-au-Loup. It is located down around the straits of Labrador. My dad was a fisher and I grew up on a fishing boat. He bought seals for about 25 or 30 years. The last time I actively fished for cod was in 1981.

Through my 52 years, I have experienced a lot of change in the fishery. I, the member for St. John's West and other members in the

House remember the days when we did not have to get a licence to fish. I remember the freedom of the fishery. I remember the freedom of getting a salmon in the fall when it was freezing up. I remember the freedom of catching caplin and everything else. I have seen that freedom evaporate as time has moved on.

That evaporation of freedom has caused me grief and passion. My affectionate views have caused me to speak here tonight. The concerns that I have expressed for the last six years, while a member of the Standing Committee on Fisheries and Oceans, have also caused me to speak here tonight.

I am no longer a member of that committee, not because I do not feel the same about fish as I did last year, but because I felt it was a cycle and wondered sometimes where it was going. I am just as much concerned about it now. I moved on to a different committee. However I commend the chair and committee members for continuing to do the job.

I want to talk about seals as well tonight. In the month of May I can see seals passing by my house in L'Anse-au-Loup going north. They do not return until January. Right now those seals do not leave the Strait de Belle Isle.

My brother-in-law, Pat Cabot, actively campaigned to save the cod fishery back in the late seventies and eighties with a committee called the Newfoundland and Labrador Fixed Gear Fishermen's Association. Certain members here would know about what I am talking. My brother-in-law was a great sealer and a great fisherman. He was also a great advocate for saving the cod.

Nobody listened to him. Nobody in places that should have listened to him back in the eighties listened to him. Instead they continued to do what they did. Scientists would recommend a certain tonnage and politicians would double that tonnage. Those were the kind of decisions taken in the fishery. As a result, we saw a collapse of the fishery back in the late eighties and early nineties. There is a reinvention of that wheel as we speak and that is part of the debate here tonight.

There will never be another cod fishery unless we take stock of the real issues at hand. I want to be very clear. This has nothing to do with me being partisan. This simply has to do with how I feel as an elected representative and as a person from that small community of L'Anse-au-Loup. Growing up in Labrador, going up and down the coast and knowing Newfoundland and Labrador and Atlantic Canada as I do, I feel quite strongly that 300,000 seals a year will not solve our problem. We need a comprehensive plan that will take us far beyond the economics of seals to solve this problem.

I compliment the former minister of fisheries for doing a small cull on the west coast in a certain river. Culls may not be the answer. It may sound like an ugly word, and it is, but something has to be done to bring the seals into balance so that continuing economic development of the seals will create a balance and cod, herring, caplin as well as various other fish along the Atlantic coast can replenish. As an elected member, I will not stand and support closing the cod in the Gulf of St. Lawrence unless I see a very comprehensive plan for rebuilding that cod stock.

*Government Orders*

● (2120)

Unless there is a comprehensive plan, I want our fishers to continue to fish in some kind of limited fishing, with a hook and line or whatever the case may be.

I want to carry my case a little further to bycatches. All nets do damage and we cannot get away from that, whether they are nets of fixed gear, which is why we suggest a hook and line in the cod fishery as compared to fixed gear, or whether it be dragger nets which we saw for 40 or 50 years that I believe helped deplete the various stocks of the Atlantic. Now we are into the shrimp trawls and nets.

I think we can take a much better look at some of the things we are doing. For instance, in the Gulf of St. Lawrence we have a major shrimp fishery. The fishery starts in the first week of April. I have been told by the fishers who fish there that there is a huge caplin bycatch in the first two to four weeks. I do not agree with that.

Caplin is such a fundamental fish to the development of cod and many other species, seals included. We need to save those caplin. We need to grow them. They are very important fish. If we start catching it in huge numbers and tonnage in bycatches of other fisheries, it is a destruction to the resource. That is not what conservation is in the way that I think.

I want to talk about the shrimp industry and shrimp in general. There is supposed to be a lot of shrimp, some small, according to some fishers, some larger, depending on where one is too. Most of the fishing of shrimp is in the north at Cape Chidley, on the cape of Labrador, all the way up along the northeast coast of Newfoundland, up to what we call area 7 and the 3L area, up along as far as St. John's and off. Up through the Gulf of St. Lawrence there is a shrimp fishery, and it is growing. It is great to know that the shrimp industry is developing but in my view, it is not without its damages too.

Off Labrador in what we call the Hawke channel of Charlotte-town-Labrador, a congregation of about 350-400 boats is taking little tiny turbot that escape the Nordmore grate which is in the shrimp nets. I have heard fishers say they catch as much as a tub or two per haul of those little tiny turbot. That is a massive destruction and we should be doing something about it. In addition, it is cod spawning grounds.

All we are asking is that DFO put in restricted zones bigger than the current 20x20 to save the crab, to save those other breeding fish. There is a lot of space elsewhere to catch shrimp. I do not think I am being unreasonable and fishermen agree. They are saying that to me every day. When I plead and ask the minister and the DFO officials to be cognizant of that, the answer is very simple: Science has not quite figured it out yet.

The truth is we do not have any science in the north. The further north we go, the greater the activity is in terms of fishing and there is the least amount of science because there is the least amount of people and the least amount of pressure. I am part of the least amount of people, folks, and I am part of the greatest amount of pressure and I am a part of the least amount of science.

I ask all Canadians, those listening tonight and those here in the chamber, to work with me to create some balance so that we have the

same kind of resources working for us collectively. If we need further funds to give more balance to the science for that particular need, let us support it and let us get on with it.

All that is not being said without some good things. I want to reiterate some of the things I have heard tonight as well.

In terms of vessel replacement and where we are going, I think it is a great idea. I want to compliment the minister for moving on that. I want to say that going from permits and 34-11s and below to licensing is a great move in the right direction. Making the move to have flexibility on seals, even though it has not gone far enough, is a move in the right direction.

I would ask the department to work with us in some of the ways that I have suggested to further assist the fishers in making the right decision.

I want to make a final point. There are two types of people in the shrimp fishery, those in need and those in greed. I would ask the department to be more cognizant of those in need than those in greed. Those are my closing comments.

● (2125)

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Speaker, the hon. member's comments were reasoned, well thought out and sincere.

One issue which he did not address, and I wonder if he would care to, is the issue of enforcement.

In its January 2003 report on groundfish stocks in the Scotian shelf and the Bay of Fundy, the FRCC notes that there is a problem with discarding and unreported landings. It says that while the type of activity has been relatively limited, it is important and it can have an impact on the fishery. It goes on to recommend that DFO create a small task force to deal with this issue and suggests potential improvements for the surveillance and enforcement systems in various regions in Atlantic Canada.

I wonder if the hon. member would care to comment on that particular finding of the FRCC.

**Mr. Lawrence O'Brien:** Mr. Chairman, I certainly concur with the FRCC. I concur with the standing committee report. We brought many people in when I was on the committee. Many hon. members present were there. I support more enforcement.

I could talk about the bycatches of the shrimp and caplin which are good examples of enforcement. Enforcement can come in so many ways. We are lacking enforcement in a very big way. We need dedicated funds with dedicated strategies to better enforce the needs of fishers and of the fish themselves.

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Chairman, when the hon. gentleman and my good friend was on the fisheries committee, we made a unanimous recommendation on ghost nets. To date very little or no effort is being made to retrieve ghost nets.



*Government Orders*

For the record, ghost nets are nets that have been lost and they fish continuously for many years at the bottom just above the ocean bed. If we could retrieve those nets and get them out of the ocean, we could do an awful lot for fisheries survival not only on the east coast but on the west coast as well.

Would the hon. member for Labrador like to comment further on the issue of ghost nets? What is he doing to ensure that the government is putting the resources in place to retrieve those nets and eradicate them as best as possible from the ocean floor?

• (2130)

**Mr. Lawrence O'Brien:** Mr. Chairman, certainly ghost netting is an issue. Imagine in the last 50 years the amount of nets and since monofilament lines came into play how many of those are still sitting around, gill nets. It is an astronomical number.

All the time various communities in the riding ask if I can get funds from Ottawa to help them retrieve ghost nets. It is a very conscientious view on the part of fishers and I share their view. It is a very important conservation measure for DFO, to consider putting funds in. If we cannot do it all, we can certainly go some way. Every one we retrieve is one less that fishes on a continuous basis.

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Chairman, the hon. member talked about those who fish for need and those who fish for greed.

When I was growing up, a fisherman was somebody who went out in the boat, caught fish, sold the fish and gained maximum profit, such as it was in those days, 2¢ a pound perhaps. The fisherman got the maximum benefit from catching the resource.

Today every fisherman has to be licensed. Every person with a licence is certainly not a fisherman. Therein lies the major problem. The process has been so manipulated that large corporations, people with money, are buying up licences. They have other people front for them in the boat who obtain the minuscule part of the share. They are really destroying the whole process.

The beneficiaries of catching a resource should be the primary people who are involved, the fishermen themselves. The profits should not be spent in Florida.

Is that situation the same in his area? What does the member think about it? What can we do to change it?

**Mr. Lawrence O'Brien:** Mr. Chairman, the member has touched a nerve in my system.

We have a good example. We can talk about cod, about anything, but shrimp is a very good case in point. There are a dozen licences or so on the offshore and none of the people, in my view, are fishermen. The fishermen and fisherwomen are having a tough time trying to find the balance. They are in great need in terms of what I talked about earlier, the cod downturn. They are begging for some shrimp to make up the difference, just a few pittance of shrimp.

It is the same thing with the crab in 2J. It is in the downturn. We need to compensate that with shrimp but what are we getting? The greedy people are begging. They have the lobbyists, money, condos and the big boats. They have it all. They are the ones who are begging the minister on a continuous basis for the greater share of

the potential expansion of that resource. I am totally, absolutely opposed to it.

**Mr. Rex Barnes (Gander—Grand Falls, PC):** Mr. Chairman, we all know that Newfoundland and Labrador has a royal commission going on with regard to renewing and strengthening our place in Canada. Of course the member being from Newfoundland and Labrador and the constituency of Labrador, he is fully aware of it.

One issue that has arisen constantly in the public meetings is the clear and deep understanding that the economy of rural Newfoundland and Labrador in the past, present and future depends on the fishery. Given the collapse of the groundfish in the late 1980s and early 1990s and the lack of recovery since, participants have told us that rural fishing communities remain in a state of crisis.

We have heard that it is time for the Government of Canada to take overall responsibility for what has happened in the fishery, responsibility for doing whatever is possible to bring about a recovery in the fishery and responsibility for dealing with the fallout should a recovery not take place.

The hon. member is very knowledgeable. What does he think the federal government should do to make sure that these communities remain viable and make sure that these communities are not impacted financially?

**Mr. Lawrence O'Brien:** The hon. member has made some excellent points.

If we look at the resources in Atlantic Canada and the way the fishing resource is distributed and put it in the context of people in need rather than people with greed in my view, the hon. member and I and many others would find that there is probably enough to go around to feed the mouths we are trying to feed. We can achieve that goal and give them a sensible income. That is my belief.

I believe also that we should move away from the corporate licensing of ownership of the fish resource and put it into the hands of what I call the ordinary fisherman or fisher woman.

• (2135)

**Mr. Peter Stoffer:** Mr. Chairman, the people in the hon. member's riding want to fish. They do not want compensation packages. They do not want TAGS programs. We heard the FFAW say, "We are not part of this game. We want to be able to fish. Fix the problems before you give us more money to not do our job".

Would the hon. member agree with that sentiment? Being on the government side is the member proposing that the government rethink this before it makes the final decision and shuts down the economic opportunity of thousands of people on the east coast?

**Mr. Lawrence O'Brien:** Mr. Chairman, I share the comments made by the hon. member. Certainly our fishers want to fish. Our plant workers want to work in the plants. Our businesses that thrive off of those plants and fishers need to continue to survive. It creates a balance.

*Government Orders*

Whether it be on the shores of Labrador in the Labrador straits, or on the Newfoundland shores of the northern peninsula, or the north shore of Quebec or Gaspé it is all one and the same. My point is these people want a way of life. Fishing is a way of life. It is an income. It is a pride. They want to continue that pride.

We do not want the kind of make work projects that give six months work, a year's EI and goodbye. We still have to survive.

Creating the balance, utilizing the species that we have, trying to grow the ones that are in trouble, creating a balance in the cod, in the shrimp, in the crab and so on, that is the way to go in the future. That is the challenge for DFO, working with us all collectively to achieve that aim.

[*Translation*]

**Mr. Jean-Yves Roy (Matapédia—Matane, BQ):** Mr. Chairman, I wanted to deal with eight points tonight, but, unfortunately, I could deal with just one in my ten minutes. I figure I would need 70 minutes to talk about the rest of them, but I know you will not let me have all that time. So, I will try to summarize my eight points, and talk about them at least briefly.

Obviously, my first point, which is the one I talked about during my ten minutes, is the assistance plan we should provide to those affected by a possible moratorium on cod fishing. It is an important issue, because it concerns the well-being of real people. Some 4,000 families on the east coast could be affected by such a moratorium. It is crucial that they get a good assistance program.

My second point concerns the importance of providing an adequate and secure infrastructure to the fishing and shipping industries in eastern Quebec. We have been discussing this seriously for two years. What I have in mind is ports for small boats.

Of course, some money has been invested, but ever since this program has been implemented, whatever has been done has not been done quickly enough.

As a result, we still find ourselves today with infrastructure that is in poor shape. We need to invest, and if memory serves well, during the discussions we had with the previous Minister of Fisheries and Oceans, the number that was mentioned was \$400 million. That is the money needed to repair all of the ports, alienating many ports to wind up with a final number of approximately 800 ports that the Department of Fisheries and Oceans would keep and that could provide adequate service.

Unfortunately, this program is not making progress fast enough, and most of the infrastructures are still in bad shape. There needs to be a lot more work done and investment made both in Quebec and in the maritime provinces. We toured some of the infrastructures in Newfoundland and Labrador that were in disrepair and that needed work. That was my second point.

I touched on my third point briefly at the beginning. In my opinion, fisheries management by the federal government in the past has seriously hurt fishers, plant workers and coastal communities. I am not just talking about the current government. I am talking about all governments since the time the federal government took over responsibility for the management of the resource.

The resource has been mismanaged, and entire populations affected as a result. Take the Gaspé and Newfoundland for example. For the people in these regions, the fishery is their main industry. It is the biggest industry. Today, because of mismanagement, this industry is shrinking, while the people in these regions, particularly in the Gaspé, which I am more familiar with of course, are getting poorer.

I did not address the next point previously, but it would have been interesting for the federal government to look into the possibility of giving these fishers a capital gains exemption similar to the one granted by the Government of Quebec.

If we want to encourage people to continue in the industry, it seems important to me that a tax exemption be granted when, for instance, a father sells his fishing boat with all the gear to his son. This is done in agriculture and other sectors. A tax exemption would be important, and the Government of Quebec just announced it will be granting this kind of exemption to fishers to make the transition from one generation to the next easier and ensure that fisheries remain an industry. This was one of the points I wanted to address.

• (2140)

That is the position we have defended as members of the Bloc Québécois. We want marine resources to be equitably distributed while respecting Quebec's traditional quotas. This does not mean taking from others what is theirs.

Traditionally, each of the Atlantic provinces was assigned a share of quotas, and we are asking that this share be respected even in the event of a reduction. The government should not start playing with the quotas of the individual provinces to try to please people right and left, as it did in the past, giving to the fishers in one province what it had taken away from the fishers in other provinces.

I think one of the worst approaches to managing the resource is to create divisions between the provinces. Perhaps it served the purposes of the federal government at the time, but to create divisions between the provinces that way in order to manage the resource is, in my opinion, one of the worst things the federal government has done in the past, and this has been done in certain sectors.

We in Quebec are asking that our traditional quotas be respected, and I touched on that earlier, quoting figures. The fact that quotas were not respected in the past is posing a very serious problem, particularly in Quebec and in provinces like Newfoundland. Because of the 1992 moratorium and the potential moratorium on cod, it is imperative to at least maintain traditional quotas in other fisheries. This appears very important to me, and it was one of the points I wanted to raise earlier.

*Government Orders*

Reference was also made to the Coast Guard. Personally, I did not make any reference to it, but there were extensive discussions about it in a debate held in November. Very clearly, the Coast Guard has been underfunded, and mistreated by the government; it has really taken a beating from this government.

For many years, the government did not make any investment in this organization, with the result that it now has to invest billions of dollars in it to improve the fleet and replace infrastructure, among other things. Sadly, it took the events of September 11 for the government to wake up and see that the Coast Guard was in terrible shape.

This led the government to decide to invest in an organization that, in my opinion, was completely inadequate, both on the east and west coast. We must remember that, for fishermen, the Coast Guard is important, particularly when boats are in trouble and lives are at stake.

This is important to the fishing industry and I believe the federal government should have begun re-investing in the Coast Guard much sooner and ensured that this organization had proper and adequate resources to operate.

Something else that I mentioned earlier is that we believe that the federal government must provide the sealing industry with access to the American and Korean markets.

As I mentioned to one of my colleagues, seal quotas cannot be continually increased without developing other markets. Of course, right now, the market is probably able to absorb the current quota of 350,000. This quota does not reduce the population and, as the Fisheries Resource Conservation Council said in one of its press releases in April 2002, and I quote,

Predation by seals continues to be the dominant source of exploitation on groundfish.

We are told that this 350,000 quota will not prevent the seal population from growing, but merely stabilize it.

As my time has run out, I hope I will have the opportunity to speak later.

● (2145)

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Mr. Speaker, I was listening to our colleague who talked, among other things, about certain government policies with respect to small craft harbours. At least he acknowledged that there was an increase in the budgets. Obviously, it is never enough, but it must be admitted that in last year's budget, another \$100 million was added over five years in addition to the regular budget. I think this is important.

One way of softening the blow of a reduction in groundfish fishing, or a possible moratorium, is to try to set up a compensation program. If there is a moratorium, I can tell you that obviously we will work very hard to try to put together a compensation package.

One of the problems is that people are currently buying cod permits at very high prices, \$50,000 or \$60,000, when there are no cod in the gulf. It is illogical. Permits are renewed yet there are no fish, or very few. Why is this happening? People do this in order to have a share of the crab. The minister reserves a quantity of crab. He

does it out to fishers who are having difficulties. Then these fishers buy high-priced permits and pay with the crab they receive.

The question I would like to ask my hon. colleague, the member for Matapédia—Matane, is this: given that it is very likely that crab will continue to be shared among groundfish fishers, does the minister have any thoughts on who should be entitled to the share and whether he thinks that those who purchase permits at a high price at the last minute should be entitled to a share?

**Mr. Jean-Yves Roy:** Mr. Chairman, I think the answer is no. I do not think speculation on licences is possible. We should not forget what a licence is.

The resource belongs to the community, quite clearly, and not to individuals. The department is responsible for the management of the resource and the delivery of licences. The department should be diligent enough to prevent this kind of occurrence.

Our basis should be those who had fishing rights last year. Let this be clear. If somebody sold a licence, hoping to get a licence to fish crab, it is totally wrong. We should not help the fisher who had the licence during the previous year. It is that simple.

People who were allowed to fish last year and would unfortunately be affected by a moratorium this year should be the ones getting assistance or benefits from the department.

● (2150)

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Chairman, I would like to ask one or perhaps two questions of my colleague.

Does he think the government should allow fishers to continue to fish, or perhaps provide them with some federal programs? Does he think the government invests enough money on the scientific level to know what it is doing with the fishery?

**Mr. Jean-Yves Roy:** Mr. Chairman, I want to congratulate my colleague for making the effort of putting his question to me in French. If memory serves, he once was minister of education in Newfoundland. He just proved his openmindedness, and for that I congratulate him.

Indeed, in managing the fishery, knowledge of the resource is essential. To manage any resource, one has to have a good knowledge of that resource. I think that, in the past, the Department of Fisheries and Oceans and the whole government probably, or I should say certainly, did not put enough money into research to have a good knowledge of our fish resources.

This is one of the problems that we are facing today. After the lesson learned in 1992, the government should have invested heavily in research in order to acquire a good knowledge of the resource, but it did not. Had it done so, maybe we might not be facing the possibility of another moratorium today.

We must invest heavily in research. When we have a good knowledge of the resource, we will be able to manage it properly. I think that this is very important. It is something that we have not done in the past and that I hope we will do in the future.

*Government Orders*

Of course, we have started to invest again, but so far these investments are very small compared to the enormous needs. We have not built up knowledge in the past and we have not invested enough, which means that we have a lot of ground to make up. That is the problem that we are facing now.

[*English*]

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Chairman, I thank the hon. member from Quebec and the parliamentary secretary for fisheries for bringing the issues of the Quebec region to Parliament, because in a lot of cases we think about Atlantic fisheries and we think of the four Atlantic provinces. In many cases we inadvertently do not discuss the issues of Quebec, the Îles-de-la-Madeleine and those issues, for example.

Being the only one from Nova Scotia participating in tonight's debate, apart from the Minister of Fisheries, what I would like to ask him is this. We know that DFO science and research have been cut drastically. We know that the budget did not address that issue. What suggestion would he and his party make to the government to address this serious issue?

We know that whatever information is gathered now will only be helpful down the road. The reality is that we need that information now. We simply do not have it. We have an awful lot of people out there who can give us the information if we would just allow them to access the resources that are required and to work in a co-operative, co-management way in order to deal with the issues of, for example, environmental concerns, ice floes, seals, and dragging, et cetera. I would like him to comment on that, please.

[*Translation*]

**Mr. Jean-Yves Roy:** Mr. Chairman, in answer to the question of the hon. member, I could give you some very concrete examples. Let us take aquaculture, for instance.

In the area of aquaculture, the main purpose of the Department of Fisheries and Oceans was to carry out research. We now realize that we do not know much about aquaculture. Besides our capacity to farm fish, our knowledge in that area is quite limited.

We have paid the price for that lack of knowledge in the Gaspé area. A plant opened its doors about ten years ago, but then had to close down. Nowadays, we have changed direction and turned towards other sectors.

We do not have adequate knowledge. One of the roles of the department is to invest enough in research so that it knows what the impact will be.

Some people mentioned Atlantic salmon farming on the west coast. My hon. colleague talked about it. What do we know about the impact of Atlantic salmon farming off the coast of British Columbia? Not much, right now.

We are starting to find out about it, but unfortunately, we should have invested much more money in research to determine the impact early on before any industry became overdeveloped and too many problems resulted.

When talking about the U.N., some people mentioned earlier the precautionary principle that was approved in Rio. The Government of Canada knows about it. It signed these agreements in 1992, in

2001 and again in 2002. None of this was implemented however, because we have not invested enough in research. It is as simple as that.

• (2155)

[*English*]

**Mr. Tom Wappel (Scarborough Southwest, Lib.):** Mr. Chairman, we have heard many very important speeches tonight, and we have heard talk of numerous different issues related to fisheries in Canada. We were reminded earlier that the topic of fisheries is very broad and just recently we heard it mentioned that some topics perhaps get forgotten. I would like to talk about something which I think gets forgotten, and that is the fishery of the Great Lakes. I would call the Great Lakes our fourth ocean, after the Atlantic, Pacific and Arctic Oceans, and I will offer just a small geography lesson. They are bordered by eight American states and, interestingly enough, only one Canadian province, the province of Ontario, from where I hail.

Is the Great Lakes fishery important to Canada? The answer to that is very simple: absolutely. In Canada, the average landed value annually from the Great Lakes fishery is about \$40 million, which translates into approximately \$100 million annually to the Canadian economy. In addition to that, we have recreational angling, which provides a further \$350 million a year to the Canadian economy, for a total of \$450 million annually. All together, the combined value of the Canadian and American commercial and recreational fisheries in the Great Lakes has been estimated by the American co-chair of the International Joint Commission, Dennis Schornack, to be worth roughly \$7 billion Canadian and 75,000 jobs.

There are three important treaties between Canada and the U.S. which help to manage and administer the Great Lakes and the St. Lawrence Seaway. The first is the Boundary Waters Treaty and the second is the Great Lakes Water Quality Agreement. These two combine to create the International Joint Commission. Third is the Convention on Great Lakes Fisheries, which created the Great Lakes Fishery Commission.

On February 11 of this year, the Standing Committee on Fisheries and Oceans heard important and, in my view, very troubling testimony from the joint chairmen of the International Joint Commission, the Right Hon. Herb Gray and Dennis Schornack, and their officials, as well as Madam Johanne Gélinas, Commissioner of the Environment and Sustainable Development for Canada, and her officials.

The gist of the testimony was that the Great Lakes fishery is gravely threatened by invasive species. What are invasive species? Very simply, they are organisms that are not native to the Great Lakes. Examples can be briefly summarized as the zebra mussel, the round goby, which came with it, Asian carp, and in areas outside the Great Lakes, for example, the green crab.

**An hon. member:** Lamprey.

**Mr. Tom Wappel:** And sea lamprey as well.

Commissioner Gélinas, in her testimony and in her 2002 report to the House of Commons on the subject of invasive species, had some very troubling things to say. I cannot say them any better than she did, so I am not going to try. I will simply quote her. I want to get this on the record, if I may, because I think it is very important, and quite often in the very legitimate debate about fisheries on the east and west coasts we do not pay enough attention to the Great Lakes fishery.

She said:

As members may know, more than a decade ago in the United Nations Convention on Biological Diversity, 167 world leaders recognized invasive species as "one of the most serious threats to our health, and to our ecological, social and economic well-being. They said, "Addressing the problem is urgent because the threats increase daily."

That was over 10 years ago.

She continued:

In signing the Convention, the Canadian government formally pledged to prevent the introduction of alien species that threaten Canada's ecosystems, habitats and other species or to control or eradicate them.

Three years later, in 1995, the federal government published its strategy for honouring its pledge. It stated, "Control or elimination of harmful alien organisms is necessary to conserve biodiversity and prevent the further destruction of ecosystems." The government's 1995 strategy set out a number of actions it considered essential to the task.

• (2200)

Madam Gélinas has found a problem, though, and she stated:

The federal government has still not identified the invasive species that threaten Canada's ecosystems or the pathways by which they arrive. Human and financial resources have not been co-ordinated. There is no consensus on priorities, no clear understanding of who will do what to respond, and no capability to gauge progress on the government's commitments.

Finally, she stated:

In short, Canada has left the door open to invasive species that threaten our ecosystems.

That is troubling testimony, in my view, and indeed, she says that all Canadians should be concerned, because one of the points she wants to make in her report is that invasive species affect all of Canada, not just the Great Lakes, but I am talking mainly about the Great Lakes tonight.

She said further in her evidence to us:

Aquatic invaders not only threaten the Great Lakes but are a clear and present threat to many of our inland lakes and rivers and to the ecology and economies along Canada's coasts.

That is, the east and west coasts. She did offer some solutions. She said:

Given the threat they pose to biodiversity and the clear potential for their further introduction, alien invasive species must be targeted immediately with preventive action.

She gave three suggestions:

First, the federal government needs a concrete, adequately resourced action plan for invasive species... Second, progress toward expected results must be tracked. Third, ministers and departments must be held accountable for their performance.

I could not agree more.

We also heard from the chairs of the International Joint Commission and, lest anyone think that Madam Gélinas was perhaps overstating the problem, I would like to quote from a little

### *Government Orders*

bit of the evidence that we heard from the joint chairs. The Right Hon. Herb Gray said:

In the Great Lakes, costs for treatment and control of zebra mussels and sea lamprey over the last decade have exceeded \$100 million dollars... The damage is at least as much environmental as economic. Since biological pollution's effects are often irreversible, any future introductions of alien invasive species could permanently harm the biological and ecological diversity of the Great Lakes, the world's largest surface freshwater ecosystem.

Mr. Schornack was equally blunt and to the point. He said:

Let me be clear, invasive species are the number one threat to the biological integrity of the Great Lakes.

They are the number one threat to biodiversity, pushing some native species to the brink of extinction.

They are the number one threat to our biosecurity, putting cultures, lifestyles and economies that are tied to the Great Lakes at risk.

In short, invasive species are the number one threat to the ecological and economic health of the Great Lakes.

That is a clarion call for action, it seems to me. It is a shame that matters have gotten to this degree in the Great Lakes. Before we know it, there is going to be a crisis. These people are telling us that we should be aware of it and that the Canadian government, along with the American government, should be taking immediate and effective action to protect the environment of the Great Lakes and thereby protect the Great Lakes fishery on both sides of the border, which generates, as we heard, something in the order of \$7 billion annually to both sides and produces a great number of jobs.

It is very important that we not lose sight of the threat that invasive species pose to the Great Lakes. I want to urge those who are listening, and in particular the Department of Fisheries and Oceans, to recognize this as a problem, to recognize it as a very dangerous and growing problem, and to work with other departments, because it cannot all be on the back of the Department of Fisheries and Oceans.

• (2205)

There are other departments, notably the Department of the Environment and the Department of Transport, that must also take responsibility, perhaps even the lead responsibility. I am not suggesting that this is entirely up to the Department of Fisheries and Oceans, but clearly, because its responsibility is to look after fish, it must take its responsibility as well.

We need to protect all of our fisheries, not just the Great Lakes fisheries but the east and west coast fisheries as well, from invasive species before it is too late.

**Mr. John Cummins (Delta—South Richmond, Canadian Alliance):** Mr. Chairman, the member raised the issue of the Great Lakes and the Great Lakes fisheries. Indeed they are important contributors to the economy of Ontario and they are fisheries which should be encouraged and developed to achieve their potential.

*Government Orders*

The member discussed invasive species. One of the problems I have in these debates at times is trying to understand totally from where government members may be coming from on some of the issues that are raised. On invasive species, we did, as the member suggested, discuss this matter in committee. What I have not yet heard clearly from the government side is a definition of invasive species. What do we mean by invasive species? Once we have established a definition, I wonder if the hon. member could tell me if Pacific salmon in the Great Lakes are an invasive species? Are Atlantic salmon, which are escaping from fish farms on the west coast, an invasive species in the eyes of the government on the west coast? If the answer is yes, that Atlantic salmon are an invasive species on the west coast, why has nothing been done on this matter as far as putting in place regulations by government?

**Mr. Tom Wappel:** Mr. Chairman, I do not speak for the government; I speak for myself. I have no authority to speak for the government, so I will answer as best I can as the member for Scarborough Southwest.

I gave a definition of invasive species which was the definition given at the committee hearings: organisms that are not native to the area that we are talking about. If, in fact, a particular organism is not native, then it is an invasive species.

The next issue is, does the mere fact that it is an invasive species by definition cause a problem? In the examples of sea lamprey, zebra mussels, gobies, and Asian carp, it is clear. I am not so sure about the issue of Atlantic salmon in the Great Lakes. It is something that we need to study.

As far as the Atlantic salmon on the west coast, we have heard testimony in the fisheries committee on more than one occasion about the variance in scientific expertise or knowledge as to whether or not released Atlantic salmon can survive. If they can survive, can they breed? If they can breed, can the fish find their way back to rebreed?

It seems from the latest testimony that at the present time there is no evidence that Atlantic salmon can continue a viable population on the west coast. If that were true then I would think it is not the kind of invasive species I am talking about when I refer to zebra mussel, for example, which causes hundreds of millions of dollars of damage throughout the Great Lakes, including clogging the intake pipes of energy producing factories, which thereby translates to higher heating costs and energy costs to each and every one of us.

• (2210)

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Chairman, I would like to ask the quite capable and competent chair of our standing committee a couple of questions in relation to the invasive species.

He mentioned the group that spoke about green crabs in committee. In Newfoundland and Labrador we do not have green crabs. We may see a few perhaps the day after St. Patrick's Day, but other than that, we do not have any. It is becoming a concern in New Brunswick. Could the member elaborate on the effect of such a species on the feeding grounds for lobsters which was the main concern?

There is a common theme in what many members are talking about tonight, which is a complete lack of science. We do not know what is going on in the Great Lakes. We do not know enough about invasive species and it will be to our loss. Does the member think that if we were to beef up our scientific knowledge, not only by an infusion of money, but by some way bringing together that great advice and scientific information that is out there, that we would all be a lot better off?

**Mr. Tom Wappel:** Mr. Chairman, I thank the hon. member for his question and also acknowledge his valuable contribution to the Standing Committee on Fisheries and Oceans.

As we heard from Commissioner Gélinas, she reminded us that the landed value of Atlantic clams, mussels and oysters in 2000 was about \$57 million on the Atlantic side and that catches of Atlantic lobster in 2000 were worth over \$500 million. They may very well be threatened by the colonization of the green crab and, lest the west coast feels slighted by being ignored, the green crab is an equal opportunity invasive species. It is also going to the west coast where it is starting to colonize.

Do we need science? Of course we need science. We always need more science. We need more of the best information possible because, as we heard from one of the eminent scientists in committee, there is a symbiotic relationship quite often between different invasive species, one that people would not think works in collaboration with another invasive species to provide a triple threat. There is always a need for scientific evidence and investigation and that takes money.

As with anything, as with all governments, there has to be an allocation. These are tough choices. One can always second guess whether the line was drawn too high or too low, but one thing is certain. There must be money to encourage and continue scientific evidence, particularly in the areas of the fisheries because so much is unknown. What is so irritating to me as an ordinary person on occasion is to hear that a scientist has been asked a question and responds by saying, "I don't know". If the scientists do not know, how can we possibly make policy?

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Chairman, I thank the hon. member for raising the issue of the Great Lakes. He knows that in Manitoba, Saskatchewan, a bit of Alberta and northern Ontario, as well as the Northwest Territories, in combination with the Great Lakes, we have the world's greatest inland commercial fishery. All of it is at risk in terms of invasive species.

One of the things we heard was ballast exchange. Although the member was not on the committee in 1998, the east coast fisheries report came out with recommendations regarding ballast exchange water and how the government had to react to that serious issue. Five years later we are still debating it. It was five years ago that we raised the issue of ballast exchange water. I am sure previous committees made similar recommendations, yet the government dithers around on these things.

The former finance minister is the owner of CSL ships. His ships come in as well and there is concern with ballast exchange water. I thank the hon. member from the Alliance Party for raising that as well.

*Government Orders*

With the position he is in, what can he do to advise the government once and for all to take the issue of ballast exchange water seriously? Many of the invasive species enter our waters from foreign ships entering our ports.

● (2215)

**Mr. Tom Wappel:** Mr. Chairman, I thank the hon. member for his question. Clearly he has been on the committee longer than I have. What can we do? We have to continue to raise the profile. Mr. Gray said:

We are pleased to note that this committee [Fisheries and Oceans] for the first time is holding hearings that specifically focus in on this serious issue.

That is one of the reasons I raised it in this debate. It was to focus in on it because sometimes it gets lost with all the other huge problems that are involved in the fishery of a country that has three oceans and really a fourth ocean of fresh water. It is a matter of focusing attention in this area.

As a matter of fact, a lot could be done and should be done on the issue of ballast. Mr. Schornack, the joint chair of the IJC, congratulated the Shipping Federation of Canada for being the first to adopt voluntary ballast exchange guidelines in 1989. We are told that the American regulations are based on the Canadian voluntary exchange guidelines.

What can we do? We can raise the issue, continue to give it a high profile, ring the alarm bells, and ask the various departments to deal with this issue in a serious way.

**Mr. James Lunney (Nanaimo—Alberni, Canadian Alliance):** Mr. Chairman, I am pleased to enter the debate tonight with so many other members who, by and large, are members of the fisheries committee. They are members who take these issues to heart because they have studied these issues. I know that members from all parties are concerned.

We have heard a lot of issues addressed tonight, but I would like to bring a perspective from my party and from my own riding of Nanaimo—Alberni on Vancouver Island.

There are some serious issues here. These issues involve the livelihoods of men and women, and communities who draw their life from the sea. Each of these issues is serious to those individuals directly involved by them. The members from the east coast have addressed the crisis in the ground stocks in the cod fishery. It is a serious situation there right now and the minister is facing some important decisions. Communities no doubt are in angst about them.

I regard the time that I spent on the fisheries committee as some of my most meaningful and enjoyable time in the House of Commons since I was elected. The committee heard from witnesses and prepared a fine report on the issues relating to the Grand Banks and the east coast fishery.

There are two main issues. First, is the custodial management issue that the committee addressed. We felt there was a huge problem with the Grand Banks because the nose and tail are not within Canadian jurisdiction. This is part of our continental shelf. It has been abused by international fishers because it is outside the 200 mile zone. It has been abused by overfishing, by bycatch, and sometimes even targeted catch for moratoria species.

Because it is our continental shelf, it is time for Canada to take action and do what is right, and manage this for the people closest to the resource and the ones who manage it with the future in mind. I support our members and the committee report because it was excellent work and something the government should take seriously.

The second important issue involves the seals and we have heard other members address this as well. Many Canadians need a reality check regarding these sea predators. The minister has allowed a cull of about 350,000 seals per year over three years. Herds of seals range from 6 to 8 million, and a sustainable herd is somewhere in the neighbourhood of 2 to 2.5 million. Seals eat tonnes of fish a year, but they do not eat the whole fish. It is not like they take one and take it up on the shore to have a barbecue with their friends and be satisfied with one fish. They take the choice parts out of the belly and the liver, but the fish dies, leaving most of it to waste in the sea. There are about 4.5 to 5 million seals each eating a tonne of fish a year. Is it any wonder the ground stocks have not been re-established?

People in Newfoundland and Labrador and the other Atlantic provinces who depend on these resources ought to have access to these resources. As Canadians, we ought to make decisions that will make it possible for them to benefit from those resources.

My colleagues from Delta and Skeena talked about the disaster on the Fraser River this year. This is a management issue. Some 15 million salmon returned to the river and yet the catch that was allowed was only about 3 million, allowing some 12 million to escape past Mission and up into the spawning grounds. This was a terrible loss to our fishers and the commercial fishermen who depended on salmon for their livelihood. Fishing has been withheld for years now because of wrangling with the department.

This has gone to the point where we wonder what the department's mandate is. Is it trying to drive people out of the industry? We estimate there was about a \$200 million loss to the industry, but not only did it damage the people who depended on the industry, it also damaged the spawning grounds. Surely, we can do better than that.

I would like to address a smaller but an important issue to the people involved in my own riding, and that is the rock cod fishery on the west coast. There is also pressure on this resource, but we do not know a lot about the rock fish. It is an interesting species that dwells very deep. There are some scientific things we do not know about this species, but some concerns have been raised recently about the sustainability of this fishery.

● (2220)

There are presently about 70 rock cod boats, many of them from my riding. These are boats that fish the inside waters. For the past year and for current and projected allotments, they are just not sufficient to sustain a livelihood.

*Government Orders*

I know the member for Vancouver Island North presented a request to the minister recently about a buyback program that perhaps could be supported even by stamps that would relate to the sport fishery that also takes these fish. This is an important issue and I hope the minister will address it. It is a small number of people but when it is one's livelihood it is just as important. Therefore, on behalf of the rock fishers on the coast, I hope the minister will take this issue seriously.

I would like to address the Pacific hake fishery briefly. Our committee had a lot of discussion about this recently and the minister made a decision to see this resource processed on shore. I certainly heartily endorse that. Processors were under great stress in my riding and they have benefited from handling this resource on shore in Ucluelet and Port Alberni. We applaud that decision, but at the same time there are big concerns that there is a problem with the scientific joint review group which recommended a total allowable catch between 96,000 tonnes and 133,000 tonnes for 2002.

The U.S. simply would not agree with the joint scientific review. It went ahead and set a quota at 130,000 tonnes, basically scooping the whole of what was recommended by the scientists. Canada allowed 40,000 tonnes plus an additional 10,000 tonne carryover because of what was not harvested the year earlier. The total catch was about 180,000 tonnes and this has put the resource in an unacceptable stress. We have to get this sorted out. I hope the minister is working on this now to see that this is managed properly so that the resource is available for years to come.

I cannot enter this debate without addressing the issues that are related to the coast guard: MCTS, Marine Communication and Traffic Services, the dive team, and the government's chronic failure with regard to the coast guard.

In 1995 the coast guard was dumped from Transport Canada and landed in the Department of Fisheries and Oceans. I guess it made sense to some people because they both use boats, but frankly their mandates are quite different.

MCTS, in particular, has gone through downsizing, amalgamation, cross-training and repeated least cost analysis. Our committee tabled an excellent report just recently on this issue recommending at least a \$2 million infusion to enable MCTS centres to do their job. I hope the minister will take that seriously. We do see more money coming into the budget but where it is allocated is not specified. There is a great concern to see this money appropriated to this service so the officers, who are under such stress, will be given the tools they need to do their jobs properly.

I would like to address the aquaculture issue. It certainly is a topic that inspires spirited debates on both sides of the issue, both for and against. It seems that if people have an opinion at all on aquaculture, it is either very strong on one side or the other.

In my riding of Nanaimo—Alberni we enjoy unparalleled natural beauty. That is one of the reasons that many people, including my wife and myself, moved out to this area. It has the mountains and the oceans, and it was a lifestyle choice when we moved out there. We are concerned about the health of the environment, the habitat and the future of our precious resource, the Pacific salmon. However we also have small communities that look to the ocean for their

livelihoods and we want to ensure an adequate standard of living and employment for their citizens.

There are some very important issues at stake here. I personally believe that we can achieve both a healthy environment and sustainable employment, but we need to use good science.

A conference was held at the University of British Columbia just last weekend to discuss the effects of sea lice. The effect of sea lice on wild salmon stocks is a big concern in my riding right now and on the entire coast. As a result of the conference, we have a made in B. C. solution to achieve a better understanding about these complex issues surrounding farm and wild salmon, a better understanding of the factors that affect the wild stocks.

We know that the Department of Fisheries and Oceans has a plan to address this and I am sure they also will be considering the information that has come out of the conference at UBC. It has a plan for increased scientific scrutiny of the issues in the Broughton archipelago. We hope it will use the insight from the UBC conference and apply this with some wisdom. I believe that if we look at the science seriously and work together we can find the answers that are necessary to see sustainable employment and see our wild fisheries protected as well.

● (2225)

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Chairman, one thing that has not been mentioned tonight is the possible effects of oil and gas exploration off the east coast, but also of the potential on the west coast. We understand that there are discussions ongoing about the possible seismic and possible exploration of oil and gas quite inshore within the British Columbia coastline.

I would like the hon. member to elaborate a bit more. Has he heard those concerns from people in his riding? Exactly what should the government do to proceed in order to maintain its main priority of the protection of fish and fish habitat from the possible effects of oil and gas? We know it has had effects on the east coast. We are very concerned about what it may do on the west coast as well.

**Mr. James Lunney:** Mr. Chairman, in addressing that I have to say that British Columbia has gone through a very difficult economic period, beginning about 1995. The B.C. economy was very much hinged to the Asian economy, Japan and Hong Kong. Around 1997 we all remember that Hong Kong reverted to China and there was a lot of money being exchanged.

B.C.'s economy was doing very well up until about 1995. As the Asian flu hit, as the Japanese market for our softwood products largely dried up in Hong Kong, and as the transfers of money diminished, B.C.'s economy really plummeted.

Of course, there were the problems in the fishery. We have a lot of displaced workers. There were problems in the forestry. Now of course we have had a great softwood lumber problem for the last two years. Our economy is in great distress.



*Government Orders*

With regard to oil and gas exploration there is certainly hope. Frankly, in my riding we have seen de-population. Many people from across the country retire in my riding. In fact, my riding has two of the six oldest communities in Canada within a few kilometres of where I live.

People like to retire in my riding but many others are seeing members of their families, who used to work here in fishing and logging, moving off to Alberta for jobs. We have grandma and grandpa here on the island but their kids and their grandchildren are off in Alberta because that is where the employment is.

Many people are looking to oil and gas as a possible spark plug, as they are in Atlantic Canada, for an economy that has faltered. We are hopeful this can be done. It is not as though we are the first people in the world to do this. We are hopeful that we can do exploration in a responsible way and develop our resources in a manner that will not disturb or damage the fisheries.

• (2230)

[*Translation*]

**Mr. Georges Farrah (Parliamentary Secretary to the Minister of Fisheries and Oceans, Lib.):** Mr. Chairman, I congratulate the hon. member on his remarks. I must say we miss him on the Standing Committee on Fisheries and Oceans. He did an outstanding job when he was a member of this committee. I think his presence here tonight shows how much he is interested in fisheries, and I congratulate him.

Maybe the hon. member did not have time to elaborate on aquaculture. He said, and rightly so, that there are often opposing views on aquaculture. Some are very much in favour, and others opposed.

I would like to know the hon. member's personal position on this. Should we go ahead and develop aquaculture, in particular on the west coast?

[*English*]

**Mr. James Lunney:** Mr. Chairman, the aquaculture debate is certainly one in which people are interested. Aquaculture is a new industry. We also want to differentiate the shellfish aquaculture from fin fish on the farms. Most of the controversy, frankly, other than the interruption of the beautiful coastal views that shellfish farms represent in the disturbance of the natural scenery, is about the fin fish.

As an early industry, like any industry, there are things we are going to learn. There were a lot of mistakes in siting, problems with the nutrification of the sea floor and problems with inadequate flow in shallow bays initially.

The industry has recognized the great problems with predation, with predators getting in the nets and with nets and equipment that basically did not handle the storms well. Some of those problems have been handled by industry with better nets, double walled nets now that are much more predator proof for example, and they are anchored by great big weights that handle the storms better, so escapes are down for that reason. I think that improvements in the industry and the way it manages things have helped.

However we went through a moratorium under the previous provincial government that prevented new sites. This caused problems because although some of the farms would have liked to have moved their farms to other sites to reduce the challenges of nutrification, they were not allowed to have a new site. That compounded some of the problems that might have been eliminated with better management.

My personal view is that these industries can be developed in a manageable way but we need to have honest discussions. There are other issues like the arc lamps, the use of lights at night. There are still some issues related to that which need to be sorted out. Some simple science should be able to answer that. It appears that the farm fish are not eating the small fry coming through that might be attracted by lamps but there are other concerns that the lamps may attract predators.

There is the great concern about siting near rivers, especially during migration, and whether they should be fallowed and moved to an alternative site while the fish are migrating.

Those are all important questions that we hope will be answered very quickly with the appropriate science. I am glad DFO is going to invest in further scientific studies. Hopefully we will find the answers to help develop sustainable employment. Many people in our aboriginal communities are even finding employment in my riding working with the aquaculture industry. That certainly is something that we want to see developed in a manner that does not harm our wild stocks but provides employment opportunities so that we can do both in a responsible manner.

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Chairman, when the member was speaking he mentioned the hake fishery. I want to compare that to what is happening in Newfoundland.

Let me also thank the member, who was a great contributor to our committee, for coming to Newfoundland last year and listening to the presenters and, from that, gained a great knowledge of our fishery, our problems and our challenges, and has been very supportive.

In British Columbia the hake fishery has changed. Right now more of it is being landed and processed locally, creating jobs on shore. In Newfoundland with our shrimp resource, which is abundant, very little work is created on shore. Even with our crab now, which is harvested and brought to shore, it is mainly exported in sections, and certainly the meat is not extruded as it was before, or cooked, and employment has gone down considerably.

Does the hon. member think, where at all possible, that regulations should be put in place to make sure we maximize every possible job, any that we can extrude from a resource, for the people who are adjacent to that resource?

• (2235)

**Mr. James Lunney:** Mr. Chairman, the problems faced by our Newfoundland fishers and fisheries is not dissimilar to what we have on the west coast.

*Government Orders*

In the case of the hake, it was an abundant resource but it was a resource that Canadian fishers were not that interested in while there was an abundance of other fish stocks, like salmon, halibut and other species which were more desirable. However, as we ran into problems with other fisheries, suddenly hake came up in importance. The plants had to convert to be able to process the hake.

Certainly there was a promise made that if the plants made the investment to process the hake they would be given more of the resource. I am very pleased that the minister followed through with that, so that we could have employment. These were coastal communities that basically were facing de-population without some kind of employment. I know now that people are working again. The plants are working. The money that is coming from the plants goes into the town coffers for infrastructure, sewers, water supply and so on. It is benefiting the community greatly.

Yes, I think value added is really important in the softwood industry. Whether we are talking about softwood or our fisheries resources, we should be trying to maximize employment for our people so that we all prosper from the resources that are available to us.

**Mr. Larry Bagnell (Yukon, Lib.):** Mr. Chairman, as an avid fisherman and passionate admirer of the Yukon, I want to talk tonight about a great industry that has existed in the Yukon for over a century while at the same time our natural, healthy fish stocks have continued. I implore everyone here tonight to do everything in their power to ensure this part of Yukon life, of our Yukon heritage, survives.

In the 1890s the world was in a great recession. In August 1896 Skookum Jim, George Carmack and Tagish Charlie discovered flecks of gold in Rabbit Creek, subsequently named Bonanza Creek, and started the world's greatest gold rush.

Dawson and Yukon did their part for Canada. They pulled us out of that great recession and now it is our turn to do our part for them. Miners, 30,000 of them, rushed from all over the world. Dawson became the largest city west of Winnipeg and north of Seattle, and the salmon survived.

When the thousands left for Nome, the great dredges came and mechanically washed thousands of tonnes of earth, and the fish survived.

Mr. Chairman, let me tell you why the fish survived and why this is such a clean industry compared to others that can dump chemicals, fertilizers and carcinogens into our water. Placer gold is just nuggets and fine gold-like sand. The process of cleaning it out is to wash it. Because gold is heavier than the other elements, it is taken out by gravity. That is all there is to it. There are no chemicals, no poisons and no carcinogens as there are in other industries, just water. So of course the fish thrive.

For all the history of European settlement in the Yukon, the famous creeks primarily around Dawson, Mayo and Haines Junction, have nurtured many of the great Yukon families. There are the great Yukon creeks of Eldorado, Bonanza, Dominion, Hunker, Sulphur, Indian River, Klondike, Black Hills, Thistle, Scroggie, Vancouver, Bear, All Gold, Too Much Gold, Gold Run, Forty Mile, Sixty Mile, Mazy May, Henderson, Haggart Creek,

Burwash, Livingston, Duncan, Thunder Gulch, Seattle and 4th of July. And the fish thrive.

The gold rush brought the great Canadian poet Robert Service who wrote of the people and beauty of the Yukon and helped Canada become famous and brings thousands of tourists even today and helps build Canada's economy.

Placer gold mining is the heart and soul of the Klondike. Gold runs not only in the beds of the creeks but in the spirit of the people. Our placer mining must survive if we are to survive economically and with the soul of our heritage. And the fish thrive.

What of placer mining today? Placer gold mining occurs in less than .3% of Yukon's land mass. Yukon has one of the highest rates of unemployment in Canada right now. We all know how hard it is to create any type of employment in small remote communities anywhere in rural Canada. Yet after a century, placer mining continues to feed families of the Yukon.

The income and other taxes from \$50 million yearly in the economy contribute to our ability to fund our schools, our health care system and our poor. And the fish thrive.

It is critically essential for our people that the placer mining industry survive. The Tr'ondek Hwech'in first nation is at Dawson City where most of the mines are. Its chief tells me that placer mining is important to the success of their great treaty with Canada in which they have potential placer gold, and the businesses they have just purchased that depend on the placer gold industry to survive.

Peter Nagano of the Tr'ondek Hwech'in first nation, after a century of washing hundreds of tonnes of gravel and earth, says that the highest densities of wildlife are all in placer mining areas. For the Arctic grayling there never was a decline, past or present, in the history of the Dawson first nation.

Parliament just passed a bill on endangered species wherein we enshrined traditional knowledge. We said it was important to put in a law because it is important in making decisions.

● (2240)

We should continue to listen to that traditional knowledge in this respect. The chief of the Tr'ondek Hwech'in, Darren Taylor, writes:

The Tr'ondek Hwech'in are descended of the Han Indians who are people of the river.

Our nation has relied on salmon stocks for thousands of years for our basic sustenance and continues to do so.

We could never knowingly support an industry that significantly damages those stocks.

He goes on to say:

Many of our citizens are placer miners or work in the placer mining industry. Our economic development corporation, Chief Isaac Inc., operates businesses that service and depend on the placer mining industry.

Many of our settlement lands were selected for placer mining potential.

*Government Orders*

The other largest placer major area in the Yukon is near Mayo in the traditional territory of the Nacho Nyak Dun. One of the most passionate defenders of placer mining I have heard, as I travelled around Yukon listening to people, was the former chief of the Nacho Nyak Dun, Robert Hager. The present chief, Steven Buyck concurs and states in a letter:

The Nacho Nyak Dun traditional territory is rich in mining history, and placer mines in particular have contributed significantly to the economic stability of Mayo.

The First Nation intends to build this capacity to generate the income necessary to be a strong, viable government serving the long term needs of our people.

How clean this gravel must now be. It has been processed over and over and some of it washed many times. That is why it is such a clean industry, when just earth and gravel are just washed.

There is not a single person in Canada who would suggest that there are not many other industries that have the authority through section 35 of the Fisheries Act or other regulations that add much more deleterious substances, such as oil, carcinogens and chemicals to the water.

Many modern placer miners have spent thousands of dollars to build settling ponds to produce the very clean, low sediment levels that they must now follow to meet the very strict water quality objectives before putting this clean water back into the stream, and of course, the fish thrive.

How many more hundreds of hours do I need to strive to make this point? How many more times can I say that this industry, at the heart of our heritage and economy, must survive and cannot be unnecessarily regulated out of existence? How many times must our senator, Ione Christensen, the KPMA president, Tara Christie, the mayors of Yukon and hundreds of placer miners and all the businesses they support and the thousands of Yukoners protest until we can democratically choose the way we want to live.

And the fish thrive.

If excessive regulations cause this industry, our industry, to go extinct, the results will be devastating.

I will close with quotes from two of hundreds of letters I have received from passionate Yukoners, from our families.

The first letter says:

I am just writing this letter on Christmas Eve. I just heard the most devastating news, and you are the only one I know that has the power to avert the tragedy in my life. I'm not sure how to go through Christmas and keep a good face for my 3 children when I don't know how we will be able to keep our house or vehicle, or even feed them in the New Year.

The second letter is from Axel Riemer, age 7, of Dawson City. He says:

My Dad works as a miner. His job is a good job. Why are you taking his job? I don't want my dad to leave. Please don't shut down mining. I like my dad at home. Thank you.

And the fish survive.

● (2245)

**Mr. Loyola Hearn (St. John's West, PC):** Mr. Chairman, I listened to the passion exemplified by the member. He is talking about something that is happening in his area which is directly connected to the Department of Fisheries and Oceans.

Yukon is known for its mining, its wildlife and its fishery. We have the Department of Fisheries and Oceans at present that does not know or understand why or how these people live and operate. What is worse, it does not care. It goes in with its bureaucratic regulations, undoubtedly concocted down the street here, where several hundred congregate, rather than going out and getting the experience necessary to make the right rules and regulations.

Several hundred people in Yukon could be put out of employment and their livings could be taken away because of the nonsensical bureaucratic regulations being made by the department. Once again it comes back to what we talked about, a lack of scientific knowledge of what is going on around the country, whether it be offshore in Newfoundland, the Great Lakes or placer mining in Yukon.

Could the member tell us how the Department of Fisheries and Oceans could settle this issue for the benefit, not to the detriment, of his constituents?

**Mr. Larry Bagnell:** Mr. Chairman, the point is that they do settle it in such a way that the mining can continue and the fish can continue to exist and to thrive as they do presently.

Everyone likes to fish in Yukon. The Yukon is known for its beauty. I have letters from people who want to preserve that beauty. We all want to preserve that and continue to do so. There are different ways to do this, but it has to be done in such a way that there can be certainty, because placer mining has huge investments in equipment. It is a very fine, narrow economic base, and there are only a couple of months in the summer when this can be done. There are all the mortgage payments in this industry so there has to be certainty in decision making and a fair process.

Right now it is done by a water board. A number of people have input into that process, and there can be appeals. Conservationists, placer miners and other people can appear and provide their opinions on these decisions. Decisions have to be made in a fair and consistent manner and with common sense.

There was a consultation across the entire Yukon over the last couple of years on how this might be done. I went to some of these meetings across Yukon. They passionately reflected, by and large, what I have just said. Every Yukoner had a chance to write in and have input. Recommendations came out of that process. The recommendations that have been brought forward by the people of Yukon for the people of Yukon would certainly be one way of solving this problem. The Minister of Fisheries and Oceans is now in negotiations with the Klondike Placer Miners' Association and its president, Tara Christie, and I hope they come to a resolution of the situation.

● (2250)

**Mr. Peter Stoffer (Sackville—Musquodoboit Valley—Eastern Shore, NDP):** Mr. Chairman, I am not sure if I am the only other person who has had the opportunity to live in Yukon. I know that the hon. member is very passionate about that area and anybody who has lived there and has read the poems of Robert Service knows exactly how he feels.

*Government Orders*

I have seen placer mining up there as well. I also did an extensive amount of fishing when I lived up there. One of the concerns is about how and why DFO arrived at this particular decision. We know there were consultations ongoing. We know that many of the people who have written, not only myself, but the hon. member as well, raised concerns about the placer miners, especially in these communities, concerns that their side was not taken, that another side was taken, that there was too much of conservation, and that too many decisions were taken without the consultative process in order for that decision to be made.

In view of his conversations with the fisheries minister, could the hon. member explain to the House how the minister came to the decision to do that? Was the decision based on a regional kind of atmosphere or was the decision made here in Ottawa? I would like him to elaborate a bit more about that discussion.

**The Deputy Chairman:** The hon. member for Yukon will have the last word of the evening.

**Mr. Larry Bagnell:** Mr. Chairman, I hope I have the last word on this issue. I have no idea how decisions are made inside the Department of Fisheries or by the minister. There is some semblance, though, of things I have heard subsequent to the time that this issue started. This is a different process. The placer authorizations is under section 35, and that may be a reason for changing it. I would say the

exact opposite. This is a unique industry, as I have said. It is cleaner than many of the other industries that have special individual authorization or go under regulations, so why not have a system that actually allows the mining to exist and allows for several mines to exist on the same stream, the same watershed, and to be processed effectively?

In conclusion, if I could just have one more minute, I would like to thank all the placer miners, especially in Yukon, and all other Yukoners who have written to me in the most passionate terms about what is in their souls and about their livelihood and what they have invested their lives in. Sometimes the letters are from families over generations. I think that this Parliament represents justice, fairness and democracy, and that will ultimately prevail.

**The Deputy Chairman:** It being 10:50 p.m., pursuant to order made on Monday, February 24, the committee will rise and I will leave the Chair.

[*Translation*]

**The Acting Speaker (Mr. Bélair):** The House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 10:50 p.m.)

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