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Monday, January 31, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Monday, January 31, 1994

The House met at 11 a.m.

Prayers

GOVERNMENT ORDERS

[English]

SOCIAL SECURITY SYSTEM

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification) moved:

That the Standing Committee on Human Resources Development be directed to consult broadly, to analyze, and to make recommendations regarding the modernization and restructuring of Canada's social security system, with particular reference to the needs of families with children, youth and working age adults;

That the Standing Committee's work be undertaken in two phases as follows: (i) an interim report by March 25, 1994 on Canadians' concerns and priorities regarding social security and training and preparations to receive the Government's Action Plan and proposed changes; and (ii) a final report by September 30, 1994, including a review of the Government's Action Plan and recommendations for reform.

(1105)

He said: Mr. Speaker, in rising to speak to what I consider a very important motion I would like to begin by acknowledging and giving my appreciation to the deputy minister of my department and his staff. They have worked very diligently over the last two or three months to help prepare the groundwork for this proposal.

As well I wish to thank the members of my staff, my colleagues in cabinet, particularly the Secretary of State for Youth and Training and the leader of the Senate who is responsible for literacy, and members of the Prime Minister's Office who have been working very closely with us in establishing terms of reference.

Finally, my thanks to many of my caucus colleagues who over the past several weeks of discussion have given me a number of ideas and proposals that we hope to pull together as part of this very large scale and important undertaking.

The first order of business in speaking to this motion is to issue an invitation to Canadians to join in the rebuilding of the social security, labour market and learning framework of this country.

[Translation]

I ask members of this House and all Canadians to work with the government to develop an action plan for the renewal of our social safety net. Our social programs cost billions of dollars and in one way or another affect all Canadians.

[English]

I am asking members of the House, our colleagues in the Senate, our counterparts in the provincial and territorial assemblies, members of business and labour, leaders of our communities and each and every Canadian to start fresh, to throw off old ideas, to put aside vested interests and regional differences and begin thinking as one group of people on how we can begin to set a new framework of ground rules that will restore a sense of fairness, hope and security for the future in Canada.

I do this in acknowledgement that in the past different generations of Canadians have had real successes in developing important and essential social security for this country. One of the defining features of Canada has been that we have tried to treat each other with a sense of compassion, a sense of tolerance and a sense of sharing. There are seniors' pensions, unemployment insurance, family allowances, vocational rehabilitation and various health programs. Each generation has constructed in its own way a different response to the problems of its time. In many cases they have worked. They have been an important net for giving Canadians that sense of security.

What is also clear is that the pace of change both in this country and around us has overtaken many of these programs. They no longer have the same resiliency, strength or effectiveness that they have had in the past. For that reason we must begin to think anew and rebuild anew.

The starting point began in October when Canadians in overwhelming numbers revealed that they wanted change. They gave a mandate to the Prime Minister and his team of members to use the tools of government to put people back to work, to make government a constructive, positive force in the lives of people; no more passivity, no more indifference, no more avoidance of the problems. They wanted a government to

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provide leadership, direction and to begin to restart the engine of employment and job creation in this country.

(1110)

The message was clear. Jobs are the issue and Canadians want action. I believe our government has taken a number of important steps to begin a systematic approach to jobs, not a series of ad hoc initiatives. We have to see one piece as it fits the other. A full range of government policies and departments are presently engaged in this exercise of trying to re-establish the work world for Canadians.

We launched the infrastructure program. We have set in motion the development of a new set of incentives for small business, new programs for technology, a national apprenticeship program and a service corps for youth.

We are beginning to redial the codes of fiscal and monetary policy as the Minister of Finance consults across the country in preparation for a budget.

[*Translation*]

But in Question Period or in the speeches in reply to the speech from the throne, I have noticed that members on both sides of the House share the same concerns about unemployment, the future of Canadians and of some training programs. We share the same concern for all unemployed Canadians.

[*English*]

The time has come to put that concern to work and to begin to meet the challenge that has been placed before us, to restore employment as a central focus of this Parliament and of this government. That will require an overhaul of existing systems.

We are asking this House and all Canadians to look with clear eyes at ways of delivering unemployment insurance, training and employment programs, social assistance, income security, aid to education and learning, labour practices and rules affecting the workplace, taxes and premiums that affect job creation, management of programs within the government and between governments and the more effective delivery of services.

[*Translation*]

All programs—unemployment insurance, training, employment, labour market regulation, taxes, program management and administration—will be reviewed.

[*English*]

The purpose of such a thorough review and redesign is not to slash and trash. It is to renew and revitalize, to build a better system. Canada needs a social security network that makes meaningful connections between different programs, that integrates, meshes and merges the resources and energies of people in a new synergy of output, a system that better rewards effort and performance, that offers incentives to work. Our redesign is

based on compassion and will be designed to enhance it, not diminish it. We must ensure that the system continues to offer basic security to all those in need.

There are voices out there—I have heard them from time to time in this House—that say redesign is simply a code word for cutting costs. They are wrong. The purpose is to find out what really works so that we can help people get back to work. That is the purpose of redesign.

The test for members of this House is, are we prepared to recognize new realities. Are we prepared to deal with the realities, or are we simply going to live in the past using obsolescent ideas and notions for the sake of trying to make a political case?

(1115)

This will be an opportunity for Canadians to really see how Parliament works. Is it to be the engine of change, the forum for real dialogue, the place in which Canadians can begin to see their country moving forward again? Or will it simply be the old talk shop, using old outworn ideas and old outworn arguments that no longer fit the contemporary needs of Canadians?

For those who say change is not necessary, for those who are going to stand on a soap box saying to keep the system the way it is, I say to them: Look at the stubbornly high unemployment rate that has existed over the past 10 years. Regardless of the cycles of the economy the deeply embedded structural unemployment must be dealt with.

Canadians are out of work for longer periods. Under our unemployment insurance system people now draw benefits on a basis of one out of three, which used to be one out of six. The system is not working any longer. Anyone who tries to defend that system is wearing blinders.

Canada has unacceptable levels of illiteracy. There are close to a million Canadians who cannot read or write. Is that not reason for looking toward serious change?

Far too many children live in poverty. There are 1.1 million Canadians below the age of 12 who are considered to be living in poverty. One of Canada's great embarrassments and shames is that the United Nations itself in its UNICEF report called Canada into question for not doing enough for its children. Is that a reason to defend the existing system? No. It is a reason to begin to put our best energies and resources and ideas into how to deal with the nurturing and nourishment of our children, to give them a better place to live and a better start in life.

We have a generation of young people who cannot find meaningful work, who find it increasingly difficult to make their transition from the formal school place into the world of work. Unemployment rates are close to 18 per cent for those in the age bracket of 18 to 25.

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It was interesting to watch the consultations under the guidance of the Minister of Finance, to look at what is now called the generation *x* problem. It is no longer simply a question of the old shibboleths of left and right, business and labour, or rich and poor. I heard those millions of young people saying to the rest of us: "You have your social security programs, you have your pensions, you have all that you need to give you a certain security, but we do not." They are tired of part-time work. They are tired of being told that their education does not count any more. They are beginning to say: "If you are going to invest, invest in us, invest in the future, invest in people, that is what we want this government to do".

Our country is increasingly divided between those with well-paying, secure and interesting jobs and those with part-time and low-paid intermittent work. We have a society where, to use an analogy, there are people who are able to drive stretch limousines with the windows blacked out in order to ignore the homelessness around them. It is time we stopped that car, opened the doors and brought all Canadians into moving ahead, to give everybody a good ride into the future, not just an exclusive group. That is what this review intends to do.

The message is that we must invest in people to create hope, not dependency. We must recognize that investment in people is the key to both our economic and social renewal. Those who divide and categorize policy saying: "That is economic over there, and that is social over there, and the bleeding hearts can worry about one side of the spectrum and the hard-nosed realists the other", is not the kind of world we live in.

I refer again to the kinds of views which are coming out of the consultations the Minister of Finance has been holding. How many times have we heard in those sessions that if we are going to be productive, if we are going to be competitive, if we are going to be able to meet global challenges, then we must make use of every single human being in this country. We must bring out the best in our talent. We must bring out the best in our brains. We must make sure that a country of 27 million people does not leave one person on the sidelines. Every person must give their best and it is up to the Government of Canada to open those doors for them.

(1120)

That is why we need to make a change, not piecemeal, not ad hoc, not chipping away or tinkering with one program or another. We have to understand that it is systematic. They link. They connect. They merge. There is a synergy of programs. It is time for us to look at how we can better design those programs to meet the problems Canada faces today.

Let me set out two goals for our action plan. First we must clearly confront the issues facing us: long-term structural unemployment even in times of growth; the impact of accelerated technological change on our labour market and training

systems; unacceptably high drop out rates and illiteracy levels and skills shortages; the unrealized potential of a generation of youth with diminishing opportunities; and a mindset in the business world that decides that down-sizing and job fretting is the way to solve problems rather than making better use of workers and providing new opportunities for new workers.

[Translation]

There is also poverty, especially among children; a lack of training and work for young people; tensions between new family structures and the demands of work; duplication of government programs; and the limited financial ability of governments.

[English]

Over the coming weeks this Parliament will be listening to Canadians. We will ask them to help define the issues and set priorities.

The first part of our judgment is to open our minds and our hearts to what people want us to do. That period will last six weeks to two months. We will scope out together the nature of the exercise and the objectives we will ask Canadians to meet.

In the second phase the action plan will propose clear options for change. I give them to you not as an exhaustive list but ones that I believe are key: to meet basic labour market adjustments and insurance requirements; to restructure parts of the unemployment insurance program and Canada Assistance Plan to create a new form of employment insurance; to help people make that crucial transition from school to work by providing a range of options and training, apprenticeship community service and work; broadening our educational and training assistance to support life-long learning; enhance support and care of our children in society; to redefine the distribution of work and rules of the workplace; to ensure that individuals with disabilities can achieve equality, independence and full participation; to seek a much better balance between incentives for job creation and payroll tax levels; to ensure basic security for those in need; and to redefine responsibilities between governments and strengthen co-operative arrangements and to achieve savings through greater efficiency; and to design new smarter ways to deliver services and avoid duplication.

That is not a complete list. Canadians will have the opportunity to react to these proposals and introduce other ideas, other notions, other directions.

[Translation]

Canadians, provincial governments and all interested groups will be able to propose changes.

[English]

There will have to be extensive public discussions and continued interaction with provincial and territorial governments. That phase should be completed by early fall. We will then move

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to legislation for a new employment and social security system in Canada.

(1125)

To carry out this task I am announcing the following process and propose following: First, I am tabling the motion that is before the House today asking this Chamber to direct the soon to be formed standing committee on human resources development to begin a two-stage examination of the proposed reforms.

The first stage will last until April. Canadians will be given the chance to express views, hopes and concerns about social security in the job market. This will form an important part of the preparation of the actual proposals.

The second stage will begin in April. The government will present action plans setting out the options and choices. Committees will then consider those in the second stage, working through the summer until September using the widest possible means of public dialogue: the parliamentary channel, weekend conferences, whatever means they can to engage Canadians in this important exercise.

The third stage of parliamentary action will take place when it examines the specific legislation we hope to introduce this fall.

There will be three different distinct phases in which this Parliament will act as the forum in which Canadians can become involved and feel that they are engaged in restructuring this country.

[*Translation*]

All these governments are our partners. Several provinces have already begun the reform exercise. These provinces have shown a desire to co-operate. For example, before Christmas, all first ministers at the meeting agreed on social reform. We must work together constructively so that changes at the federal level complement those at the provincial level.

[*English*]

This partnership of working with us in Parliament is essential. The provinces have already become the incubators for social reform in this country. They have been waiting for the federal government over the past several years to show leadership and to give a definition at the national level so that they can tailor their programs and needs according to their regional requirements but based upon a sound base of national support, national standards and national interest. We must mesh our efforts in a combined, collaborative way. We will begin that exercise at the meeting of federal and provincial ministers on February 14.

In addition to these discussions with the provinces, we want to work with them in establishing a series of agreements, joint ventures and projects to test new approaches to unemployment insurance and training assistance. This will all be designed to avoid duplication, to achieve savings, to improve performance and to test out new ideas.

To do this it may be necessary to come back to Parliament early in the session in order to alter the Unemployment Insurance Act and the Canada Assistance Plan to provide authority for such innovative federal and provincial collaborations, a request the provinces have been making for the past two years.

We also want to engage key sectors of society in developing their own proposals and views. Business, labour, equity groups, organizations and social community organizations in the private and voluntary sectors will be invited to participate, as will the existing government advisory groups: the Canadian Labour Force Development Board, the Canadian Labour Market Productivity Centre, the National Council of Welfare, and the National Advisory Council of Women, to name just a few.

We will assist those groups in society that would not otherwise have the resources to contribute fully to the process. We will be making available parts of our grants and contributions programs to those groups needing that assistance so they can fully participate in this activity.

In addition to those phases, a thorough study of the distribution of work and the rules of the workplace will be undertaken in co-operation with labour and business. We have already received requests from these sectors and will be setting up a special group to work with them.

It is clear there are too few jobs. The Minister of Finance is working on expanding those opportunities. However, the challenge lies not only in the number of jobs but also in their distribution. Sharing of work is becoming one of the most important public policy concerns around the world. We will be undertaking that study in concert with the kind of work I have just outlined.

(1130)

A new definition of work is needed to correspond to changes in the labour market and to meet new family structures and new family needs.

[*Translation*]

I take the opportunity to invite all interested organizations and associations to participate in this process and to send me briefs, studies and comments.

[*English*]

To help me pull together all these different elements and to help the government work, I will be chairing a small task force comprised of Canadians who have been working on matters of social insurance and unemployment over the years. They will help look at the research, the past records, the history, the consultations, the various views, and pull them together in a series of proposals that our government will then consider as being the basic elements in the proposed plan. The names of these people will be released shortly. They will be carefully

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selected to ensure broad representation both on a regional and an occupational level.

I recognize this is an ambitious plan. No one knows more than I do just what is involved. It has a tight timetable and engages all of us in a very complex task.

[*Translation*]

We know very well that it will not be easy, but I am encouraged by the interest shown by the newly elected members on the government side and in the opposition.

Total reform of the social safety net is a good response to the demands of the poor and disadvantaged and these changes are essential for developing an employment program for many Canadians.

[*English*]

I hope members of the House are not afraid to make change. I hope members of the House will understand the responsibility that Canadians have placed upon us to put forward a new blueprint, a new map to lead us into a new world. It will not be easy but it is worth doing. It needs doing. Canadians want us to do it. It is the real reason for government to give leadership, to mobilize energy, to set directions, and to foster a common will to improve our common lot. It is the reason we are all here.

If we do our work well together we can do much to renew the country, to give Canadians a sense of their own uniqueness in a country where people care for each other and are prepared to share opportunity. We can prepare ourselves for all new challenges the world has to offer. We can look to a new century with a real sense of hope. Our people really are our strength. We will look to our people for both guidance and inspiration. If we work together as a Parliament with groups outside I truly believe this can be one of those moments in which we will make a difference, that we will define who we are and where we want to go.

In closing my remarks I want to recount to the House an experience I had within the first couple of weeks of taking over this ministry. Perhaps in its own way it provided a little of the inspiration for the initiative we have announced today. I visited the joint federal-provincial project in New Brunswick called Canada Works, designed to give primarily single women on social assistance new opportunities to be trained to get back in the work force.

I spent the day going around to the different workshops and classrooms. I sat in on one group in a small classroom in Fredericton. I asked the women what being involved in the project meant to them. One woman said that she had only been in the program for a couple of months but already there had been a

big improvement because now she could help her daughter to do her homework. She was now learning to read and write in a way that gave her a new sense of relationship with her child. She said: "If nothing else happens that is an important step. It has given me reason to go on to do something more. Some day I will be making a real contribution to my family, to my community and to my country".

(1135)

She went on to say: "When I helped my child with her homework she gave me a little saying that I wrote on the blackboard". I turned around and there written on the blackboard was: "Never be afraid to reach for the moon. Even if you miss you will still be among the stars".

I invite members of the House today to reach for the moon.

Some hon. members: Hear, hear.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I welcome this opportunity to thank the minister for proposing this debate in the House. We may not agree with the content or with the minister's announcement, but this debate will at least launch a much-needed discussion of the government's intentions and of exactly where the government is going, considering the real interests of Canada and Quebec.

The government intends to focus its concern on our social security system. With the help of the people of this country, it will to conduct a review of the social safety net.

The minister's speech is full of noble sentiment and references to the dignity of work, leadership, the promise of change, and all those wonderful words people find in the dictionary when they want to make an announcement without saying exactly what they plan to do.

To listen to the minister, one would think this government, mindful of its social justice traditions—the traditions of the Liberal Party—is preparing to strengthen the universality of social programs, give broader access to these programs and provide reassurances for the unemployed, welfare recipients and people in need generally who are suffering most under the impact of the recession.

Unfortunately, that is not the case, because these fine phrases, pronounced so eloquently by the minister, are mere camouflage for an unprecedented attack against our social security system.

Although mouthing noble sentiments, these reformers have their scissors at the ready. Behind the Minister of Human Resources Development, we see lurking in the shadows the Minister of Finance and the President of the Treasury Board.

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Can there be any doubt about the real motives for this rationalization when it is announced by a government that is trying to keep the wolf from the door?

Let us not be fooled into thinking that this government wants to improve the quality of health care. Do not believe for one minute it is trying to do something about crowded emergency wards or long waits for people to be admitted to the hospital or have an operation. And it certainly does not plan to raise the meagre pensions we pay to the elderly.

The threat is a serious one, because the federal government is involved. As we all know, the role it plays in maintaining and financing social programs is considerable. The federal government has taken advantage of the provinces' lack of fiscal resources and occupied a large section of this area of responsibility, so that today, a very substantial part of our social safety net is controlled from Ottawa. I am thinking of unemployment insurance, disability pensions, old age security, the guaranteed income supplement, spousal allowances, survivors' allowances and veterans allowances and, except in Quebec, the Canada Pension Plan and family allowances.

These programs are administered by Ottawa, which determines benefit levels, benefit criteria and eligibility. Another section of our social security system is dominated in part by the federal government because the services are provided by the provinces. Included are equalization payments; the Canada Assistance Plan, which covers welfare payments; and Established Programs Financing, which covers medicare.

(1140)

Under these programs, the provinces provide services to their citizens, but in strict compliance with standards set by the federal government. Program costs are shared by both levels of government.

The one thing that all of the programs just mentioned, whether federal or cost-shared, have in common is the participation of the federal government. Whether or not they survive depends on the goodwill of Ottawa.

The provinces have continued to exercise their jurisdiction in the health and social services field, but their jurisdiction is no longer exclusive. Workers' compensation, assistance to residents of homes for the aged and dental care for children are just a few examples of vitally important social services provided by the provincial government.

Quebec was a pioneer in several fields and continues today to provide a range of services not found elsewhere such as maternity allowances and child grants. Quebec was also in the forefront in terms of protecting its rights from being encroached upon by the federal government. It took steps to establish its own pension plan, its own retirement pension scheme and its own family allowances system.

For many in Quebec and in Canada, social security is the very core of our values system. It should be remembered that the old age pension system was first introduced back in 1927. This year marks the 50th anniversary of the passage of the Family Allowances Act, when the federal government first turned its attention to the plight of the poor. This year's reform initiatives promise to be a sorry tribute indeed to this event. Starting in 1944, the social safety net was gradually cast ever wider to cover the blind, the disabled and finally, the unemployed.

With each federal foray, the provinces found themselves with less room to manoeuvre where social programs were concerned. Indeed, to finance its so-called "national" programs, Ottawa needed a major tax grab and it set its sights on the same taxpayers that the provinces would have liked to target because they were underfunded and no longer able to meet the responsibilities associated with the baby boom. In other words, by encroaching upon provincial fields of taxation, the federal government put the provinces in a vulnerable position. And when Ottawa extended to the provinces an offer to establish social programs which would be partially funded and controlled by the federal government, the provincial partners had no choice but to accept. The joint programs included hospitalization insurance introduced in 1958, the Canada Assistance Plan introduced in 1966 and health insurance introduced in 1968.

Quebec challenged Ottawa's incursions into these areas. At federal-provincial conferences during the sixties and seventies, successive Quebec governments demanded that the provinces, not the federal government, have jurisdiction over health care and social services.

Jean Lesage said in 1965 that the provinces were in a better position than the federal government to take lasting, effective action. Daniel Johnson Sr. and Jean-Jacques Bertrand repeatedly argued that health and social security came under provincial jurisdiction. Even Robert Bourassa called upon the federal government to end joint hospitalization and health insurance programs and replace them with outright grants.

But, as usual, Quebec stood alone. Only once did it succeed in catching the federal government off guard, and this was when it set up its own pension plan, the Quebec Pension Plan, the cornerstone of the Quiet Revolution. Nevertheless, in spite of Quebec's dogged opposition, the provinces lost ground to the federal government. Today, Ottawa collects the taxes and sets the standards. And as it prepares to reduce transfer payments to the provinces, it wants to control programs and at the same time keep the money collected from taxpayers.

The goal of this exercise is patently obvious. The federal government wants to use the money saved by cutting transfer payments to finance the debt, using money it now allocates to social services. And what is likely to happen as a result of this action? Either the provinces will be forced to cut services, or they will have to raise taxes even higher. In either case, they will

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have to bear most of the burden and the federal government will piously wash its hands of the whole matter.

The economic security afforded by our social safety net is the envy of millions of people who enjoy no such protection against the whims of fate. This is doubtless one of the reasons why Canada and Quebec rate so highly among the best places in the world in which to live. Canadians and Quebecers are pleased and proud of this affirmation of the values of social justice and, over time, a consensus has emerged on the success of our social system.

[*English*]

(1145)

We know that social values are one of the symbols of Canada and of Quebec. We happen to be sovereignists. We have said so and we will say it again on numerous occasions. We know that not every program has been a failure in Canada and in Quebec.

We are not naive and extremist to the point of thinking that everything that has been done for the last century and more has been a failure or a weakness. We do not think that everything has been built on bad faith. There have been successes. Many people thought for a time there would be more successes.

One of the successes is the social programs. We should know that when we are trying to touch them. The minister probably knows that more than most of us because he is dedicated to social programs. I know it.

We know this is something very delicate. We know that politicians are devoted to rhetoric. We heard very strong words to qualify the importance of the social programs. Words like "sacred trust" were used and nobody laughed. This was something deeply rooted in the traditions, the mentality and the values of Canada and of Quebec.

I listened to the speech of the minister. Of course there were nice words: leadership, change, better days, to restart the engine. There were all kinds of words used to crank up people and make them believe that what will be done is something very sweet and nice for them.

When one knows the situation of the government and of the federal state, when one knows that we are on the brink of collective bankruptcy, who will believe that this is not a budgetary operation? Who would believe that out of this will stem a better system of security, a better system of health and care. Who will believe it? I suspect no one will believe it and certainly not the Official Opposition.

We have heard speeches like that in the past. For example last year, a few of us were here to hear the rhetoric of the Conservatives. When the Tories brought in Bill C-113 they used words like that. I am sorry but they were the same words. When we heard the ministers of the Tory government last year they said something like this: "to build up a new Canada, to restart the economy, to revitalize faith in our institutions, to put Canada back to work". We heard all those words so many times. The minister did not believe them. The minister was not fooled by those words. He voted against the bill like we did.

Here we are today. The minister is using the same words. I think we must fear that he is probably getting ready to do the same thing as the people he was strenuously denouncing last year.

[*Translation*]

It is already said in some circles that the federal government does not have a choice, that its disastrous financial situation requires it to reduce its effort to fund social programs but what is not being said is that these cuts have already taken place. In fact, the federal government has been reducing its share of program financing for the last 15 years.

In 1977-78, 45 per cent of total health expenditures in Quebec—I am taking Quebec as an example but I am convinced that it is about the same everywhere else—came from federal transfer payments. Today health expenditures account for nearly \$12 billion—which is a lot of money, of course—only 33 per cent of which is Ottawa's share of Quebec's health budget. In 15 years we went from 45 to 33 per cent. That is a reduction, Mr. Speaker. It is indeed a substantial reduction and I think that to determine who must pay for health care, who must support the tax effort and the budget cuts necessary to turn around our financial situation, we must look elsewhere.

(1150)

The health needs of Quebecers and Canadians have not changed. The fact that social programs will be cut, revamped or whatever term you want to use—restructured, redesigned, redefined, modernized—does not mean that health care needs will diminish. They are not going to decrease.

With the level of excellence—everything being relative—that we have reached in terms of hospital and medical care, people will not resign themselves to inferior care overnight.

The Quebec government allocates every year about 31 per cent of its budget to health and social services. To maintain the quality of its services, it had to compensate for the federal government's withdrawal by increasing spending and cutting operations elsewhere, a step the federal administration has yet to take.

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Last year federal cuts produced a \$1.121 billion shortfall in health and social services in Quebec alone. The more than \$1.7 billion frozen by the federal government last year brought the proportion of Quebec revenues coming from federal transfer payments from 29 to 18 per cent between 1984 and 1993 in terms of health services.

The federal system of transfer payments is a trap that has slowly closed in on the Canadian provinces. Today, because it is facing a chronic deficit, the federal government is trying to make the provinces pay the bill without giving them the money needed to fund these programs or reducing its taxes to clear the tax base to the benefit of the provinces. It has chosen to attack the poor on the back of the provinces.

It will be the provinces and not the federal government that will attack the poor. The provinces will have to play the part of the bad guys, of right-wing governments without compassion while the federal government will make a large contribution to health care by maintaining by law its own standards to keep services at the same level. The problems will be left to the provinces.

Canada is now standing on the brink of the financial abyss. The deficit projected in this year's budget was \$32.8 billion but the Finance Minister is now talking about \$45 billion. This shortfall cannot be blamed on the federal government's social spending because, while it was slashing transfer payments to the provinces between 1985 and 1993, the federal debt jumped from 33 to 58 per cent of the GDP. While social expenditures were being cut the federal debt kept growing, therefore we must not blame social expenditures. On the contrary, they helped to slow the growth of the federal debt.

Social programs have been in existence for a long time but it is only in the last 20 years that deficits have been fuelling the federal debt. But social spending was already on the scene when the deficit phenomenon emerged. Therefore social spending is not responsible for our current deficit. It is wrong to make our social programs responsible for the government's financial crisis. We must look elsewhere for the cause of the chronic deficits in the federal budget.

This problem cannot be addressed by another tax increase. Taxpayers are already feeling the squeeze. An increase in underground employment and in smuggling would deprive the federal Treasury of revenues it is trying to collect.

We cannot borrow more money. The deficit is already draining a large part of savings and the money withdrawn from the economy would no longer be used to buy goods and services, thus reducing government revenues. In addition, increasing foreign borrowing would put us at the mercy of international lenders. Let us not forget that the part of the federal debt held by non-residents has already doubled in ten years.

Like everyone else, we recognize that there must be more cutbacks. The welfare state has become a hunted animal that must bite somewhere, but where? Does the government not realize that it cannot make extra cuts in health care budgets without affecting the level and quality of services?

(1155)

Since the poor have already been squeezed for money, we have to look elsewhere. Social justice means not only distributing wealth in times of prosperity, but also, especially in times of crisis, sharing the burden of the deficit and the debt before going any further in the direction of cutting social programs. The government must start by exhausting all other means of putting the economy back on its feet.

What is the government waiting for to cut drastically, I would even say mercilessly, just this one time, in the public administration? What is it waiting for to cut its operating expenditures? What is it waiting for to bring the military budget in line with the reduced requirements of a changing geopolitical situation?

The government should address the overlap between levels of government. Billions could be recovered, but the government is not even interested in knowing how much.

What is it waiting for to launch a program to eliminate unjustified tax shelters? What will it do in light of the scandal of family trusts that enable the rich to avoid paying tax on major portions of their capital?

The government made a mistake this morning. The Cabinet member who should have been the first to rise in this House to announce ways of remedying our disastrous budgetary situation is not the Minister of Human Resources Development—whose role it is to protect the less fortunate who need his help now more than ever.

It should have been the Minister of Finance. He should be the one to tell us how his government will cut excessive and unwarranted expenditures to restore tax fairness and put a stop to duplication between levels of government. That is where they should start!

Some hon. members: Hear, hear.

Mr. Bouchard: In closing, I want to remind the hon. members that social justice is at risk. It could be bearing the brunt of decades of federal government carelessness. This is no time to be reducing the social security net, as there is more and more cause for concern for the situation of the less fortunate. And for as long as we can foresee, we will always have to protect those who, as fate would have it, will not have the same opportunity as other people.

The recession that we are only now starting to put behind us has caused terrible hardship. Take the statistics for 1990. According to the National Council on Welfare, 18 per cent of the

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Quebec population, or 1.2 million individuals, had incomes that placed them below the poverty line. Using Statistics Canada's own figures, Campagne 2000 estimated that 1.1 million Canadian children, or one child out of six, were living in poverty. This is Canada we are talking about here, Mr. Speaker, not some far-away country that we see shows about on TV at night. We are talking about Canada where 1,100,000 children are living in poverty.

At the same time, an international group of research scientists was reporting that Canada ranked second to last among the eight industrialized nations, with 29 per cent of single-parent families living in poverty.

Had it not been for our social programs, this recession would have irreparably affected these people. Can we safely lower our guard now? We say no, because the economy has not completely recovered yet from the last recession.

We also object to reducing the level of social protection while the economy is recovering because of the lingering risk of seeing the gap between the poor and the wealthy widen.

I dare the government to name one good reason for abdicating its role with regard to ensuring fairness. The fact that such poverty exists constitutes a major problem that all social stakeholders in Canada deplore, but this problem cannot be solved by attacking the poor, as the government is probably about to do, but rather by fighting poverty. And to fight poverty, we need programs that allow the underprivileged to regain their dignity and the courage to find a way out of poverty. To fight poverty, we need coherent social programs, not a maze of federal-provincial programs. Finally, to fight poverty, we need stable employment in areas where there is a future. But this government has no job creation program. This is one of the tragedies caused by frustration.

Here is a government which owes its victory at the polls—a very significant victory, with an overwhelming majority of members elected to this House—to a promise heard a thousand times, a quite simple promise but one of tremendous importance to those who heard it: jobs!

(1200)

What is there to foster job creation? Two things. First, the municipal infrastructure program, which today is a vague measure and one that will lead to patronage tomorrow. Again, in Quebec, we are still waiting for an agreement to define the applicable criteria, which are still unknown. Yet, the government has started handing out goodies, to the order of a few billion dollars a year, this in spite of the fact that no criteria are established. We fully agree that this initiative could be useful and we are not opposed to it, but the fact that it "could be useful" does not solve anything and does not give it the stature

of the government's commitment to introduce measures to get the economic job creation engines going again. That was the first measure.

The second measure is the one announced this morning in that speech announcing broad consultations, a major redefinition, as well as a restructuring of Canada's social security system, to revitalize the economy and put people back to work. But how is the government going to put people to work if it cuts into social programs? How is it going to put unemployed workers back to work by reducing their benefits? Who can believe that the measures announced in this speech will indeed turn the job situation around?

The government must avoid the easy solutions it is attracted to, namely the elimination of programs and the reduction of transfers to provinces. If the government opts for those easy solutions, it will violate its social contract with Canadian and Quebec taxpayers.

Is it not intolerable that 725,000 employable adults are out of work? Of course it is. Is it not intolerable that 125,000 young heads of households have to rely on welfare assistance in Quebec? Of course it is. The government cannot let these people down until they find a job commensurate with their skills, their will and their wishes. In the name of that compassion to which the minister referred to, and also to avoid a deterioration of our social fabric, the Bloc Québécois proposes three solutions:

First, in the short-term, the federal government must maintain at its current relative level the transfer payments made to provinces. At its "relative" level means relative to its current commitment, given the other expenditures faced by provincial governments. Let us not play with words; let us not play little games. Let us not say: We maintain transfers to provinces at their current level when, in fact, those transfers would be frozen. That is not the solution. The government must increase and keep increasing its level of contribution to those transfers, proportionally to the efforts made by the provinces, which are struggling with inflation, increased needs, and so on and so forth. By current level, we mean to truly maintain that level and not merely do some tricky accounting.

Also, in the middle term, we propose, for the sake of economy and cohesion, an in-depth review of transfer payments. Only one level of government should set standards, collect taxes and provide social services on a given territory. And Quebecers will never want to leave those responsibilities to the federal government. In other words, the federal government must stop interfering in provincial jurisdictions.

Sound management of public funds is based on the elimination of overlapping jurisdictions, programs, departments and unhealthy competition, which all lead to the wasting of taxpayers money. Such a measure is simply a matter of ensuring

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cohesion. To be effective, social as well as employment development policies must be integrated. Every Canadian understands that.

However, for Quebecers the choice is simple: health and social services policies must be concentrated in Quebec. After some 30 years of making claims, from Jean Lesage to the Allaire report, it must be recognized that such a reform is impossible to achieve. The solution, therefore, is in the sovereignty of Quebec. Then, Quebec will have to make choices. It will be responsible for its decisions, its successes and its failures. It will have to perform without this safety net, from a political point of view, but it will make its own decisions. Conversely, English Canada will also be free to decide which level will be responsible for its social and economic policies.

I strongly suspect that English Canada, at least some groups, will largely support the measures which the minister is about to implement. Indeed, I truly believe that a lot of people will support this government initiative. English Canada has the right to choose its own social and economic measures. I also strongly suspect that other groups from English Canada will be concerned by the minister's intervention in a sector which matters so much to English Canadians. But one thing is sure: English Canada is like Quebec and must deal with the situation by taking action to meet its needs.

(1205)

Third, the federal government must immediately implement a vigorous economic recovery and job creation program using the cuts made not in social programs but in Canada's heavy bureaucratic and military structure. If Parliament can operate with less resources, the government and the armed forces can as well.

I do not think that many people will believe that this bankrupt government, subject to continual pressure from the right, is not trying to take money from the less fortunate with this reform. Who will believe that this is not a budget exercise? The rhetoric of the department and of the minister, I am sorry to say, is the same as we heard last year from the Conservatives when they imposed their reform with Bill C-113, a reform which after some very fine words, as wonderful as those spoken today, resulted in a 5 per cent reduction in benefits paid to the unemployed.

The Liberals did not fall for that rhetoric then. They rightly and to their credit voted against that bill. We will do as they did and vote against the proposed measure.

[English]

Mr. Hermanson: Mr. Speaker, I rise on a point of order. Pursuant to Standing Order 43(2), Reform speakers will divide the time allotted them into two equal time periods.

The Acting Speaker (Mr. Kilger): Very well. The first speaker for 10 minutes will be the hon. member for Athabasca.

Mr. David Chatters (Athabasca): Mr. Speaker, I rise in the House this morning to discuss the sustainability of our nation's social programs and how this discussion will relate to Canada's aboriginal peoples since this particular segment of society in my constituency is one of the most vulnerable to the social program changes.

I would like to congratulate the minister on his presentation in the House this morning. Certainly he can count on support from the Reform Party for the goals he set out for us this morning. They are certainly goals we can all agree with. We look forward to seeing some substance added to the goals in upcoming months.

The minister spoke of fear of change on the part of members of the House. I assure him that members of our party do not fear change. In fact we stand for real, basic change in the way government operates and the services it provides. We can support him in some real change.

I only hope the government is prepared to act on the root cause of why Canada's social programs are on the brink of collapse. Members opposite say that we do not have a spending problem in the country, that we have a revenue problem. Since arriving in Ottawa I have heard much debate in the pre-budget consultations about broadening the tax base. By my calculations and from the admissions of members opposite this broadening of the tax base can perhaps add, at most, \$5 billion a year to the revenue of the federal government which has a \$40 billion plus deficit and 60 per cent of government spending, excluding interest costs, going toward the cost of social programs either in direct payments to people or transfers to provinces. It is very clear that we must examine our social program spending in a real and basic way.

The root of the problem is the enormous and increasing debt of the country, a debt with interest payments eating up the amount of tax dollars available for social programs. In less than one decade the debt has more than doubled. In 1984-85 the national debt was \$206 billion. By 1994 the federal debt is exceeding \$500 billion. Not only has this debt increased by \$300 billion in less than a decade, the rate of increase is gaining momentum at a frightening speed.

(1210)

Interest payments on the debt are not getting any smaller. It is quite the contrary. They are increasing by billions of dollars every year. Interest payments last year were \$39 billion while our revenues were only \$121 billion. This means that the government will be paying more tax dollars toward interest payments on the debt and less and less on social programs.

While interest payments in support of the debt increase so does the amount of money the government is spending on social programs for Canadians. In 1984 the total amount of money

transferred to Canadians was \$25.1 billion. By the end of that decade the cost had increased to \$30 billion, an increase of \$5 billion in only five years. Transfers to other levels of governments in support of social programs have also increased from \$17.7 billion in 1984 to \$24.3 billion by the end of the decade.

With less and less money available for social programs spending because of the spiralling debt costs while program spending is increasing at an alarming rate, it is only a matter of time before we can no longer sustain social programs which make Canada such a unique and wonderful place to live. If we cannot sustain our social programs it will be the poor and disadvantaged of our nation who will suffer most.

My riding of Athabasca has a significant aboriginal population. While some reserves are financially capable of sustaining social spending because of revenues from oil and gas reserves, the majority of the reserves of my riding mirror that of the national aboriginal statistics.

Let me give some staggering statistics on natives in Canada and why the sustainability of these social programs is so important to our native communities. The native population today is experiencing a baby boom similar to what Canada experienced in the 1950s. Because of this baby boom natives rely more on Canada's social programs to build houses and schools, to provide health care services and to raise their standard of living above helpless poverty. If the government does not take control and reduce the debt, how can we continue to provide these basic services to the native communities that depend so heavily on these programs as well as other Canadians?

Also, 60 per cent of our natives live in remote rural areas of Canada. It is obvious that because of their location the delivery of social programs becomes very difficult and expensive to provide. Forty per cent of the total status Indian population receives social assistance. Approximately half the adult male population is unemployed, although on some reserves these rates can increase to as much as three-quarters or four-fifths of the able bodied population.

Additional problems face Canada's native communities including the tragedy of alcoholism, gasoline sniffing, suicide and many other problems. Davis Inlet is but one example of what these horrible afflictions can do to a community. How will government be able to help these communities by funding addiction clinics, counsellors and doctors if the debt continues to increase and eat up available funds? If the debt continues to increase we will not be able to sustain the programs we have today, let alone fund new ones.

Federal spending on Indian and Inuit programs has doubled since 1982-1983 and is the fastest growing area of federal

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spending. Under legislation federal program spending is capped at 3 per cent annually by the Spending Control Act, but for some reason native programs are exempted and far exceed this rate. Total federal spending on Indian and Inuit programs now exceeds \$7 billion in non-taxable dollars or \$60,000 per family of four. With this level of funding why do we have problems like those in Davis Inlet?

When I review the Auditor General's reports of the last 20 years I notice that every time he examined part of Indian affairs programs concerns were raised about accountability for money spent. He continually questioned whether funds were used for the purposes intended or managed with due regard for economy, efficiency and effectiveness.

Not only must we reduce the debt to be able to sustain Canada's social programs, we must seek ways to lower the cost of providing social programs to natives. Abusers of the system must always be exposed and dealt with in an expeditious manner.

(1215)

I believe the administration and management of some of these social programs can be much more efficiently and effectively delivered to the native community by natives themselves which in fact appears to be the direction the government is going.

By providing a system of block funding and allowing natives to decide for themselves what their priorities will be, we could cut a lot of red tape and inefficiency out of the system which natives themselves claim is contained in the department. The only qualification I must add to this proposal is that native bands must meet rigid standards of accountability for tax dollars received which is exactly what the Auditor General has been demanding for the past 20 years.

We must end the waste and squandering of dollars that is going on today. The natives must set their own priorities. Are water and sewers a higher priority than Ovide Mercredi travelling to Mexico to assess the aboriginal uprising or other natives travelling to England to protest in front of Buckingham Palace, as well as native leaders taking trips to Geneva, South America, South Africa? The list goes on and on.

Safeguards must be put in place to monitor more closely the funding of projects in aboriginal communities, to end the provision of substandard housing and other infrastructure projects which could possibly pose health hazards and safety risks to the people occupying them in these communities and provide better accountability for the tax dollars spent.

Another recommendation I would like to make is to provide incentives for native students to be educated in fields which are needed back on the reserves, examples being medicine, business management, nursing and so on. By encouraging this type of

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training the government can save thousands of dollars in transportation costs to give native people access to the programs because they could receive them in their own communities.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est): Mr. Speaker, after listening to the minister, this morning, I really have the feeling that the government wants to opt out of the social programs, which does not come as a surprise to me, since the Liberal government is following in the footsteps of the Conservative Party. It is a well-known fact. For several months now, the media have been telling us that the Liberal government wants to withdraw from social programs, because of a lack of money.

Faced with Canada's enormous deficit, the Liberals want to dump it in the provinces' backyard as much as possible. Besides, it has been estimated that by the year 2000 the federal government will put no money in social programs. That responsibility will be left to the provinces, but the federal government will keep establishing national standards and criteria, which is totally ridiculous.

The federal government is developing standards for all provinces to follow, while it will be the responsibility of the provinces to pay for these programs. That goes to show how ludicrous the present federal system is, so ludicrous in fact that it convinced Quebecers they had to opt out early.

The Deputy Speaker (Mr. Kilgour): I think this comment was not addressed to the hon. member for Athabasca. Is there anyone who wants to ask a question or make a comment about the speech made by the hon. member for Athabasca?

[*English*]

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I will try not to play politics here and ask a serious question of the member who spoke for the Reform Party. He and his party have constantly argued that we should cut social spending and do so in the interests of those who are receiving the social programs.

I wonder if I could ask him two questions. How does he explain the fact the cuts under the last government merely increased the demand on both unemployment insurance and social assistance across the country? There were major efforts over the last five years to cut social spending, to cut moneys going to the provinces. All that happened was the number of UI recipients went up. The cost of running the program went up as did social assistance.

(1220)

Second, what notice is he and his party prepared to take of those groups who represent the poor, the recipients of social programs in moulding the new social programs that we rightfully need in Canada?

Mr. Chatters: Mr. Speaker, the whole thrust of my presentation was not that we must cut social spending, although when 60 per cent of government spending goes to social programs we clearly have to examine the benefit of those programs and assure Canadians that we get real value for every tax dollar spent on social programs.

As I said in my presentation there is a tremendous lack of accountability for dollars spent. In my view a tremendous number of dollars can be saved, or at least greater benefit received by the poorest people in our society, for those dollars spent.

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, on the occasion of my first remarks to this House permit me to congratulate you on your election as Deputy Speaker. As a newcomer here I rely on your expertise and your ability.

I also wish to thank the voters of beautiful Okanagan—Shuswap for putting their trust in me to try to represent their needs and hopes in this historic Chamber. I especially want to thank my wife, Cicely, for her unfailing support throughout the election campaign and I know my wife wants to thank the voters for getting me out of her hair.

Okanagan—Shuswap is a mixed rural-urban riding. Our sources of employment are many and varied. Historically our agriculture grew up around ranches producing beef for the Barkerville gold rush along the Hudson Bay fur brigade trails, north from the Columbia River up through the Okanagan Valley and across to Fort Kamloops.

Lord Aberdeen, the Governor General of Canada, and Lady Aberdeen visited their famous Coldstream ranch in Okanagan—Shuswap each fall for many years. Against the advice of their ranch manager who told them to share crop the vast acreage for profit, the Aberdeens decided to sell a portion of it as five-acre plots to Englishmen to come to Canada and grow fruit, thus launching our modern Okanagan fruit producing industry.

The influences and values shown by these pioneers remain strong in Okanagan—Shuswap today; love for our fertile land, being comfortable with hard work, and being willing to sacrifice for an ideal.

Some of these ideals can be seen by the kind of volunteer fund raising in our area in the past two years. For example, the Okanagan Valley, including Salmon Arm, recently raised over \$600,000 for additions to valley wide campuses of Okanagan University. This shows our commitment to higher education.

The area served by the Vernon Jubilee Hospital raised \$760,000 for a CAT scanner and the building to house it to help diagnose serious illnesses. This shows our commitment to excellent health care.

The area in and around our biggest city of Vernon, total service area population of about 56,000, went over their target

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of \$600,000 for a new women's transition home. The original building dated from 1977, one of the first women's transition houses in Canada. This shows our commitment to the family and our concern for the innocent victims of its breakdown.

Today's small community of Enderby, with the highest per capita number of senior citizens in Canada second only to Victoria, was famed in the late 1800s for growing wheat and milling and shipping flour around the Pacific rim, loaded at Fortune's Landing. Today Enderby and all of Okanagan—Shuswap is concerned that government pensions be maintained for households with incomes below the Canadian average.

I wish to praise the government for this motion indicating that it is prepared to ask Canadians what social programs it values the most and, hopefully, what areas of government spending it is willing to see cut in order to pay for those essential programs.

(1225)

However, the Reform Party already asked Canadians those very questions at the start of the 1993 federal election campaign in our program called, Let the People Speak. Canadians told us most important was health care, pensions for households with incomes below the Canadian average, higher education and the environment. We therefore pledged that if we formed the next government we would maintain those programs at the same level in real dollars.

Canadians agreed that we should cut deeply in other areas of spending, including federally funded bilingualism and grants for multiculturalism and for special interest groups to pay for the most essential programs.

Canadians know that the only way to ensure the future of our treasured social programs is to be sure they are fully funded and on a sound financial footing we can sustain for the future.

Sustaining any program means we as a nation must create wealth. The way to create wealth is to have jobs. I know the voters back home in Okanagan—Shuswap are profoundly concerned about jobs, as are most Canadians. Because I have the honour of chairing the Reform caucus committee on labour and employment, I would like to comment on job implications of this motion.

The 1963 throne speech proclaimed, in loud and forceful terms, that any Canadian, young or old, who wanted a job must be able to find one. Back in the early 1960s the so-called full rate of unemployment was estimated by the Economic Council of Canada to be about 3 per cent, making some allowances for people changing jobs. Today we are not even dreaming about having a job for every Canadian who wants one let alone actually working and planning for that most desirable goal.

According to Statistics Canada there were 14,022,000 people employed in Canada last month. They are the people who carry the load of producing some 58 per cent of this country's total tax revenue on their shoulders. They will be the ones who pay for any presently unfunded programs.

Let me quote from the Year-End Review and 1994 Economic Outlook of the Canadian Manufacturers' Association. It states: "It takes the average company seven hours and fifty minutes in an eight-hour production shift just to cover operating costs. Taxes must be paid on top of that. Manufacturers are responding to these cash pressures by increasing operational efficiency and improving productivity. However, with their backs to the wall there is often little option open in the short term but to reduce costs by focusing on overhead and cutting jobs. Unless the cost burden that governments impose on businesses is significantly reduced prospects for future investment or employment do not appear very bright".

In a section of that report labelled Jobs on the Line, the Canadian Manufacturers' Association states: "The average Canadian manufacturer is having to restructure today in order to cover fixed costs, forcing companies to reduce their labour costs in an effort to keep overall unit costs of production under control. Manufacturers are responding in one or a number of ways: contracting out services once performed in-house; relying more heavily on part-time workers; extending the work day; attempting to freeze or reduce wages, salaries and benefits; or downsizing their work force. Labour costs are being cut because they are one of the few variable costs that firms are able to reduce. Of the more than 325,000 jobs lost in Canadian manufacturing since mid-1989, about 60 per cent can be attributed to cost pressures unrelated to production performances".

In short, increasing taxes decreases jobs. Therefore, I must conclude by urging the government to recognize that the only sure way to keep the social programs which Canadians treasure is to control spending enough to improve the employment picture in Okanagan—Shuswap and all of Canada.

[*Translation*]

Mr. Laurent Lavigne (Beauharnois—Salaberry): Mr. Speaker, I listened carefully to the last speaker and I generally agree with most of what he said. However, there is one remaining problem which has to be solved as quickly as possible.

When you take a look at what has happened in Quebec over the last two years, you realize that the ministers responsible for manpower training, Mr. Valcourt in Ottawa and Mr. Bourbeau in Quebec, met several times and even argued at times to get the results we now know of. Right now in Quebec, there are over 80,000 jobs available and our employment situation is abysmal. More than 25,000 people have applied for development training, but the funds allocated to the institutions delivering those training programs are frozen. This situation is unacceptable.

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(1230)

What we are asking for is for Ottawa to give to Quebec all the money earmarked for training. In Quebec, we know what kind of manpower development is required by the industry. We have very specialized needs at times and they are different from what Saskatchewan, Manitoba or any other province need. So, let us give the money to Quebec in order to enable Quebecers to look after the development of their own labour force.

[English]

Mr. Stinson: Mr. Speaker, I do not think there was actually a question directed to me in that statement by the hon. member. If what the province of Quebec wants is total control of funding of its UI and the employment picture, I cannot see why other provinces cannot ask for the same.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, first I would like to say to the hon. member that I listened to his remarks attentively. I share his view that the small and medium sized businessmen are under stress right now because of the incredible paper burden and tax situation which exists at all levels of government. I thought the hon. member's comments, unlike those of the Bloc Quebecois, were constructive.

Today is the day the minister of human resources has said that we are going to start afresh, that we are going to look at new ideas and new proposals. He did not say that we were going to withdraw from all social programs. He said that we were going to look at the existing social programs to see if they are meeting their original objectives.

For example, if there is a Government of Canada program of which only 10 cents on the dollar is going to the end user then obviously we would not want to support continuing that program.

The Leader of Her Majesty's Loyal Opposition said in his opening remarks—

The Deputy Speaker: The question has been put. The member has less than a minute to reply.

Mr. Stinson: There is no reply to that. I thank the hon. member for his remarks.

Hon. Ethel Blondin-Andrew (Secretary of State (Training and Youth)): Mr. Speaker, I am pleased to speak today in support of the government's action plan for social reform announced by the hon. Minister for Human Resources Development.

First, I would like to preamble my speech with somewhat of a rebuttal to the statement made by the Leader of the Official Opposition. I wonder what century this leader lives in. Where does he come from? What direction is he coming from? What

kind of visionary is this individual to speak in a duplicitous language that does not really relate to what I would call the honest bold truth about facts and figures relating to the transfer of programs or the overall social security programs? As a matter of fact, I am a little alarmed by the lack of substance in the speech given by the Leader of the Opposition.

If the truth were to be known it should be put as such. The federal contribution to social security programs in Quebec is \$14.6 billion. This is 28 per cent of all national funds. As the Prime Minister said two weeks ago, Quebecers will lose if Ottawa transfers employment and training programs to Quebec. They will lose because the transfer will have to be done on a per capita basis. It will be a loss of hundreds of millions of dollars. It will represent in fact \$200 more in taxes for each Quebecer.

(1235)

I would like to be heard and reiterate: Every Quebecer will have to pay \$200 more in taxes. These are figures that we have worked through our officials. These figures are good. These figures are solid. They are substantive. They are validated.

Will that help the unemployed in Montreal, the young people looking for better training opportunities, many of whom I have met? No. If the Leader of the Opposition is honest with Quebecers he ought to tell them what will be the real cost of these transfers. Is he saying to the one million children living in poverty that we do not have the mandate or the leadership given to us by the citizens of this country to do something? Is he saying that the status quo is good enough? Well, we say no. We are the government and we say no.

I would like to address the House on what these social reforms will mean specifically for the young people of Canada. Canadians, aged 17 to 25 have as much to gain from the rebuilding of our social safety net as any other group in the country.

First I would like to address an important question, a question that I am sure many Canadians are asking themselves and will be asking themselves over the course of this rebuilding process: Why is the government reforming our social security programs? The answer is that this government wants to redistribute opportunity more broadly so that many people will have a decent standard of living and can build good lives for themselves and their families.

Not since the great depression have people in this country faced so many economic and social changes. The constant tinkering that has occurred over the years is failing to meet the realities of our young people, our work force, our society in the 1990s and beyond. The failings have become shockingly evident as we see the wasted, alienated and sometimes desperate state of many of our unemployed young people as well as many other Canadians.

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We want to rebuild society for young Canadians who need help to get their lives back on track. Being the same, leaving things status quo is not going to do it. Sole parents, mostly young single mothers who want training to find work, cannot afford to lose their benefits to do that. Single young people on welfare who want to go back to school cannot find a job to support themselves while studying full time. As well there are drop-outs who need to improve their reading, writing and job search skills to enter the work force. In restoring security we want to offer employment training and education choices and restore hope to young people and restore hope to the future of our country.

Our long-term goal is to create a more productive economy by investing in the potential of our young people. To do all this we have to recognize the needs of young people who are on unemployment insurance or social assistance and want to break their dependency and do something with their lives.

Their needs could not be any clearer than what Statistics Canada reported last week and I quote: "Young persons were the big losers in the recent recession". With an unemployment rate of 17.7 per cent there were half a million fewer young people working in 1993 than before the recession.

Let us put aside this urgent problem of high youth unemployment for one moment to look at the changing nature of the work force. Forty per cent of young people are working part time. In 1992 youth unemployment was 1.6 per cent of the adult rate. Non-traditional jobs are becoming more common as people scramble to find contract work, part-time jobs or seasonal work to make some money in this changing global economy.

As the Minister of Finance stated last week we are moving away from a resource based economy to an information based economy. Youth are not developing the skills required for this information based economy. Young people have trained for jobs that are now in low demand, while jobs in emerging fields are looking for skilled workers.

(1240)

Youth who have been taught traditional skills, such as trapping, farming and fishing now face a very bleak future. That is the situation not only for young people but all people in those fields of occupation are facing a very bleak endeavour. That is the situation for young people who have skills to market, but what about the young people who lack the most basic reading and math skills? We can call them early school leavers or we can call them drop-outs but they all have the same problem.

In some provinces the drop out rate is 30 per cent. In the north it can be as high as 95 per cent. These people do not even have the bare minimum qualifications for the workforce.

Companies that once demanded grade 9 or 10 for entry level jobs have raised the mark to grade 12. Chrysler's mini van plant in Windsor is an example. All young people have to wrestle with the same labour market forces but not all are equally prepared to combat them.

This inability to compete for some is the result of child poverty and neglect. One in five children live in poor families. That is over one million children. If we do nothing for fear of interfering with the agenda of other people and maintain the status quo, we are in a sense betraying the mandate we have been given. We are in a sense betraying the trust we have been given to rebuild hope and rebuild opportunities for those people.

Many are children of sole parents, mostly single mothers or teenage mothers who are caught in the poverty trap, dependent on social welfare without any opportunity to progress. Many young people with no education, no jobs and no future are turning to destructive social acts with harmful consequences for all Canadians. Schools, malls and neighbourhoods are dealing with gang violence and youth crime.

Reality is not a pretty picture. Reality is something we are grappling with, something we are prepared to work with, something worth taking a risk for, something to stick our necks for. That is the reality of many of these young and poor Canadians.

Young people are involved in robberies for clothing and other essentials. The link between economic hardship and crime is well known. Young people are bored, looking for an escape, anything to kill time. Some turn to drugs and alcohol for comfort. Some end up homeless on the streets.

The RCMP have a file of 41,000 missing children. They are not all missing. Some have joined the under-class of society. They end up on welfare, some of them locked in for life. We need to break the cycle of dependence. Young people all over the country are hurting. We cannot allow our young people to wallow in abject poverty and grow up in dead-end situations.

Indeed, Canadians all over the world reacted with horror at the sight of children sniffing gasoline in Davis Inlet. I know hon. members on the other side have made statements about their horror and shock at seeing this on television. What happened at Davis Inlet, Labrador is the worst symptom of all that is wrong when we abandon our young people. What hope do the children of Davis Inlet have for a better future if we do nothing for that fear, if we take no risk, if we maintain the status quo? What are we doing? Ultimately we are betraying the hopes of those people for a better future.

I have seen many similar desperate situations in the north throughout my life and in different centres across the country. If most Canadians only knew the kinds of nightmarish conditions young people are battling in some of our most populated areas, some of the inner-city poor. If most Canadians only knew the

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horror of the conditions in which some young people are living in some of our most isolated communities then I think things might have a chance to improve.

(1245)

The housing needs across Canada are severe. We need 11,000 units across this country. Twenty-five per cent of households in the Northwest Territories are in need. This is the highest proportion of households in need compared to the national average of 12 per cent. We need 3,400 units in the north under the severest conditions.

We have probably recorded the coldest month of January in Ottawa. It is minus 17 point something. Think of how cold it must be in the north. The north's population is young and gaining rapidly. The birth rate is almost twice the national average, yet 41 per cent of the children in the north under the age of 12 live in overcrowded housing. These conditions have a direct negative impact on their performance in school, their health, social development and their well-being.

Aboriginal people, as was indicated by my hon. colleague from Athabasca, have among other things the highest illiteracy rate and the lowest incomes of any other group. What does that spell for these young people? Only 3 per cent of aboriginal youth complete grade 12. In a nine-year period 154 students graduated from grade 12 in the Baffin region.

Where will the future leaders of the north come from if not from their own schools, their own communities, their own families with the proper support systems?

Society in a sense is paralysed, is immobilized by a myriad of problems that challenge us as legislators. We sit in the highest court in the land and we are charged with the responsibilities of making laws that will subsequently make life better for those who have the greatest need.

A chaotic family life is scarred by high drop-out rates, teenage pregnancy, physical and sexual abuse, solvent, drug and alcohol abuse, increased incidents of juvenile delinquency and suicide. In the north the suicide rate for youth between the ages of 15 and 24 is more than five times the Canadian average. I was told in Big Cove suicides are one a month. Can you imagine? One a month.

While the problems are magnified in the north, it is happening in southern cities too. The native population has grown an average of 41 per cent in Canada's 25 largest cities between 1986 and 1991. Although more and more are staying in school and graduating into jobs, the outlook is bleak for the majority.

Aside from high levels of unemployment, suicide and substance abuse, many face plain and simple discrimination, even if they try to get a job. Graduates from the Gabriel Dumont Institute who appeared before the aboriginal commission have spoken about the problems of finding employment, largely as a result of systemic racism and stereotyping of Métis people.

Some young people are quite able to guide themselves through the pitfalls because of the support of family, friends and strong self-esteem. What about those young people who need more help, who do not have that hand outstretched to them? What about the neediest of the needy?

In the past, all too often we have sent them to the unemployment line or the welfare line and left them there and tried to forget. Our social security system has become a net that entraps rather than liberates them for greater opportunities. We never foresaw such a multitude of social problems affecting the ability of our young people to make a successful move from school to work. The result is that young people are more dependent on social assistance.

The Province of Newfoundland has found that UI dependence is beginning at a very early age. One out of two 19-year-olds is on unemployment insurance at some time during the year. The cycle of dependency must end. As Geraldine Kenney-Wallace, the President of McMaster University has said, "in order to compete globally we must raise the literacy and numeracy skills in general".

We have to do more. We have to do it better. We all have something to contribute toward finding solutions. Our government is prepared to make a commitment to the young people of Canada. The Ministry of Health is working on an innovative program and many others, such as the aboriginal head-start program. Skills and nutrition and parenting are taught so that the children will begin their lives in an improved atmosphere. This is pro-active; this is progressive. This is something where, before we create the problems, we will have created an atmosphere that will avoid them, an atmosphere where parents have self-esteem that they can pass on to their children.

(1250)

Our government will take the renewed sense of worth of these children and ensure that programs are instituted to keep these children in school.

The Canada Youth Service Corps will help unemployed youth to discover a fresh approach to learning and building self-esteem. The youth service corps will provide young people with skills to enable them to begin their career path.

Not only that, we also have the national youth apprenticeship program that will garner a lot more attention in months to come.

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This again will help young Canadians to develop the skills needed in the growing economic sectors, with business and labour setting the standards.

These programs, along with others, will provide youth with opportunities to compete and better themselves.

I would like to conclude by saying that in the aboriginal society that I come from there are three philosophies that are specific to the success of how people help one another. One, is fundamental change. There is a word called *guli gogho agudegha*, because we need real change in a big way, fundamental change. It cannot happen without that.

The other thing is working together. *Dene tuluh keh egalats edegha*: we are going to work on our future path together. It is only by that we can succeed. This is the path that we all come out together and work on. It is our future path.

The third is our destiny, *dene galé*. We all have one, whether we are aboriginal or non-aboriginal.

I say to my colleagues, that our destiny is brought to us through our hands, through our hearts, through our minds, and we cannot do it alone. This thing we call *dene tuluh*, our future road, our path, is one that is done together; it is one that comes together. Through each individual effort we will make something for the people of our country.

[Translation]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I want to thank the hon. member for Western Arctic for her excellent speech, and especially for what she said about the men, women and children of Davis Inlet.

You may be assured that my colleagues and I—as we and as the hon. member for Lac-Saint-Jean mentioned last week—will make a concerted effort to expedite the kind of action that is necessary to deal with the sad plight of this community, as reported on *Le Point* last week.

However, I am less inclined to agree with what the hon. member said about the speech by the Leader of the Official Opposition and member for Lac-Saint-Jean, when she commented on his and the Bloc's demands in terms of managing manpower training and unemployment insurance.

These are not the demands of our members but of the people who reside in Quebec and have made those demands since 1988. This is especially true since the creation of what we in Quebec refer to as the forum on employment. Participants include representatives from all parts of the political spectrum, including Ghyslain Dufour, Gérald Larose, and others; and there is a consensus on patriating all components connected with the labour market.

My second comment, and I will be very brief. When the hon. member referred to the surplus Quebec received under the

federal system, I would say we have a surplus on some items but a deficit on others. On the whole, since 1988 Quebecers paid \$28 billion in taxes to the federal Treasury and got back more or less what they put in.

However, as far as equalization payments are concerned, it is true we have a surplus. I will tell you why: we are the province with the highest percentage of poor families. In other words, 16.2 per cent of low-income families live in Quebec. We rank first, followed by Newfoundland, so it is only fair we should have more in the way of equalization. The same applies to unemployment and welfare. Basically, the federal system prevents us from getting out of the poverty cycle, and Quebecers are fed up with transfer payments and welfare.

(1255)

Finally, we have to compare this surplus with what we lost during the past thirty years in terms of research and development, transportation, agriculture, and so forth. The real figures are there. Ask your officials to redo those calculations with their net surplus of \$200 for each Quebecer.

[English]

Ms. Blondin—Andrew: Mr. Speaker, I am really happy that the representative for the Official Opposition, my hon. colleague, has risen to place a number of comments that would be questions. I will respond no less.

He indicated that party officials and leaders were not the ones who wanted this question of jurisdiction to be settled, it was the people who wanted it. Since the election I have been into Quebec twice and I have an idea of some of the things they want. They want leadership. The Official Opposition has been given the mandate to express leadership with a vision to creating jobs and an atmosphere that would be conducive to improving the economy. They have also been given the mandate to create better opportunities for Quebecers.

On my forays into Quebec, on the consultations with the youth service corps, the most popular elements of the five streams of the youth service corps program were the personal development and social development aspects of that program. That had the greatest interest because those were particular to the needs of the people who have the greatest need in Quebec.

We know if we get the co-operation for change, we are engaging in this particular approach to effect change fundamentally, a major restructuring, so that we can provide the opportunities that are lacking there. We are appealing to the Official Opposition for its co-operation.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, I want to thank the member, for whom I hold considerable respect, for her speech. She pointed out the plight of the young, the unemployed and the aboriginal peoples in particular.

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I note that she talked about the need for fundamental change, the need to take risks. She pointed out that leaving things in the status quo simply will not do. I could not agree more.

She also talked about the long-term goal of making the economy more productive. She surely would agree, though, that appointing Gordon Thiessen to the Bank of Canada, following on the principles of John Crow, with a mad obsession with inflation, signing on to NAFTA, increases to UI premiums and reductions to the UI training fund, let alone proposed suggestions for cuts to cigarette taxes, can only harm the youth, can only harm their employment opportunities and their health opportunities.

I wonder how she fits those policy directions, which are clearly not fundamental change in any meaningful, good direction, with her suggestions that we do indeed need fundamental change.

Ms. Blondin-Andrew: Mr. Speaker, we were given a clear mandate on the things in the Red Book we said we would do. In a very short time we have delivered on most of those promises. We have dealt with a number of issues. I have to say that has not been the case for the proposal that came forward from that hon. member's party.

We have a mandate. We have been given a clear mandate. In a sense, we have been given the authority to do the things that we have done in very little time. Basically we are not going to find a path through which we are going to nit-pick on specifics to stop us from undertaking fundamental change; broad, sweeping moves that will have the most fundamental impact on most Canadians, not to suit the political agenda of one particular political party.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, since this is a debate on restructuring all the human resource initiatives that exist in this country, I would like to ask the member, through you Mr. Speaker, a very specific question.

(1300)

An important weakness in the preparation of young Canadians to participate in the labour force is the lack of linkages between the school and the work place. By way of comparison, in Germany some 70 per cent of students enrol at the age of 16 or 17 on the famous dual system, in which a part of each work week is spent in the classroom and part on the shop floor acquiring practical experience under the direction of a professional instructor. My question is, will the minister of youth, in this period of renewal and reform, look into and consider such a system?

Ms. Blondin-Andrew: Mr. Speaker, we have looked to the experience of Germany, which has a great trades tradition. They are very good at apprenticeships. We enrol 124,000 Canadians a year; we only graduate 24,000. We know it is not working. We want to fix it. We are looking to Germany, which graduates

about 400,000 a year. We know that they have the tradition. We are looking at revamping the whole image of trades and suiting it to modern needs. We are doing that and we intend to get the help of the hon. member who asked the question.

[*Translation*]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, during the past sixty years, Quebec and Canada have gradually put in place a variety of social programs, more commonly known today as our social safety net. These programs are part of our Quebec and Canadian heritage, in that they reflect values that are important to our societies.

Two basic characteristics of social programs are universality and accessibility. The principle of universality means that all citizens of Quebec and Canada are entitled to receive benefits offered under the program. Accessibility means that insured individuals have reasonable access to the services offered, unhampered by any financial barriers.

Although formerly, the focus was on helping the poor and the destitute, Quebec and Canada have since opted for guaranteeing each citizen a minimum standard of living. This guarantee is now considered a right.

To this end, the federal government has, over the years, put in place a number of social programs, including medicare, the Canada Assistance Plan, family allowances, old age security, the guaranteed income supplement, spousal allowances, unemployment insurance and the now defunct social housing program.

Social programs are today one of the main responsibilities of the federal government, which designs and implements some of these programs directly, as in the case of old age security and unemployment insurance. The government indirectly provides funding for other programs while setting certain rules for their implementation, as in the case of welfare payments and daycare under the Canada Assistance Plan and provincial spending on health care.

According to this funding format, federal spending on social programs varies between 70 and 80 billion dollars or two-thirds of federal program spending.

Although existing social programs, with the exception of unemployment insurance and pensions, come under provincial jurisdiction, the federal government has always been able to impose universality and accessibility as well as the application of certain criteria, thanks to its spending power.

Practically speaking, only two programs are truly universal, up to a point: health care and old age security. As far as the latter is concerned, the federal government now requires the elderly to pay back part of their pension cheque if their net income exceeds \$50,000, and the entire amount if net income exceeds \$76,000. One sixth of federal revenues, or \$20 billion, are allocated under this program. This is an enormous amount which will increase

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as the population ages. What will happen then in terms of universality and accessibility?

(1305)

Universality as it applies to family allowances was eliminated in the 1992 budget. As I indicated a few moments ago, the previous government scrapped universal old age pensions by imposing a special tax. Today, health care universality and accessibility are threatened in several provinces where user fees are being considered.

It has been stated repeatedly over the past several years that Canada is no longer able to guarantee the universality of its social programs. Some argue that Canada's social safety net is outmoded and too expensive. The fact is that the system was put in place during the 1960s when jobs and money were plentiful. However, the fundamental principles are as important today as they were then. It should be noted that Canada spends less on these programs on a per capita basis than most Western industrialized nations.

Moreover, universality of social programs is a question of social justice. Without universality, without accessibility, the poor will become increasingly marginalized in our society and the middle class will be at the mercy of misfortune.

We have a decision to make. If we believe that all citizens are entitled to universal and accessible social programs, then we have to take steps to eliminate the loopholes in our tax system and create jobs to build up our tax revenues. When each and every Canadian works and contributes his or her fair, reasonable share of taxes, only then will we be able to cover the cost of the system.

I would like at this time to briefly review a few of the most important programs, starting with unemployment insurance.

The aim of this program, which was launched in 1941, was to provide assistance to workers who had lost their jobs and to tide them over until they found another job. It was intended to be a temporary measure. Today, many people draw unemployment insurance every year in a planned manner. They do so simply by working the required number of weeks to qualify. Theoretically, the program should finance itself. However, it is roughly \$400 million in the red on revenues of \$19 billion. Given the current rules of the game, recipients receive little encouragement or help in finding a stable job and too little is done to train those who are underqualified.

I know of people in my riding who currently collect unemployment insurance and who, in spite of their efforts and desire to improve their employability, are unable to find work or receive training. Unfortunately I also know of others who would

rather collect generous benefits than work at an available low paying job.

We must not blame those who live off the UI program. They are only reacting very rationally to ludicrous incentives. The rules of this program are socially and economically counterproductive. Within two generations, these rules have profoundly changed the way people behave. As the great Quebec poet Félix Leclerc said 20 years ago, when people are paid to do nothing, they become zombies.

The jobs that are available today require highly skilled workers. Or people can start up their own small business. Our unemployment insurance program is woefully inadequate when it comes to helping people acquire the necessary skills or start up a business.

The unemployment insurance program is universal and accessible only in so far as collecting premiums and paying out benefits are concerned. There is absolutely no such universality or accessibility when it comes to supporting training or entrepreneurship. Twenty-five thousand Quebecers are currently waiting for training to which they do not have access.

(1310)

Furthermore, the increase in the number of weeks of insurable employment needed to qualify for unemployment insurance benefits and the reduction in benefits have increased the social welfare costs of all provinces and of Quebec, simply by transferring the costs from one level of government to another.

The previous government completely abdicated its social responsibilities for unemployment insurance. Not only did its fiscal and monetary measures contribute to a dramatic increase in unemployment, but faced with this situation which could have been avoided, it changed in cowardly fashion the criteria and duration of eligibility so as to offload onto the provinces the burden of the unemployment which it had created. While everything indicated the need to invest energetically in training and small business creation, the previous government took paltry, inadequate measures.

In Quebec, the labour force development corporation was quite prepared to take useful action right away to correct the misdeeds of the previous government with respect to unemployment. The then Minister of Employment and Immigration, however, after the Charlottetown accord was rejected, refused to let Quebec act as it should have done.

The unemployment insurance program must be retargeted to training and job creation in a way that is universal and accessible. In this regard, Quebec and the provinces have a leading role to play.

I would now like to share my thoughts on the Canada assistance plan with my colleagues in the House. In theory, this program ensures that Ottawa pays half the authorized welfare

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expenses of the municipalities and provinces. Originally, this program was designed to ensure continuous support for a small number of individuals who could not work.

Today, the situation is very different. This program helps many people who are able to work but cannot find any jobs. Even worse, little is done to help them re-enter the labour market. Many welfare recipients are unemployed people who have used up their unemployment insurance benefits. What I said earlier about training and entrepreneurship applies here too.

Social assistance is universal and accessible as far as the right to benefits is concerned, but few beneficiaries of this program have access to serious measures that would put them back to work through specialized training or help in creating their own employment. In this sense, the program is neither universal nor accessible.

Here we have an example of a perverse consequence of Canadian federalism. By reducing unemployment insurance coverage, the federal government has made honest unemployed people into welfare recipients dependent on their province or on Quebec. For the provinces and Quebec, the purpose of welfare was to provide extended support to people unable to work. The federal government's unilateral action has undermined the plans of the provinces and of Quebec.

By retargeting the unemployment insurance program, the balance of the welfare program will be restored and these two programs will then provide the universality and accessibility which the people of Quebec and Canada need.

There is another social program for which the issue of universality and accessibility should be raised, because this program is no longer in any way universal or accessible, despite crying needs. This is the social housing program.

Before 1986, the federal government helped build about 25,000 new housing units every year. Since then, as a result of a series of budgetary measures, this effort was reduced to 13,000 units. In its 1992-93 budget, the previous government abolished its co-operative housing program.

In Canada, at least 57 per cent of women and 30 per cent of men are tenants. Almost two thirds of the residents of public housing are women. Young women who head single-parent families, women working for low pay and older women on limited income must have access to affordably priced housing, as before. Already thousands of women spend a disproportionate share of their income on housing.

(1315)

As regards social housing, universality and accessibility are not only moral but also economic necessities. Indeed, people,

families and children who live in inadequate dwellings are more likely to experience problems and, consequently, more likely to perform poorly at work or in school. They are also more likely to consume excessive amounts of intoxicating substances, to resort to violence and even to commit offences.

Abolishing the social housing program was a very near-sighted economic measure. The resulting problems in terms of health, unemployment and criminality will be very serious.

Medicare is a program which Quebecers and Canadians are proud of. Health insurance, along with post-secondary training, are financed through what is called established programs financing. Under this initiative implemented in 1977, every province is guaranteed a contribution proportional to its population and to the economic growth of Canada, minus an amount raised by each province through taxes. Let us not forget that, since 1986, the federal government has been reducing its financing, in terms of its rate of increase, regarding health services.

Also, in 1990, Ottawa unilaterally decided that its contribution would no longer be tied to economic growth. Consequently, the per capita contribution is now frozen until 1994-95 and, if the situation persists, it will eventually be totally covered by the tax levy in each province, including Quebec. Therefore, the federal government will no longer have to make any contribution. It must be pointed out, since this is yet another example of the perverse consequences of Canadian federalism, that all these measures were unilaterally implemented, without the approval of Quebec or of any other province, in spite of the formal agreement reached in 1977. So, from 1978 to 1993, the federal government's contribution to health and post-secondary education programs in Quebec dropped from 47 per cent to 34 per cent.

Therefore, a freeze on federal transfers for EPF is in itself a serious threat to accessibility and universality. This trap set up by the federal government makes it even harder for Quebec and the other provinces to make the difficult choices they face to make up for their losses and to reduce their tax burden.

The federal government must realize that increasing the tax burden of Quebec and the other provinces will result in the emergence of a two-tier health care system.

Since the Liberal Party took office, I noticed two trends among its Cabinet members: some ministers are sensitive to the need for universality and accessibility, while others are more concerned by the financing aspect.

Consequently, we hear terms such as restructuring, profitability, reform and review, which are all as vague as they are disturbing. What are the true intentions of the government? If it wants to redirect social programs, while preserving universality and accessibility, that would already be more encouraging,

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although we would have to define the targets to be given priority.

But if the government wants to cut the social budget, then there is every reason to be really concerned. Indeed, cuts of this type will invariably generate increased costs further along.

When economists tell the Minister of Finance that Canadians can no longer live above their means and must expect a lower standard of living, do they also tell him that it is the federal bureaucracy which is the most costly element and that a lower standard of living should start there? Streamlining is something which can be done within the federal government and bureaucracy.

Recently, I read that the Minister of Human Resources Development had stated that he would not be very patient with those people in three-piece suits who insist that the cuts should apply to social programs, while they themselves are not prepared to do much. I agree with the hon. minister, but I remind him that this three-piece suit mentality also exists within the public service.

Also, the hon. minister was upset by the calls of the Bloc Québécois for the federal government not to meddle in the fields of training, education and welfare, which are under provincial jurisdiction.

(1320)

The minister explained that these problems affect the whole country and that we need national programs to solve them.

This is where I completely disagree with the minister. Training, education and welfare are problems a number of nations are faced with. If I were to follow the minister's reasoning, the UN would then be entrusted with the task of solving such problems. But of course the minister would answer that only a country has all the facts and the vision to understand its real problems. If the minister were to take his argument one step further, he would come, I think, to the right conclusion.

Mr. Speaker, to blindly cut social programs will not be helpful, quite the opposite. Our social policies must support the needy, improve skills and respect human decency.

The government must remember that they can cut unemployment expenses simply by reducing unemployment and that they can cut health insurance expenses by providing housing for the underprivileged, for example.

The Official Opposition will watch the government's every move and criticize any attempt to cut the services Quebec and Canadian society so badly need. We will automatically criticize any lack of consultation with the provinces and with Quebec, any administrative duplication reducing program efficiency, any costly and useless attempt to centralize the various systems,

and any cut to programs aimed at meeting the special needs of Quebec or other provinces.

Finally, Canadians and Quebecers can rest assured that the Official Opposition will do everything possible in this House to protect their interests and their dignity.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, through you I would like to once again remind the opposition party that today is the beginning of a debate in which we are attempting to re-invent, redesign or review government programs and services with the ultimate aim of meeting many of the objectives that the hon. member described in his speech of decreasing, overlapping, and eliminating waste. We on this side of the House share that with you. I guess the only thing we do not share with you is that we do not believe in separation.

There is a question related to putting people back to work. In 1982 there was a program called NEED, designed by the then Minister of Employment, who happens to be the same member responsible today. It was a program where, rather than people being on unemployment where they received approximately \$17,000 a year, people went directly to small and medium-sized businesses and said, "If you take someone off unemployment or off the welfare rolls, then we will pay you approximately 60 to 70 per cent of their salary", rather than paying them to sit at home not doing anything. The employer would put in approximately 30 per cent. After six months of work the employer's contribution would increase and the government's would go down, and after a year the employer is responsible for the person.

Essentially it acted as a catalyst to help small and medium-sized business. At the same time, within a five-month period we put about 300,000 Canadians back to work in every region of this country.

I wonder if the member would consider looking at a program like that and whether or not he considers that type of reform worth while.

[*Translation*]

Mr. de Savoye: Mr. Speaker, I am sure that the hon. member who just spoke has voiced his sincere opinion. However, Mr. Speaker, I must say that I have heard these kinds of remarks in the past and they were no doubt made by very sincere people. I am not questioning the sincerity of previous governments. Unfortunately, the only concrete action that flowed from such remarks were reviews, expensive and time-consuming reviews which did not produce the expected results.

(1325)

I remain a little sceptical, although I am quite prepared to keep hoping. The point I am making is we, the Official Opposition, will check daily to make sure that the good intentions which have been and will be expressed here today and in the

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coming weeks will quickly bring about the results the people need. The hon. member is right; creating hundreds of thousands of jobs is important, but how will this be achieved? We do not have the revenues we had 10 years ago.

The reality is—as I am convinced all the hon. members are aware—that when technology is introduced in a business, it does not create more jobs; jobs are taken away, replaced by technology. To compensate, we have to provide the workers who are affected by this technology with high tech training. This is to say that the approach used 10 years ago cannot be applied in the same way. We will have to find much more creative solutions and, above all, find them very quickly. We cannot afford to wait two, three or four years.

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, I simply want to tell the hon. member for Portneuf that I greatly appreciated his remarks, particularly with regard to the health care system.

I would like to ask my colleague, the hon. member for Portneuf, to tell me if it is fair to say that, if the federal government cuts its transfers to the provinces for health care, the provinces could encounter serious difficulties, which in turn could threaten the universality of health care. The danger is that we could revert to the way things were in the 1950s, when there were two health care systems: one for the rich and one for the poor. Illness can strike anybody regardless of their ethnic origin or their financial status. Therein lies the danger in reducing transfer payments for health care, and I would like to know the views of my colleague, the hon. member for Portneuf, on this matter.

Mr. de Savoye: Mr. Speaker, I would like to thank the hon. member for Montmorency—Beauport—Orléans for his question. He said: “What if we lowered transfer payments”, but this is no longer hypothetical. It is a fact, unfortunately. This is what has been happening for 10 years, and we can see the results. We do not have to figure out what is going to happen, we just have to observe.

In fact, health care is less accessible than it was. Hospitals in Quebec, like hospitals in other provinces faced with the same problems and resorting to the same expedients, are selling their laboratory services—I read that recently, perhaps you did too—to the private sector in order to get cash to be able to provide services to people.

You have to understand that if hospitals have to provide services without having the funds to do so, they have to find solutions that I would say are creative, although they are, in a way, creating a two-tier system of health care, whereby those who can afford it get the results of their tests fast, while others have to wait for them.

This is unfortunate, but it is the visible, clear and immediate result of the cuts made over the last 10 years or so. Will things change? I dare think they will. Excuse me, Mr. Speaker, how much time do I have left? About a minute, two minutes. I just want to say one more thing, Mr. Speaker. The money the federal government is transferring to each of the provinces is not its own money. It is money coming from taxpayers from all provinces.

(1330)

Here we have money from taxpayer Joseph Latrémouille, or Joe Blow in the English provinces, that is going to Ottawa. Ottawa gets a certain amount. There is a return trip to the province of origin, this is the transfer payment. However, Ottawa does not return the full amount, it keeps some to cover its administrative costs.

Would it not make more economical sense, Mr. Speaker—I am not asking you, of course—for the taxpayer to send that money directly to his provincial capital, in our case Quebec City? Would it not entail substantial savings in administrative costs? I believe that to ask the question is to give the answer, and the recipe of sovereignty for Quebec might not apply to Quebec only. Perhaps some other provinces could feel the same way.

[English]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Mr. Speaker, I appreciate this opportunity to speak on the government's action plan for social security reform.

The minister has invited the members on all sides of this House to join together in this critically important mission, nothing less than the entire rebuilding of the social security, labour market and learning framework of our nation.

In the recent election the people of Canada asked us for a sweeping change. Clearly Canadians want the government to act, to provide leadership in getting people back to work. No more inattention, indifference or inaction. They want action on job creation.

As the minister has said, reform of our social programs is the most important, most compelling, most sweeping task we face today as a nation. The decisions we make in the coming year will affect every single person who lives in this country, in this century and the next.

The government's approach to reforming our social security programs is to preserve and foster Canada's well-earned reputation as a society in which we help those who need our help. This has indeed been our long tradition, going back hundreds of years, even before the birth of the nation.

Each of us in this House has an opportunity to continue that tradition by weighing the proposals put before us from citizens of every quarter, considering the merits of all recommendations

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and, with due deliberation, deciding what the best solutions for our country are.

Each of us, I am sure, know constituents in our own ridings who are suffering: children who are poor and going to school hungry; young men and women with no jobs and no prospects; families trying to support both young children and aging parents; single parents seemingly trapped on social assistance; workers who have spent half of a lifetime in an industry that is now dying; other workers with skills nobody wants any more; people in our inner cities oppressed by poverty and despair. These are people in our own neighbourhoods, on every avenue, crescent, road in our political ridings, whether it is mine in York North, or Montreal or Vancouver. These are people who are suffering, who are asking the federal government for action. We have a responsibility, as we do to all Canadians, to bring back hope, to bring back a sense of dignity to the lives of those people and their children.

(1335)

Altogether there are millions of citizens who are not benefitting from our present so-called safety net.

It is evident to me that the safety net is full of holes. Restoring employment as the key concern of the government requires a complete overhaul of our existing programs. We must examine, analyse and reform unemployment insurance, training and employment programs, social assistance and income security, aid to education and learning, labour practices and rules affecting the workplace, taxes and premiums that affect job creation, management of programs in government and between governments, and delivery of services.

Our purpose is to renew, revitalize, re-invigorate the government's role in advancing the prosperity and security of all Canadians.

It must foster creative new linkages, eliminate disincentives, seek efficiencies, organize by mission, organize by vision rather than by bureaucratic mandate. We must, at the end of the day, improve spending efficiencies by monitoring the results of those programs. That is fundamental to accountability in our system.

To those who insist that the objective is simply to cut costs, I simply must say to them that they are wrong. The present system is not working. People understand that. People understand that young people are having problems in the transition period between school to work. People on social assistance understand that there are disincentives to once again getting back into the workplace.

Everywhere I go throughout this country people are telling me that what they really want is an opportunity for a job. The high school dropout wants a vehicle of opportunity so that he can return to the workplace, and the older worker whose job has been

eliminated because of globalization or downsizing, call it what you want, wants a vehicle of opportunity too. He does not like to sit at home. What he is saying to us is, please, give us something; give us something we can hope for. That person who is sitting there waiting for this opportunity to knock also has a son and a daughter whose prospects are not any better.

I think that in this House we must do some soul searching. We must look within ourselves and find the inner strength to face change, to provide this country with the type of change that Canadians called for on October 25.

(1340)

We can perhaps fight for the status quo, as the leader of Her Majesty's Loyal Opposition stated earlier this morning. But let me tell you, that is not the mandate we on this side received. People told us they wanted change, they wanted reform. We have a responsibility not only to react to what the public wants, but also to take a leadership role that has been missing for far too many years in the House of Commons.

Why change? The evidence is there, for all of us to see: chronic long-term unemployment; too high levels of illiteracy; one million children living in poverty; an entire generation of young men and women without employment. We are still asking ourselves, why change?

The time to move is now. We have no time to waste. The high school dropout who needs a vehicle of opportunity needs it today. Tomorrow is too far away.

Our nation is fast becoming two Canadas: one comprising the secure and well-paid, the other containing those with part-time, low-paid, intermittent work. It is the type of polarization that I spoke about when I was employment critic of my party and I was occupying your seat. I said then and I will repeat today that no one has benefited from nine years of Conservative trickle-down economics. Nobody has. We have divided a nation on economic terms. We have denied people opportunity. The days when working hard and playing by the rules meant reward are long gone. Well, this government will restore those days, and this government will bring back hope to so many Canadians who are today hopeless.

We are living in very stressful, discouraging, dispirited times. This type of feeling is evident with our young people as it is with our older people. It is evident in every sector of our society. Discussions around kitchen tables are not about getting up in the morning and looking forward to tomorrow with confidence. They are about whether or not there will be a job waiting for them tomorrow. It is about reading about downsizing, about trickle-down economics, about young people who have lost hope. That has to change. This is the type of dialogue that I hope Canadians will engage in.

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Whether you sit on this side of the House or that side, we were given a mandate to represent people's views. Whether you are a member of the Bloc Québécois, the Reform Party or the governing Liberals, there is a constant reminder. As we take our seats in this House, we must always remember that when we knocked on doors during the election campaign people were asking us to restore their faith in the role of government. They wanted us to give their children hope for the future and to build safer and better communities for everyone.

(1345)

The day we forget the reason why we are here will indeed be a very sad day for this country.

If I may, I would like to return to the minister's comments this morning. He set out two goals for our action plan. The first goal is to confront the issues that face us. They include long-term structural unemployment, even when the economy is growing, faulty adjustments for people who have to change jobs, and constant changes in technology affecting the labour market and training programs. There are people in this House who are not aware of the technological revolution that has occurred, even though it has redefined time and space.

The unacceptably high levels of school drop-outs, illiteracy and shortage of skills are things we should all be extremely concerned about. We should also be concerned about the growing poverty, especially among children, the stress caused by competing demands of the family and the workplace. Among some corporations there is a persistent determination to cut jobs, even though there is growing evidence that this does not achieve the expected efficiencies.

While it might perhaps look great in the corporate culture to say "I want a lean and mean organization", I feel that is not the function of a cultured business person. To me, a cultured business person is one who can absorb technological advances while at the same time widening the opportunities for his or her workers. It is not simply saying to your workers, "I have a better and more efficient machine, so I don't need you any more". We are talking about people. We are talking about people's lives. We are talking about families. We are essentially talking about the future of our country.

We will be engaging in a number of discussions with other governments and we will be looking at ways to end duplication and waste that exists. We will also look at the limited capacity of governments to provide assistance and security.

The second goal of our action plan is to propose options for change to meet basic employment insurance and adjustment needs, restructure parts of the unemployment insurance program and the Canada assistance plan, and to create a new form of employment insurance. We want to broaden educational and

training assistance to recognize the need for life-long learning. We want to enhance support and care provisions for children, and introduce measures to ensure that individuals with disabilities can achieve equality, independence and full participation in employment. We want to seek a better balance between incentives for job creation and funding social security programs.

(1350)

We want to ensure basic security for those in need; redefine the roles and responsibilities between governments; improve efficiency; strengthen the co-operative nature of all levels of government; and we want to design new and improved ways of delivering our services. The challenge is great, but let us make it very clear from the start that it is not merely a challenge for members on this side. Essentially today we have begun a process of positive change for all Canadians.

We hope and trust that members of the opposition will take the opportunity to participate, whether through parliamentary committees or in their own ridings, seeking input from their own constituents to participate in redesigning the social security system of this country. Perhaps this will be the most important initiative this government will undertake.

In a modest way I must say to you that we simply cannot do it on our own. We need your input, whether you agree with our vision of the country or not. We need to hear what the people are saying. Some of you will participate as members of the parliamentary committee, but that does not mean that the rest of us will not have a role to play.

These types of issues should be discussed in every riding, in town hall meetings, and in everything one does as a member of Parliament. At the end of the day, the legislation that we collectively will propose to the Parliament of Canada will design the type of Canada that will lead us confidently to the 21st century.

[Translation]

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, I listened with great interest to the speech of the member from the other side and I would like to ask a few questions in order to find out more about his way of thinking. Is he one of those who believe we should cut government spending even further or does he think we should strive to find new ways of increasing government revenues?

I admit that I draw my inspiration largely from the speech my colleague, the member for Davenport, made in this House last January 20, a speech I find very enlightened. The member for Davenport is among those who think we should make every effort to increase revenues, since everything has decreased over the recent years in this government, revenues and expenditures alike.

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If we are to restructure and modernize every program pertaining to the redistribution of wealth in Canada, I would like to ask my colleague if we should not think about taxing lottery and games winnings. As the member for Davenport said, this would bring in \$860 million a year. Should we not tax capital gains, a measure which would bring \$665 million a year to the Treasury, and re-examine grants given to multinationals investing overseas, and particularly exemptions for foreign currency deposits which would represent a revenue of \$500 million?

I for one think we should reconsider very seriously the issue of revenues rather than throw around words like modernize and restructure that will only lead, in the end, to a widening of the gap between the rich and the poor.

(1355)

[English]

Mr. Bevilacqua: Mr. Speaker, I would like to thank the hon. member for his question.

I must tell the hon. member that as a member of Parliament I have taken a great deal of time to examine the transformation that has occurred in our society and indeed in our economy. What is fundamental in that examination is the fact that we simply cannot look at issues the way we did before. If I can use these words, given some of the words being used by the Premier of Ontario, we have to look at a new contract, a new set of arrangements between the individual, the community and government. In that sense what is fundamental for the success of this new contract is full co-operation between the various stakeholders in our community.

There are programs today in Canada that date back to the 1940s. They have been tinkered with, but essentially they have never gone through the type of review that is necessary to upgrade and to make them relevant to the present situation. In this social security review that is taking place today and that is being started this morning by the minister, we have to rethink the way we provide services. We have to rethink the purpose for unemployment insurance. We must modernize what individual Canadians have grown accustomed to.

Fundamentally, this change is necessary simply because of the fact that we cannot tell the single mother who is compelled, with her children, to stand in front of the local food bank for her daily meal that this is the way our country is going to deal with her reality. Nor is it fair to tell the high school dropout who is hoping for a better tomorrow that he will be in long-term, chronic unemployment because the measures that we as a government and as a people are taking are not effective.

There is a moral obligation on the part of all members of Parliament on both sides of this House to engage in the type of dialogue that the Minister of Human Resources Development

initiated today so that our programs, the delivery of our services, are efficient, modern and updated to the reality of the global village in which we live today.

I hope that in summary answers the hon. member's question. I am certain, given his dedication to representing his constituents, that he will participate fully in this very comprehensive review of our social security system.

Mr. Peter Adams (Peterborough): Mr. Speaker, I listened with great interest to the speech of the parliamentary secretary and to speeches from both sides of the House earlier in the day. It seems to me that recently there has been a good deal of criticism of Confederation from the other side of the House, addressing some of its so-called weaknesses. We tend to forget that Confederation is a very powerful and successful type of government. One of its strengths is that in times of economic difficulty one part of the country that is prospering can help the parts of the country that are not.

In the reforms that we are envisaging, in the training and retraining systems and in the social systems, I hope consideration is being given to the flow of young people across the country. At the present time only 14 per cent of the apprentices in Ontario obtain licences which allow them to work outside the province. This is a tragedy.

I hope the parliamentary secretary and his colleagues will work to allow the flow of skilled and unskilled young people across the country to become more effective.

The Speaker: If the hon. member would like to say yes or no, I think we are in good shape.

Mr. Bevilacqua: Yes, Mr. Speaker.

The Speaker: It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to statements by members, pursuant to Standing Order 31.

STATEMENTS PURSUANT TO S. O. 31

*[Translation]***RETAILERS**

Mr. Maurice Godin (Châteauguay): Mr. Speaker, gasoline retailers in the Châteauguay riding are experiencing major difficulties due to the sale of duty-free goods in Quebec.

Not only does it substantially reduce the governments' tax revenues, but it seriously hurts the retail industry.

The Châteauguay Chamber of Commerce and the South-West Montreal Business Association are of the opinion that governments should uniformly enforce tax laws, and standards regarding the environment, energy, resources, weights and measures,

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inside as well as outside Indian reserves, regardless of the type of business.

In fairness to retailers, the government must put an end to the double standard in the present justice system. When will it take steps to ensure that the same laws and standards apply to all?

* * *

[English]

THE LATE MERV LAHN

Mrs. Sue Barnes (London West): Mr. Speaker, I rise today to pay tribute to Merv Lahn of the city of London who passed away 10 days ago.

Merv Lahn's distinguished career spanned 35 years in the trust industry in Canada. He was considered an innovator in the financial services sector. He retired in 1990 from Canada Trust Financial Services Inc. of London, Canada Trust's corporate parent, where he had served as both chairman and chief executive officer.

Mr. Lahn also devoted his energy and strength to many corporate boards and charities. In our community, the John P. Roberts Research Institute, London Salvation Army, Orchestra London, Theatre London and the Merrymount Children's Centre among others, were grateful recipients of his talent and expertise.

Merv Lahn was a great man in every sense of the word. He was a man with integrity and very high principles, a man respected and loved by his friends and colleagues. I extend condolences to his wife, Myra, and his three children. London and Canada share their loss.

* * *

PEACEKEEPING

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, since 1947 Canada has distinguished itself among the global family of nations through its involvement in the UN peacekeeping function. One hundred thousand Canadians soldiers have participated in over 23 separate UN missions.

I would draw the attention of the House to the worthy personnel of One Combat Engineers Regiment located in my own constituency of Fraser Valley East. Four hundred and forty of their number have been deployed since 1992 in the former Yugoslavia.

In a short while 125 more will leave for this dangerous theatre. Our thoughts dwell with these men and women and the families they leave behind.

In the last century military conquerors were hailed as heroes. In this closing decade of the 20th century, let it be said that modern military heroes are those who conquer the worst of human nature. The House lauds the heroic and sacrificial efforts of the Canadian Armed Forces. Blessed are the peacemakers.

AIR SAFETY

Mr. Wayne Easter (Malpeque): Mr. Speaker, it is my understanding that the Department of Transport under the previous administration initiated a study into air transport navigation systems across Canada.

(1405)

One of the outcomes will be the possible replacement of air traffic control operators at a number of airports with flight service stations. My concern is that Charlottetown is one airport so targeted. Any reduction in essential services at airports is often perceived as a safety factor. The government must demonstrate that cost reduction will not impact upon safety.

I am therefore calling upon the Minister of Transport to ensure that before any action is taken as a result of this review all stakeholders on the island will be consulted. After all, we should not be following the agenda of the previous government but correcting the mistakes it made.

Therefore it is an absolute must that we consult with all parties affected before government decisions.

* * *

TOBACCO TAXATION

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, many calls and letters I am receiving are saying "do not reduce the tax on tobacco". They believe there are better methods to combat tobacco smuggling.

For example, Canada's tobacco tax levels represent 70 per cent of the selling price as do every other industrialized country in the world except the United States. Why does the U.S. not increase its tax?

They suggest a reinstatement of the export tax. In the few weeks it was in effect in 1992 the flow of smuggled tobacco dropped from a record level of 737 million to 146 million cigarettes.

They suggest licensing tobacco retailers and increased enforcement. It has taken 50 years to lower the number of persons smoking and thereby decrease health hazards.

One of our roles as a government is to protect the health of Canadians. My callers urge the government not to cave into the tobacco industry and immediately host a forum where all ideas can be heard while at the same time allow the government the opportunity to hear and weigh all factors in the equation.

* * *

MOUNT ALBERT AND DISTRICT LIONS CLUB

Mrs. Karen Kraft Sloan (York—Simcoe): Mr. Speaker, I rise today in the House to congratulate the Mount Albert and District Lions Club on the occasion of its 25th anniversary.

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My family and I live in the village of Mount Albert. We are continually impressed by the contribution the Mount Albert Lions Club makes to our community. Community service groups like the Mount Albert Lions Club deserve special recognition for their good work and the time sacrifice made by individual members.

It is important for parliamentarians to realize the impact these types of organizations have on the communities they serve. In many cases they provide much needed assistance when the government is unable to do so.

Again I congratulate the Lions Club of Mount Albert on its 25th anniversary.

* * *

HOME BUYERS PLAN

Mr. John Cummins (Delta): Mr. Speaker, for the last two years thousands of Canadians have been able to purchase or upgrade their homes by utilizing the home buyers plan that allows individuals to use up to \$20,000 of RRSP money for down payments. Studies have shown that over 150,000 Canadians took part in the first year alone, representing 26 per cent of all housing transactions.

The government promised jobs during the election campaign and this program has demonstrated its job creating ability. Both the real estate industry and thousands of potential home buyers across the country are anxiously awaiting an announcement from the minister that the program will be extended.

* * *

[Translation]

PALESTINIAN AUTONOMY

Mrs. Maud Debien (Laval—Est): Mr. Speaker, on behalf of all Quebecers and Canadians, I want to congratulate the PLO representatives and the delegates from Israel and Egypt, for their successful negotiations at the economic summit held in Davos during the week-end.

A permanent agreement regarding Palestinian autonomy in Jericho and the Gaza Strip appears imminent. Both parties agreed on the deployment of Israeli border guards at the international crossings linking Jericho and Jordan on one hand, and the Gaza Strip and Egypt, on the other.

We all hope that the Cairo meeting will allow both parties to reach a compromise regarding the territory of Jericho and the security of Jewish settlers.

We must applaud the efforts made by both nations for peace and hope, as Mr. Peres said, comparing his experience to climbing a magical peace mountain.

[English]

GASOLINE PRICES

Mr. Benoît Serré (Timiskaming—French River): Mr. Speaker, on behalf of all residents of northern Ontario I want to protest vehemently the outrageous gasoline prices in our region.

While the price of crude oil has fallen from \$20 to \$14 a barrel in the last few months, we in northern Ontario are still paying as much as 62 cents a litre compared to a low of 42 cents in southern Ontario. Transportation costs cannot justify this price discrepancy. It costs only 3 cents a litre to transport gasoline in the north.

(1410)

Is there collusion among the big oil companies to fix gasoline prices in northern Ontario? These immoral business practices cost over \$1,500 more for our farmers and hundreds of thousands of dollars more for our school boards and municipalities.

I find it totally unacceptable. I call upon the big oil companies to allow the price of gasoline in the north to fall in line with those in the south and more fairly reflect the international crude price of oil.

* * *

ETHANOL

Mr. Julian Reed (Halton—Peel): Mr. Speaker, the Minister of the Environment has created a task force on ethanol which I have been asked to chair. I have in turn asked the hon. member for Lambton—Middlesex to co-chair this venture. In previous Parliaments the interest in ethanol as a motor fuel was driven by her predecessor, the hon. Ralph Ferguson, whose research effort and sustained enthusiasm will make our work much easier.

Ethanol is already in use in Canada in a limited way. Now is the time to expand its horizons. The addition of just 10 per cent ethanol to gasoline reduces carbon monoxide emissions by approximately 25 per cent. As well it raises octane ratings and helps to keep engines clean.

The accrued benefits to both urban and rural Canada make this renewable fuel initiative a natural path to follow.

* * *

AGRICULTURAL BIOTECHNOLOGY

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, Canada is a recognized world leader in the area of agricultural biotechnology. One of the leading centres for research and development in this area is in Saskatoon where major breakthroughs have been made in many areas of plant breeding and animal research.

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However it has been brought to my attention by members of the industry that there are great problems in Canada in registering their new products. Registration rests solely in the hands of federal bureaucracies. What can take days, weeks or months in countries like the United States takes years in Canada. Such delays will result in Canada losing its leadership role in this field.

I urge the ministers responsible for this area to help maintain Canada's world leading role by removing many of the barriers to getting products to the marketplace.

* * *

[Translation]

SOCIAL PROGRAMS

Mr. Paul Mercier (Blainville—Deux—Montagnes): Mr. Speaker, the Minister of Human Resources Development has announced extensive public consultation with a view to restructuring the social security system. The government gave itself two years to review social programs as a whole, and the odds are that the issue of transfer payments to provinces will be raised.

We believe this is merely a way to gain time as well as to open the way for increased federal interference. We are strongly opposed to any interference from this government in education, which is an exclusive jurisdiction of Quebec and the other provinces. Moreover, overlaps are costly and inefficient and generate waste. We have to address the issue of employment, and employment is dependent on manpower retraining and education. The efficiency of the campaign for job creation therefore requires that these responsibilities revert to the proper authorities, the provinces.

* * *

[English]

NATIONAL FORUM ON HEALTH CARE

Ms. Margaret Bridgman (Surrey North): Mr. Speaker, I express my thanks to the voters of Surrey North who chose me as their representative in the House. I also congratulate the many new MPs whose presence here reflects the desire of the Canadian people for a real and lasting change.

This Parliament is going to face many new challenges. As a member of the nursing profession the challenge I am most familiar with is that of health care in Canada. Therefore I welcomed the government's announcement in the throne speech of a national forum on health.

I believe a frank and open dialogue is necessary to ensure the survival of our health care system, and I look forward to participating in this dialogue. Debates on health care are never easy. I hope when we approach the enormous task of examining Canada's health care system that members will do so with an open mind.

IMMIGRATION

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, my riding of London—Middlesex has a growing number of new Canadians from several countries, in particular from the Arab nations and from Poland.

It has become very obvious to me and to these constituents that we need better co-ordination of services among the three levels of government to help new Canadians adapt to their new society.

My constituents who are new Canadians tell me that they simply are not given enough information about how the Canadian government functions and how they can access Canadian government services.

(1415)

As their member of Parliament I plan to highlight this concern during the life of this Parliament. I would ask the new minister to make this a priority item.

* * *

[Translation]

CIGARETTE SMUGGLING

Mr. David Berger (Saint-Henri—Westmount): Last Friday, the Bloc Québécois member for Argenteuil—Papineau took part in a demonstration where thousands of dollars of smuggled cigarettes were sold.

The hon. member stood next to the mayor of Lachute for the opening ceremony.

[English]

The Speaker: Order. I would ask that we refrain as much as possible from personal attacks on any hon. member.

I know we are just getting information. I would hope the hon. member might rephrase his statement just a bit. I will permit him to continue under those conditions.

[Translation]

Mr. Berger: Mr. Speaker, I simply want to ask the Solicitor General to investigate a very serious situation, to determine whether the law was broken and, if so, to lay accusations under the appropriate act.

Tobacco smuggling is obviously a very serious problem in Canada, Mr. Speaker. This illegal activity is carried out by criminal organizations who take advantage of the same channels they use for drugs, arms and alcohol.

Victims of this activity are numerous and include law-abiding retailers, individuals and communities, and especially young Canadians.

[English]

SOCIAL SECURITY

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Mr. Speaker, today in the House of Commons the minister of human resources outlined his government's strategy to modernize and restructure Canada's system of social security between now and September.

It is an ambitious plan. While I commend the minister on his efforts I hope this process will be sufficient for the amount and extent of overhaul promised.

I hope too that this very open and important phase of consultations with the Canadian public will not be rendered obsolete before they even get off the ground when his colleague, the Minister of Finance, tables his budget in February.

I remind the minister that at the end of the process millions of Canadians will be holding the minister to his promise to renew and revitalize rather than slash and trash Canada's social safety net.

New Democrats, particularly those from my home province of Saskatchewan, have an interest in this review as they were instrumental in developing Canada's social programs in the first place.

The foundation of compassion and caring on which these social programs were built took decades to cement. We cannot allow it to be ripped apart on the altar of deficit reduction.

* * *

BOARD OF INTERNAL ECONOMY

The Speaker: On Friday, January 28, 1994, the hon. member for Nanaimo—Cowichan directed a question to the Prime Minister relating to the salary of House officers. Although I allowed the Prime Minister to respond, I reminded the House that such a question ought to be more properly addressed to the representative of the Board of Internal Economy. I also stated that I would seek advice and return to the House as soon as possible.

I want to take this occasion to clarify the procedure. All questions relating to the internal and financial management of the House of Commons fall within the statutory responsibilities of the Board of Internal Economy, the membership of which was tabled in the House on Wednesday, January 19, 1994.

Such matters do not fall within the administrative responsibility of the government. That is why responses to these questions cannot be expected from the ministry.

For the information of hon. members, there are two representatives of the board in the House who are available to offer

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information about the Board of Internal Economy. They are the chief government whip and the whip of the Official Opposition.

[Translation]

I would remind all members in this House that the Board of Internal Economy includes representatives of all three parties officially recognized in this House. Members can get information and advice from their representatives on the Board.

As always, independent members can rely on the Chair.

[English]

I thank all hon. members for the opportunity to clarify this procedure early in the 35th Parliament.

ORAL QUESTION PERIOD

(1420)

[Translation]

TAXATION

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance.

A Bank of Canada study released today under the Access to Information Act has suggested to the government a number of measures that would increase income tax for families, students and, especially, for the elderly. By substantially reducing the current tax exemption for senior citizens, the Bank of Canada proposes saving a total of \$1.8 billion at the expense of the elderly.

Does the minister intend to follow up on these recommendations, which would have the effect of raising income tax for thousands of senior citizens? In other words, is he prepared today to give certain assurances to these senior citizens who are concerned, and rightly so, about these recommendations, revealed just a few weeks before the budget speech?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development (Quebec)): Mr. Speaker, as the hon. member is aware, the report of the Bank of Canada was published on October 26, the day after the happy occasion of the federal election.

I can inform him that this was prepared under the aegis of the former government. We will read it. We will look at it. However, I can assure the Leader of the Opposition that we have no intention of doing anything at the expense of the senior citizens and the poor in this country.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I want to thank the Minister of Finance for his answer, which was specific enough to be somewhat reassuring for senior

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citizens. I am not so sure that the occasion was as happy as he seems to think. The budget speech will tell whether the occasion was a happy one.

However, since this report exists, is now available to the public and will be widely examined, it may prove very tempting for people who want to tamper with what so far has been inviolable, and I am referring to old age pensions. Could the Minister of Finance tell us whether he personally, as the Minister of Finance, would agree to start taxing old age pensions when an individual's annual income exceeds \$30,000, in order to save 700 to 800 million dollars at the expense of the elderly?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development (Quebec)): Mr. Speaker, our position has been very clear. Whether we are talking about different ways to close the loopholes in our tax system or about subsidies to corporations or individuals, the watch word is fairness. And that will be the purpose of this budget.

If the Bank of Canada's report contains some interesting points, we will certainly look at them. However, I believe I already answered the question last week when I referred to the Reform Party's program. I said that I felt their option, which is to cut subsidies and cut government spending on the elderly, was entirely unacceptable to us.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, continuing in the same vein, one has the impression this report was drafted by a member of the Reform Party, because one of the recommendations suggests abolishing the basic exemption of \$3,482 for the elderly and to tax the first \$1,000 of senior citizens' income.

Would the minister agree that publishing such information on the moral authority of the Bank of Canada is bound to upset people and is liable to create a political movement that might compromise old age security, causing it to be taxed mercilessly and unfairly, a measure that would be most harmful?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development (Quebec)): Mr. Speaker, I am not sure whether I fully understood the gist of the question put by the hon. Leader of the Opposition. He seemed to be saying that the Bank of Canada should not release this information and should not try to express its views.

(1425)

I think the Bank of Canada has the right to prepare these studies, and when it does, they should be published. However, as my hon. friend knows full well, we did not always agree with the Bank of Canada when we were in the Opposition, and I believe this study was prepared at that time.

SOCIAL PROGRAMS

Mrs. Francine Lalonde (Mercier): Mr. Speaker, my question is for the Minister of Human Resources Development.

The Minister just created uncertainty for millions of Quebecers and Canadians by putting into question the future of our income security system.

Is the Minister of Human Resources Development not using consultation to lead people into accepting cuts in social programs, exactly as his colleague the Minister of Finance did?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, it is very unfortunate that the hon. member makes hasty pre-judgments before there is any opportunity to hear from Canadians. The whole reason for having a Parliament is to listen to what Canadians have to say.

We have been listening to Canadians and they have said that they do want changes because the present system is not working. It is too bad the Bloc Quebecois is taking such a reactionary position. Perhaps the Leader of the Opposition is still reflecting his position as it used to exist in the previous government.

[Translation]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, despite his generous observations, is the Minister not of the opinion that his government is putting the cart before the horse by putting into question the social security net—despite all the good intentions he expressed towards Quebec and Canada—before doing anything to put an end to federal waste of money and, in particular, before proposing a job creation strategy?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, as I said this morning, if we are going to get Canadians in all provinces and all regions back to work, we must do it systematically. We must do it through stimulation of the economy, by creating work through infrastructure and by encouraging small business. We must do it by looking at our employment, training and income security programs.

This government has a global, comprehensive look. If the hon. member simply looks through a very narrow pipe and is not able to see the broad picture then it is no wonder the Bloc is not able to understand what a good place Canada is.

Oral Questions

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, my question is for the Minister of Human Resources Development. It concerns his proposal to redesign Canada's social safety net.

The fact that we have a caucus of 52 members speaks well to the point that we too are listening to Canadians. They have been saying that when their businesses or their families establish budgets they always ask how much money is available and then they ask how best they can use it. It is only governments that decide what they want and then try to find the money to pay for it.

Will the minister break with his backward budgetary approach and ask the Minister of Finance for a pre-established, overall budget limit for social spending?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, as I listen to the questions arising in the House, first we hear from the Bloc Quebecois who make no change and then from the Reform Party who say there is no safety net.

Only the Liberals really understand that what we really need is to create a system in which people want to get back to work and we will help them do that.

I say to my hon. friend that in the discussions we have held so far with our provincial colleagues, business, labour and others they all recognized that until we redesign a system that really targets the need to get people back to work, to get employment, jobs and growth we will never be able to solve Canada's deficit problems.

(1430)

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, certainly no one understands the concern of Canadians about their social safety net any more than Reformers who are so closely in touch with them.

During the minister's speech this morning he did not properly recognize the acute financial reality that Canada faces today. How realistic and sustainable can a long term plan be if it does not take into account the severe financial constraints Canada faces today?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, as we have said many times, we are certainly aware of the real financial pressures for all kinds of programs and for all kinds of initiatives.

As I said in answer to an earlier question, we believe that by taking a systematic approach, by taking a look at the various ways government can collaborate with the provinces, with the private sector and with interest groups can we redesign our social security programs to make them more efficient but more

particularly to give the kinds of opportunities, options and choices for people to re-enter the labour market.

However, the core of solving our problems is not simply to slash and trash programs. It is to revitalize and renew them and put Canadians back into the workplace.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, certainly we concur that we want to see Canadians going back to work. I have a further supplementary question for the minister who informed the House this morning that he will announce soon the names of those chosen to sit on his task force.

Could the minister tell the House how those people were chosen and whether there are any members who will bring a strong sense of fiscal responsibility to the table?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, all members of the task force will have a strong sense of fiscal responsibility and a strong sense of social responsibility.

[*Translation*]

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health. The government is currently engaging in a vast consultation exercise. Your colleague, the Minister of Human Resources Development, is holding consultations to restructure social programs. On the other hand, the Prime Minister gave you a mandate to hold a national forum on health to identify priorities in this area.

Does the Minister not think that is a lot of consultation? How is she going to harmonize her own reform program with that undertaken by the Minister of Human Resources Development?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, in the last five years we spent here, Canadians across the country told us: You do not listen to us enough. And we told them, now that we are in office, we will work in co-operation with all Canadians and all levels of government. The national forum on health will do exactly that. We will try to bring all levels together so that everyone can benefit from positive initiatives taken across the country.

Mrs. Pauline Picard (Drummond): Mr. Speaker, the government is intensifying its consultation efforts on manpower training, education and health. Does it mean that, as far as health care is concerned, the government is using this forum to centralize services and encroach on areas of provincial jurisdiction?

[*English*]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, as the Minister of Health for Canada I am very well aware of the responsibilities the provincial governments have in health matters.

Overall however we do remain responsible. We set the framework by which governments administer the health care system in this country. I think it is one of Canada's best assets. I believe

Oral Questions

the strong, central federal health role is essential and very important in maintaining this wonderful system we have developed.

* * *

PRE-BUDGET CONFERENCES

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is for the Minister of Finance. At the final pre-budget conference in Calgary this past Saturday the finance minister said: "The government cannot be expected to heed all advice".

(1435)

Has the finance minister come to this conclusion because he does not like what he has heard, that deficit and debt is the major problem and not revenues?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, at these conferences, as would be expected, there were very different points of view, primarily because the institutes invited people not simply representing one very narrow point of view but all points of view. Obviously there were differences of opinion expressed on the panels and within the workshops. Therefore it would be impossible for anyone to square the circle and to simply do what everybody said.

What we did say very clearly was that we were listening, that we understood the common message, the common theme which is the desire to turn this economy around and give jobs back to the people. We said unequivocally that if we were not prepared to follow the suggestions made in any individual instance, we would indicate why that was the case because we take these consultations very, very seriously.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, having spent \$800,000 on these conferences, is the finance minister now going to waste this money and go against those constructive alternatives offered and proceed by increasing the tax haul?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, with reference to the \$800,000 let me say that the constitutional conferences put on by the previous government cost \$7.5 million.

These conferences were put on by these institutes. Let me tell you the food we got was very good but it was not very expensive. Perhaps that is why the hon. member was not there.

The Speaker: Perhaps the hon. minister has given us all food for thought.

Mr. Martin (LaSalle—Émard): Mr. Speaker, what really came out of these conferences was that Canadians with different

perspectives sat down at the table. They were forced to make the kinds of trade-offs and have the kinds of discussions that governments and finance ministers have to go through.

The problem with private consultation, the kind that was done before, is that individuals come in and give a single perspective and then walk away, claiming they have made their point. However, they have never had to test it in debate with people from the other side. That was the great advantage which came out of this.

Tomorrow all members of this House are going to have the opportunity to present their views on this debate. I hope that the members will do what Canadians did and what they very clearly did in Calgary. I hope that they will simply not tell us to spend more in their area or to cut into somebody else's, but that they will make the trade-offs. If members of this House do what Canadians across the country did, then I will feel very good about the process tomorrow and very good about the budget we are going to present.

* * *

[Translation]

INDIAN AFFAIRS

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, the Minister of National Defence announced last week in this House that negotiations had been held with Chief Jerry Peltier with regard to the events in Kanesatake. After the minister changed his own version of the facts, Chief Jerry Peltier changed his accordingly, because he himself had confirmed to me that shots had indeed been fired at the aircraft dispatched to locate the source of the distress signal within the boundaries of the reserve.

My question is for the Minister of Indian Affairs. Has the Minister or his department been invited by the Minister of National Defence to take part in negotiations with Chief Jerry Peltier and the Kanesatake Band Council?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I was three days in Yukon. That was part of the negotiations between the Minister of National Defence and Mr. Peltier. I was aware of what was going on and was kept briefed. I am satisfied that the matter was handled amicably and we have reached an understanding that the skies of Canada belong to all Canadians.

[Translation]

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, if the Minister of Indian Affairs is happy with the agreement reached between Chief Jerry Peltier and National Defence, does he intend to extend its application to all reserves and territories here in Canada, for the benefit of all native peoples?

Oral Questions

(1440)

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am repeating myself. It should be clear that Canadian skies are not up for negotiation. That is part of the Canadian umbrella. That is part of what we are talking about: self-government negotiations within one Canada.

I have said that the skies of Canada are open to all nations, all reserves and all Canadians. I cannot be any clearer than that.

* * *

SOCIAL PROGRAMS

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, my question is for the Minister of Human Resources Development and concerns his speech this morning.

In his speech, he received much applause from his caucus colleagues when he stated that his planned “redesign” of social policy is not a code word for “cutting costs”.

Given that social programs take up the bulk of total program spending, how does the minister expect his government to reduce the deficit to 3 per cent of national income promised in the red book without cutting the costs of social spending?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, the hon. member should look at the entire speech. We set out a series of very specific objectives and goals that we wanted to achieve.

One is to achieve more effectiveness, more efficiency in the delivery of programs, to end duplication, to overcome a lot of overlap and to find better ways of delivering dollars to those who need them. Those are clear ways in which money can be saved but that is not the only objective.

The real objective and the real saving comes when we can get the three million Canadians who last year had to depend on some form of unemployment insurance or social security to find a good job, to have some hope and to have good training.

The real saving to Canada is when it makes full use of its human resources. That is when we will really have a saving. There is a bigger human deficit than a fiscal deficit in Canada today.

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, I am somewhat confused now by the minister’s reply.

It was excellent rhetoric but did the hon. minister retract his earlier statement that there will be no cutting of costs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I would like to say to the hon. member that there is no contradiction. What we are saying very clearly is that if one takes a broad approach to these programs one can achieve a saving in the way we deliver them. One can achieve a saving by getting people back to work.

However, to do that one must invest in the people themselves. I would suggest that rather than simply cherry picking one point or other of the speech, I recommend that he read the entire speech. I am sure that he will find it really quite thrilling.

* * *

*[Translation]***JOB CREATION**

Mr. François Langlois (Bellechasse): Mr. Speaker, my question is for the House Leader of the Government.

During the election campaign, Liberal candidates, invoking the red book, proposed various measures which they said were an action plan to create jobs and stimulate the economy. Now the third week of the session has begun without any legislative indication of the measures promised for this action plan.

My question is this: Since we are in the third week of the session, why has the government not yet proposed a single significant piece of legislation to give effect to the job creation provisions of the red book?

[English]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, my hon. friend forgets that even before the House opened we announced a massive national program of infrastructure to create tens of thousands of jobs across Canada.

I expect if my hon. friend keeps in touch with the situation he will see other measures put on the Order Paper before too long to carry out our commitment to get the economy going and create a lot more jobs for Canadians.

(1445)

[Translation]

Mr. François Langlois (Bellechasse): I have a supplementary, Mr. Speaker.

[English]

I expect an answer and not a filibuster.

*Oral Questions**[Translation]*

After making this House into a vast sounding board of ideas in the past three weeks, what specific legislative menu does the government House leader intend to give us now?

[English]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I remind my hon. friend of the speech from the throne setting out a comprehensive program to put into effect in this session and over the ensuing session the commitments of the Liberal program of action.

If my hon. friend is as concerned as he says he is about these matters we can expect his immediate and complete support as we bring these measures before the House? Will he give that commitment to us today?

* * *

IMMIGRATION

Ms. Maria Minna (Beaches—Woodbine): Mr. Speaker, while 59,000 of the 250,000 immigrants entering Canada settled in Ontario, Ontario received only 39 per cent of the federal immigration funding for settlement and language training.

Provincial cuts to school boards is forcing them to cut programs including second language training programs, leaving immigrant children without proper education.

Can the minister of immigration tell the House how he intends to deal with this very serious inequity in our system?

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I thank the hon. member for her question. We have made promises to work together with local and provincial governments and I am pleased to say this again is another promise we are keeping.

The minister responsible for immigration met this morning with the Ontario Minister of Citizenship and the Minister of Community and Social Services to discuss this issue. We are committed to enhanced co-operation and co-ordination between the two levels of government. We have to work together to use scarce resources more effectively.

We understand and share Ontario's concerns about settlement and immigration. We are certainly prepared to listen. This government has already introduced regulatory changes that will allow refugee claimants to work while awaiting the outcome of their claim, thus reducing the burden on social assistance.

The minister of immigration intends to review other provisions in co-operation with the provinces with a view to maximizing the benefits of immigration to our country while minimizing its costs.

GOVERNMENT EXPENDITURE

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the Minister of Finance.

The Liberal Red Book promised to balance increased spending for new programs with cuts to existing programs. To date, however, spending cuts through the elimination of the helicopter contract are much less than the announced spending increases in the following programs: \$2 billion for the infrastructure program; \$100 million for a residential rehabilitation assistance program; \$100 million for the Canadian youth services corps; \$5 million over four years toward the national literacy program and \$900 million in equalization payments. These programs represent a spending increase of more than \$3 billion yet the proposed cuts are far less than \$2 billion.

Would the minister tell this House where this extra money will come from?

An hon. member: Increase taxes.

Mr. Collenette: You should read the Red Book.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, the hon. member opposite lists the items in the Red Book with the same degree of pride that we on this side of the House and all Canadians do.

Suffice it to say that the statement we made, that the items listed will be paid for through reallocation of existing spending will be met and the member opposite will see that in my budget.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, a supplementary question.

Will the finance minister issue a guarantee to the millions of Canadian taxpayers who are concerned about their future RRSP investments that their contribution ceiling will not be lowered to pay for these programs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, that is a somewhat generous definition of a supplementary question.

As I have said many times before in this House, we are engaged in an unprecedented degree of consultation. We are really going to have a very unique day in the House tomorrow when members of Parliament for probably the first time will have the opportunity to engage in a pre-budget consultation.

(1450)

Mr. Dingwall: The first time in the Canadian Parliament.

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Mr. Martin (LaSalle—Émard): First time in the Canadian Parliament says someone who has been here since Confederation.

Some hon. members: Oh, oh.

Mr. Dingwall: That was a low blow.

Mr. Martin (LaSalle—Émard): Seeing is believing, Mr. Speaker.

Some hon. members: Oh, oh.

The Speaker: I am sure the hon. minister is coming to his answer.

Mr. Martin (LaSalle—Émard): I am sure, Mr. Speaker, that the hon. member would not want me to foreclose the debate but really wants to see the debate continue. Under those circumstances I am not going to make specific comments on specific issues.

I really want to hear what members opposite and the Canadian people have to say.

* * *

[Translation]

TAXATION

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, my question is for the Minister of Finance. Following his pre-budgetary consultations across Canada and after talking about broadening the tax base, the Minister of Finance identified certain measures that the government could take to increase its revenues. These included lowering the ceiling on RRSP contributions, eliminating the \$100,000 capital gains exemption, reducing the scope of old age pensions, taxing health care and dental care premiums paid by employers, in short, initiatives that affect the middle class which has been reeling since 1984 under the Canadian tax system.

Can the minister tell us clearly and frankly if he intends to follow through on all of these initiatives?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I will repeat what I said earlier. I am eagerly looking forward to tomorrow's debate and I really want to hear what members have to say. Of course, I am also anxious to hear the response of the Bloc Québécois finance critic. I do not intend to choose from among the suggestions put forward. Rather, I will wait for the debate. In due time, the member will see what is in the budget.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I have a supplementary question. Why has the minister not hinted publicly, as he has done with respect to all of the previous measures, at the elimination of the preferential tax treatment afforded large corporations and especially at the elimination of family trusts which, according to a weekend report by Claude Picher in *La Presse*, deprive the treasury of roughly \$350

million? Is the minister afraid to target the friends of the government?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Just wait for my budget!

The Speaker: Hon. members must always remember to address the Chair.

* * *

[English]

MEMBERS OF PARLIAMENT

Mr. Randy White (Fraser Valley West): Mr. Speaker, my question is for the Deputy Prime Minister.

Last Monday the hon. member for Broadview—Greenwood rose in the House to express his concern about Canadians being fed up with consultation and I presume that meant through consultants.

The government is currently paying a consultant to conduct a study into such issues as perks and pensions for senators and MPs both past and present.

Why did the Deputy Prime Minister, as reported in the *Montreal Gazette*, recommend that all MPs take part in yet another study at taxpayers' expense, especially in light of the fact that the government has already announced its position on perks and pensions.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the article in the *Montreal Gazette* was false. There were never any letters signed by me sent out to any members.

There is, however, a process being put in place through the President of the Treasury Board where in advance of a bill that is going to be tabled specifically dealing with members' pensions and the so-called perks of members of Parliament we are asking for the input of all members.

That survey actually went out under the signature of the Parliamentary Secretary to the President of the Treasury Board. He is asking for input from all members of Parliament so that we can take into consideration the concerns expressed every day in the House by members of Parliament and others.

Again it is a necessary part of getting our act together to make sure that we are being responsible to the Canadian taxpayers who pay our salaries.

Mr. Randy White (Fraser Valley West): Mr. Speaker, my supplementary question concerns the \$200,000 survey which was originally supposed to be \$150,000. It was prompted by the comment of the Minister of Finance who mentioned a narrow point of view earlier. Could the Deputy Prime Minister explain to the House how asking senators and MPs, both past and present, what they think of their own compensation is any different from asking the fox to guard the hen house?

Oral Questions

(1455)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I understand the concern of the hon. member about hearing the views of Canadians on this issue. That is why the Government of Canada has asked members of Parliament, who presumably represent the views of their constituents, if I understand the assessment of the Reform Party properly, to express their views. We are asking all members of Parliament to express their views.

Unfortunately every constituent cannot express his or her views by way of a questionnaire. But if any member of Parliament would like to copy that questionnaire and send it off to their constituents, please do so. We are looking for input. We do not think the Government of Canada should be criticized for looking for input on an issue which obviously every Canadian is very concerned about.

* * *

SMALL BUSINESS

Mr. David Iftody (Provencher): Mr. Speaker, my question is for the minister responsible for western economic development.

During the election campaign the Liberals made a commitment to assist small business, to increase availability of venture capital, and to promote regional co-operation between provinces and industry.

Given western Canada's trade profile, notably continued heavy reliance on natural resources and our leadership role in the Asian Pacific markets, what initiatives has the minister undertaken to fulfil the government's promises to assist small business in western Canada?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, in answer to the hon. member's question, it is very useful to set out the initiatives already taken. We have shifted the funding formula to targets, specifically small business in western Canada, and have used a part of the portfolio to begin working directly with industry based groups so that we can help them develop export markets.

To give one example, on Friday I met with all the provincial ministers of western economic development where we discussed how we can work together and collaborate on joint programs. We announced at that time a joint program to aid the agri-food processing industry of western Canada to develop its export markets in the United States.

That is a clear example of working with industry, working with a province, getting good value for our money and creating jobs for westerners.

*[Translation]***POSTAL SERVICE**

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, my question is for the Minister of Public Works and Government Services, who imposed a moratorium on post office closings by Canada Post. This decision is partly due to the memorable fight by Saint-Clément residents to receive adequate postal service. Could the Minister tell us how long this moratorium will last?

[English]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I thank the hon. member for his question.

He knows that in November I placed a moratorium on post office closings and not one post office across this country has been closed since.

I want to tell the hon. member that we are reviewing the situation. Discussions are taking place. I hope to be in a position within a matter of weeks to come back to the House and share an affirmative decision with members present.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, I recognize that no post offices have closed, but I think we should also admit that this comes as a result of the residents' fight.

Is the Minister going to meet with rural residents to consider solutions that are less costly but different from those favoured by Canada Post and that will satisfy rural residents in the end?

[English]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I believe the hon. member is being sincere in his representations, but I wish to inform him that members on this side of the House, particularly those who represent rural ridings, have been working diligently with me, as the minister responsible, to ensure that rural post offices do not close and that we find other ways to enhance their viability in the different communities across the country.

* * *

LABOUR DISPUTES

Mr. Jake E. Hoepfner (Lisgar—Marquette): Mr. Speaker, my question is for the Minister of Agriculture.

Last week, as a result of labour disputes, approximately 3,500 west coast longshoremen began a series of walkouts that are

already seriously affecting western grain farmers and costing them millions of dollars every day.

(1500)

Could the minister please tell the House what action his government is taking to ensure that the current strike and lock-out in B.C. will not continue to adversely affect prairie grain farmers who already face an uncertain future?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, because the matter of the labour strike comes under my responsibilities I would be more than happy, if less adequate than my colleague, the Minister of Agriculture, to answer the member's question.

What is happening right now is the basis of a long and drawn out negotiation that we have been watching. We have provided conciliation officers in the past. The parties as they reported this weekend are not that far apart and could settle their differences very quickly if they went back to the table.

While we recognize the gravity of the situation, there is a collective bargaining process we believe is important to honour. However, the government will stand by and monitor carefully. If the parties want mediation services we will be more than happy to provide them. We really believe that in this case labour and management can come to an agreement through honest collective bargaining.

Mr. Jake E. Hooppner (Lisgar—Marquette): Mr. Speaker, I remind the hon. minister this is the type of rhetoric that we, as grain farmers, heard all through the seventies and the eighties.

I would like to know from the minister, if alternated shipping points are not sufficient to move Canadian grain, would he seriously consider declaring grain handling an essential service and force a binding arbitration and dispute settling mechanism?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I find that question exceedingly strange from a spokesperson for a party which claims its great fealty and belief in the private sector system is so opposed to collective bargaining which is a free decision between business and labour to arrive at a proper settlement. That party should get its act straight and its position straight before it starts asking these kinds of questions.

What we are saying is that we are looking at the situation very carefully. The federal government is very concerned. However we do believe, because the parties are so close to negotiation, that if they do bargain in good faith there could be an agreement and the grain could flow.

Routine Proceedings

COURT CHALLENGES PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a question for my neighbour, the Minister for Canadian Heritage.

In the speech from the throne the government promised to restore the court challenges program. I would like to ask the minister when this restoration will take place. Will this re-established program cover challenges to legislation which restrict or rescind language rights?

As the minister knows, language rights are essential to many English and French-speaking Canadians and individuals should not be prevented from protecting those rights in court due to a lack of funds.

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am committed to having the new program up and running early in the new fiscal year. Indeed, the two official languages of Canada will be covered.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of the Hon. Nancy Guptill, MLA, Speaker of the Legislative Assembly of Prince Edward Island.

Some hon. members: Hear, hear.

ROUTINE PROCEEDINGS

[English]

WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of a ways and means motion to amend the Income Tax Act, and I ask that an order of the day be designated for consideration of that motion.

* * *

(1505)

CUSTOMS TARIFF

Hon. Douglas Peters (for the Minister of Finance) moved for leave to introduce Bill C-5, an act to amend the Customs Tariff.

He said: Mr. Speaker, we would wish that the act to amend the Customs Tariff be considered.

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

*Government Orders***POSTAL SERVICES REVIEW ACT**

Mr. Don Boudria (Glengarry—Prescott—Russell) moved for leave to introduce Bill C-203, an act to provide for the review of postal rates and services and to amend certain acts in consequence thereof.

He said: Mr. Speaker, the purpose of this bill is to ensure that the public plays a role in the establishment of postal rates and the provision of postal services in Canada. It would establish a postal services review board which could then review proposed postal increases and if necessary order them cancelled if it was not in the public interest.

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

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PETITIONS**SERIAL KILLER CARDS**

Mr. Julian Reed (Halton—Peel): Mr. Speaker, I beg to present a petition signed by 539 citizens of the great riding of Halton—Peel asking the government to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards and to advise producers of killer cards that their products if destined for Canada will be seized and destroyed.

Mr. Boudria: Mr. Speaker, on a point of order. I had intended to present a report from an interparliamentary delegation today. Perhaps that particular proceeding was already called by the Speaker and I missed it, shall we say because of numerous conversations.

May we revert to that with unanimous consent?

Some hon. members: Agreed.

* * *

(1510)

[Translation]

INTERPARLIAMENTARY DELEGATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present to the House, in both official languages, a report from the Canadian section of the International Assembly of French-Speaking Parliamentarians concerning the nineteenth general assembly of this organization, held in Libreville, Gabon, from June 24 to July 3, 1993.

[English]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

SOCIAL SECURITY SYSTEM

The House resumed consideration of the motion.

Mrs. Diane Ablonczy (Calgary North): Madam Speaker, on the motion before us to set up a committee to examine the social security programs for this country, first of all I would like to commend the prospect that has been raised by this government through the Minister of Human Resources Development of a broad consultation on this issue which is very much close to the hearts and important to all Canadians.

I would also like to commend the prospect of considering Canadians' concerns and priorities. This is appropriate because Canadians pay the shot for these programs. It is also their lives and their futures which are being affected by any changes that might be made.

I would also like to commend the timetable that moves ahead briskly dealing with this issue of changes to social programs. It also shows real promise of input and responsibility for this initiative being given not to government bureaucracies and departments but with the elected representatives of the people where it belongs.

There are a couple of improvements I would like to recommend to the proposed mandate of the committee. First of all I believe we should define the terms in the mandate, particularly the terms modernization and restructuring. It seems to me that these words can be taken in quite a number of ways, depending on a person's philosophy or particular perspective on these issues. I believe that the government ought to define for the committee what exactly is meant by modernization of our social security programs and what is meant by restructuring.

Also I noted that the mandate made particular reference to the needs of families with children, youth and working age adults, but it omits seniors and Canadians in their retirement years. This is a very large and constantly growing segment of our society. I believe that the omission of this segment of society from the mandate of the committee is not wise.

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It is still to be demonstrated also whether this broad consultation and the effort by members of this House through the committee will have any real meaningful or substantial impact on the final direction of the government.

Will it be like the public consultations on the Constitution which were held in 1992 which ignored the clearly expressed majority view of Canadians across the country? Will it be like the current pre-budget consultations where it appears to some Canadians at least that this government magnifies a few minority view comments into proof of support for a direction the government intends to go anyway while dismissing clear majority consensus?

(1515)

If the current broad consultation and open debate turn out to be so much more empty window dressing, paid for once again by hard earned tax dollars and taking away time that could be spent actually achieving something, it will merely add to the cynicism and contempt Canadians already feel for government and the political process. I urge the minister and the government not to let that happen.

I commend the government for raising the hope of a more genuinely democratic process. I urge it to ensure that there is change, not just in the form but also in the substance of what is actually allowed to be achieved through the process.

This morning the minister set out his underlying philosophy on what we are trying to achieve by giving the mandate to the committee to change our social security systems. He said that jobs were the issue. He then went on to list existing systems that must be overhauled in order to "restore employment as a central focus of government policy".

I suggest one thing the committee also ought to do is examine the assumption that the purpose of the social security system is now to focus toward employment. Going one step further, it should even examine the assumption that we should look to government to guarantee that all Canadians have jobs.

Government assistance to ensure that Canada has trained workers and to provide for labour force training and adjustment would probably be supported by most Canadians. However that is something far different from rejigging the whole social security system toward job creation.

First, substantial numbers of Canadians think there would be a lot more jobs if government would just stop spending our money, mortgaging our future and creating a bureaucratic solution for every perceived need and demand. This viewpoint is large enough so that it ought to be represented and considered.

Second, many Canadians view our social security system as a way for us collectively to care for the old, the young, the sick and the poor among us. It is going to be quite a shock and surprise to discover that the focus of social security may be shifted to something quite different.

Canadians can see that our social programs are being eroded and that changes must be made if we want to be able to count on having a social safety net even a few years from now. To shift the focus from making programs sustainable and available to the truly needy, to using them primarily as a means to attempt to create jobs, has far reaching implications that require a clear public mandate, not just an assumed one. For these reasons, the new philosophy being now introduced by the government ought in my view to be examined by the committee, especially whether it carries the judgment of Canadians.

I hope these comments will be of help in providing the best possible mandate to the committee on behalf of the country and its work on behalf of all Canadians.

[Translation]

M. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I would like to follow up on the speech by the member for Calgary—North with a comment. Ultimately, I do not agree with her idea that the timetable planned by the minister is relevant.

It seems to me that there is a sense of urgency in that whole issue of job creation and, also, in the insecurity that the people are feeling towards those changes. We need to get clearer and more rapid explanations instead of talking of years of reform, because, in the end, governments are elected to govern and not to conduct studies.

On that, I would like to give a certain number—

(1520)

The Acting Speaker (Mrs. Maheu): Order, please. I wish to remind the hon. member that comments are to be made on the last speech and not on speeches made by ministers earlier.

Mr. Crête: Madam Speaker, I was just saying that I disagree with the hon. member who spoke last, because she said she supported the position taken by the minister about the timetable. I was saying that I do not approve of her supporting that stance.

What I might also add, since I feel it is important, is that the social program initiatives which will be taken should include a regional view of the workings of these programs. I have experienced first hand the effects of overlapping in the area of manpower—and this is particularly true in the regions where we have witnessed a proliferation of organisations like Community Futures Committees, Business Development Centres and other provincial and even municipal organisations—and I do believe

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that we should consider that manpower comes under the provincial jurisdiction, at least in Quebec. The same with social services, because it is important to recognize what the government of Quebec has done in this area.

I realized during the election campaign that it was more than a simple question of money, it was a question of being treated like human beings rather than social insurance numbers. In that sense, it will be important in this debate to go beyond the simple economics and into respect for people concerned.

[English]

Mrs. Ablonczy: Madam Speaker, I appreciate the comments of my hon. colleague. As far as the timetable is concerned the preliminary report of the committee is to be brought down in eight weeks. I think that is lightning speed, for Parliament particularly. The final report is to be brought down just after the House resumes sitting in September.

That is not really a lot of working weeks particularly, as the hon. member points out, in that we must have a good overall vision. Co-ordinating that good overall vision, bringing some consensus and examining the issues carefully, particularly when a very new direction is being sought, seem to me in the weeks allotted to be very reasonable and quite a brisk pace.

I would stand by my assessment of the timetable, but I agree with my hon. colleague that we need to ensure we have the overall vision when we come forward with a very important restructuring program.

[Translation]

Mr. Mark Assad (Gatineau—La Lièvre): Madam Speaker, I listened carefully to the hon. member. She mentioned what the government is spending. It is all true, but you have to remember that one of the big problems, one of the serious deficiencies of the system, is that the deficit does not really come from overspending by the government, since revenue is greater than commitments, if we set the deficit aside for a moment. The problem is that those who are very well off do not pay their fair share. I would like her party, the Reform Party, to recognize the fact that one of our biggest problems is that wealthy people and multinational companies do not pay their share. Social problems have no impact on the deficit.

[English]

Mrs. Ablonczy: Madam Speaker, I very strongly subscribe to the philosophy that we cannot strengthen the weak by weakening the strong.

There are people in the country who have worked extremely hard and long to build security, assets and a life for themselves. If they are now to be penalized by taking away their ability to

bring economic activity and jobs to the country and by saying that somehow what they have done is unfair to others, the government will be in very big trouble and will that cause a lot more problems than we anticipate.

(1525)

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Madam Speaker, today I am going to direct my comments to the matter of Canada's cultural identity from the perspective of my constituents in Okanagan—Similkameen—Merritt and all Canadians who are looking for fiscal responsibility.

The arts is an area in which my family has been involved. For many years my mother operated an academy of dance in Alberta. My sister is still involved in that industry. My brother has been an actor on stage and in film in Canada and is now a producer in the Toronto area. My own background in commercial radio and the cable television industry has given me the perspective I would like to share with hon. members of the House.

I congratulate the government for talking about our cultural heritage in the throne speech, although the two sentences were very vague and lacking any detail. It certainly left me feeling as though the government may feel it appropriate to spend more tax dollars in this area. This would not be something to which I or the average Canadian who realizes the fiscal dilemma we face would agree.

First we must ask: What exactly do we mean by Canadian culture? I submit that where we live in Canada, our ethnic background and even the size of our bank account would have an impact on the answer. As Canadians we embrace individuality and freedom, caring and concern for other people. We embrace healthy competition as shown in the love of our sports. We appreciate our country's abundant natural beauty and as a people we have generously supported the arts. Therefore I ask again: What is Canadian culture?

The answer is that culture is what Canadians consume, what we as a people in a free society choose on our own to read, watch and listen to. These things are consumed. Whether art, literature, music or theatre, they will not and should not survive if they do not appeal to the Canadian consumer. No matter how much money is given in the form of government subsidies, it will not encourage the consumer to enjoy the product any more.

Our culture is as varied as the immense geography of our land. It defies attempts to reduce it to a common denominator. The things that are important in Port aux Basques, Newfoundland, are not necessarily the same things that are important to us in Summerland, British Columbia. Prairie communities have their own cultural values. The people of Quebec and the people of the First Nations have their own vibrant cultures and traditions, as do members of every ethnic community in our country.

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Canada's culture is not about some standard imposed on us by the culture bureaucrats. Too often in recent times someone else's idea of what is Canadian culture has been shoved down the throats of Canadians.

It is in vogue in certain cultural circles to disdain producing art for public consumption. They call it commercialization. All art, however, is commercialized and destined for consumption. Giving government subsidies to artists without equal consideration to marketing and distribution of the product is giving money away to talented people to show their works to their closest friends. If Shakespeare were alive today his name would probably be Steven Spielberg.

Canadians can be proud of the great achievements of many members of our arts community. These achievements stand out in the global community, not just on some national stage. The achievements of Alex Colville, or for that matter of Bryan Adams, stand out in a global context.

These are achievements of individuals, not of national cultural institutions or organizations. These individuals would stand out in any culture, in any society. What made them great was the fact that what they produce is what many people want to see and hear, and will pay for.

The Canadian taxpayer has generously funded the arts community for many years now. We have created institutions and a cultural bureaucracy that have a seemingly insatiable appetite for funding. In today's climate of mounting debts and out of control spending, we can no longer continue this. Every expenditure must meet the test of necessity. We have to set priorities.

In this context we have the sacred cows of the cultural bureaucracy, and expensive cows they are too. We have the Canadian Broadcasting Corporation. In 1992 it gobbled up a subsidy of \$1 billion and still turned a loss of \$108 million. One of the mayors in my constituency after losing a battle for funding to clean up a lake pointed out that the CBC received more money than all the federal funding for environmental programs. This is just one crown corporation.

(1530)

We must prioritize our spending.

Then we have the Canada Council. This institution spent some \$108 million last year. Over \$23 million went to administration. The projects supported by the council have also been the focus of much discussion as to their actual worth. The National Citizens Coalition of Canada says: "Actors, writers and poets all receive huge amounts of tax dollars to produce works that in most cases few want to read or hear". Unfortunately hon. members in this place will never know the effectiveness of the council because it does not have to account to Parliament.

The Auditor General has asked to examine the accounts of the Canada Council but under the exemption from part X of the Financial Administration Act the council does not have to submit to his scrutiny. That means that hon. members have no opportunity to evaluate this organization or the seven other crown corporations that are also exempt. This not only includes the CBC and Canada Council, but among others the Canada Film Development Corporation and the National Arts Centre Corporation.

We also have the National Film Board with a budget of \$82 million. Can we justify this kind of spending when we have a thriving film industry? How many films does the National Film Board produce that Canadians will pay to see?

We must ask ourselves in these times of huge deficits and burgeoning debt if this cultural bureaucracy can be tolerated. Can a country with a debt of half a trillion dollars afford to continue to pour money into the institutions that have little or no benefit for the average Canadian?

I would also suggest that we concentrate on encouraging excellence in the arts, encouraging those Canadians who actually want to be listened to or seen on the global stage. We should be encouraging and assisting our best talents to reach the world stage.

Although it received no mention in the throne speech, I applaud the Liberal government's commitment expressed in the Red Book to take measures to enable producers of Canadian cultural products to export their work to international markets.

Sixty years ago people in remote areas had little access to the outside world. First radio and then television changed all that. Technology expanded the role of culture in Canada. With cablevision came community access channels which allowed local groups to reach a much wider audience. Satellite and cable technologies have allowed Canadians to watch the deliberations in this chamber via the CPAC network and they have taken us to the very scenes of world events as they unfold. Few will forget the drama and intensity witnessed at Oka or during the gulf war.

In the near future as access to hundreds of channels approaches and as individuals are empowered to decide for themselves what they wish to watch through the power of interactive technology, we will see a global culture emerge. The opportunities for our best artists and our best writers will grow but only if we have encouraged excellence.

The best assistance government can render our cultural community is to ensure that all Canadians do not face a future of national bankruptcy.

In conclusion, I applaud the government's attention to culture although I doubt we will find much common ground when it comes to spending taxpayers' money. We must critically examine every aspect of spending in this country if we are to avoid

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the future of bankruptcy. Social and cultural policies cannot be exempt from this.

While spending in this country is clearly out of control, it seems to me an obvious thing that representatives of the people must have the ability to examine for themselves whether our constituents' taxes have been used wisely.

I do believe we can agree on this much. At the very least the Auditor General should be allowed to examine those corporations exempt from part X of the Financial Administration Act as part of his review of government programs and that he be asked to provide an interim report to this House as soon as possible.

(1535)

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, I have to say to the member opposite that I was a little disturbed by his remarks. I come from downtown Toronto where the largest employers are those directly or indirectly related to the motion picture industry. Many of these young men and women got their beginning in places like the National Film Board and the CBC. The programs and the apprenticeship training in these great national institutions that helped these young men and women to develop the world class skills which currently allow them to make movies.

In my riding there are close to one million square feet of motion picture studio space. Right now, 5,800 people are employed with good paying, quality jobs. They make films for Disney and companies from Germany and all over the world.

Quite often people are obsessed with looking into government institutions like the CBC and the Canada Council. They are so obsessed with deficit cutting they do not realize that these are incubators for great human development and ultimately serve the whole nation and allow for a variety of export potential.

I share the concern of the hon. member about waste and making sure that we are getting a good bang for the taxpayer's buck. All too often the contribution of Canada's cultural industry to the whole macroeconomic equation is viewed in a deprecating way.

We have to be diligent. We must keep our heads up and make sure that we never desert the cultural industry in this country because it represents a good part of our soul.

Mr. Hart: Madam Speaker, I would like to reiterate to the hon. member that I come from a background in the arts community. My family spent many, many years striving for excellence in the arts. We did so by other means and with no subsidies from the government.

I point out that it is not my contention that we simply abandon all the cultural programs. The thrust of my message is that we must be accountable. Those corporations must be accountable to the Canadian taxpayer. Right now the way it stands there are

eight crown corporations which are exempt from the scrutiny of the Auditor General. This is unacceptable to the Canadian people from coast to coast. It does not matter where you are, if you are involved in the arts or not, this is something that is wrong. It has to be changed and we have to address it immediately.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Madam Speaker, this morning the Minister for Human Resources Development launched us on a challenge and a journey that must succeed. It must succeed not only because the Liberal government was elected with an overwhelming message of hope and jobs, but most particularly because over the last decade we have seen a generation of young Canadians who are losing hope in the capacity of our country to survive and to provide them with the kinds of opportunities that were available to those of us who emerged in the 1960s and 1970s.

I was very pleased to be joined in this Parliament by a tremendous number from the generation of the so-called baby boomers and even some who are younger than the baby boomers.

I remember that as a child growing up I came from a family where neither my mother nor my father had a university education. My mother quit school at age 15 to go to work and support other members of her family. Every single one of their children had the opportunity for a college or a university education and to better themselves.

If there is a driving motivation that leads certainly Liberals to Parliament it is to create a climate whereby our children can at least meet or exceed the same level of life we have had.

[*Translation*]

Earlier there was a reference to our expectations and needs with respect to immigration. All those men and women who decided to come to Canada made that decision because they felt there was a place where they would be able to do better than their parents did, and that place was Canada.

(1540)

[*English*]

The great challenge the minister of human resources faces is getting Canadians to believe in themselves and in their capacity to be the greatest country in the world. That requires innovation. That requires a capacity to stare change in the face without blinking.

[*Translation*]

This means all members of all political parties must be able to accept and welcome change, because the social programs that formed the basis of our society in the sixties no longer work. The members of the Bloc Québécois know this. The members of the Liberal Party know that today, the training programs that are

supposed to give our young people a chance no longer work. We can say it is a bureaucratic problem and that it is up to the bureaucrats in Quebec and Ottawa to improve the way programs are managed. But that is not the answer. The real answer is to give people the tools they need to strike out in new directions.

[*English*]

We are entering into the year of the family. In 1994 the United Nations definition of the family has changed very much from the kind of family I grew up in, where my mother immediately upon getting married was required by the Steel Company of Canada to quit her job because in those days you could not be a secretary at Stelco and at the same time be a married woman. They were incompatible.

Times have changed, thank God, Madam Speaker. We are seeing women who are able both to compete in the workforce and indeed to carry more than their share in the home in a way that we have never seen before. We are seeing blended families. Indeed we are seeing single parents, particularly women, in numbers greater than ever before and who in fact are emerging as one of the under classes of society.

One question we have to ask ourselves is what kind of family do we want to support in terms of public policies. More families have both parents working outside the home. Indeed the proportion of working women has doubled in the last three decades.

The family, the workplace and society have and continue to change. There are same sex partners. The world is a changing and evolving place and it is our responsibility, as the Parliament of Canada, to be on the cutting edge of change, not to merely be the tail wagging the dog.

When we look at families we have to understand that the first transition we make is that from infancy to school. Those are crucial formative years. During this stage a child's capacity to succeed or fail in the future is very much underlined and dependent upon the support that he or she receives from family and from the greater society.

We need an integrated approach and I believe that is the approach launched this morning by the minister for human resources. We need economic growth obviously to provide hope. We need economic growth in the short term so that we can address the very crucial issue of child care.

As you know the Liberal Party made a commitment to child care that was dependent on economic growth. That is because we recognize the limitations in the pocketbooks of government and in particular, the pocketbooks of taxpayers.

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We want and need to have economic growth to increase substantially the kind of support we can provide to give young children from the ages of zero to five the kind of leg up they need to be able to take their fair place in society.

[*Translation*]

Twenty years ago, Piaget realized that the most important years in a child's life were between the ages of 0 and 5. People who today have no respect for the law and believe that guns are the answer to all our problems are people who did not have the right kind of nurturing when they were young, and that is very important.

(1545)

[*English*]

How can people who are living in poverty get out of it if they do not have access to legitimate available community supports?

The second transition outlined by the minister is the one that young Canadians make from school into the work force. This is a real priority for the government. The capacity of our young people to succeed and even to be welcomed into the real world is vital not only for individual self-esteem but also for the collective well-being and prosperity of our country.

When a 17, 18 or 19-year old young person or even a 21 or 22-year old has done all the things we have said such as get an education and then finds that the job market cannot be cracked, what kind of signal are we sending?

The third transition and one that is most critical in industrial ridings like my riding of Hamilton East, is the transition that workers are making as they move from an industrial to a post industrial economy. Job security, benefits and liveable wages are no longer a given.

That ties into the final transition and the one which will occupy a tremendous amount of the attention of this government. That is the move from the work force to retirement. Canadians are living longer. We have to be able to think about how we can most rapidly help an aging population.

[*Translation*]

It is very troubling to realize that while we are talking about the circumstances of our children, who are the future of this country, there are more than one million families living in poverty in Canada and more than one million young people under 18 who are living in poverty. Children may become the poorest group in Canada. The repercussions of poverty extend into our classrooms, where in some cases 40 per cent of school children do not get proper nutrition and care.

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In some instances 40 per cent of children are going to Canadian schools hungry.

[Translation]

Common sense tells us that children who are hungry cannot learn. They cannot pay attention on an empty stomach. We know that poverty among young people and children is caused by the increasing number of low-income families who are unable to break the poverty cycle. These families have little incentive and few opportunities to make a change in their situation. Social programs like unemployment insurance and welfare are supposed to help them break out of the poverty cycle and recover their self-respect, their independence and especially their dignity.

Our social security system must change, both in the way it deals with families caught in the poverty cycle and with children who are disadvantaged from an early age. The transition from school to the job world is one of the most important steps in our lives.

I am sure that everyone here remembers the experience: the hesitation mixed with apprehension. We may have felt the same way when we made the decision to get into politics, because we have a number of questions that have not been answered: will we achieve full employment? Will it work? Will we have the co-operation and resources we need?

In some parts of Canada, up to one out of three students will drop out of high school. Employers tell us they need workers who know how to read, write, do mathematics and learn new skills. At a time when well-paying jobs require more and more skills, one-quarter of Canadians cannot read a newspaper, a book or a restaurant menu.

In 1992, the Economic Council of Canada warned us that if this problem were allowed to persist, the next decade would add another million illiterate young people to the labour force.

(1550)

[English]

I just said that according to a 1992 study done by the Economic Council of Canada, if the trends continue where we have one-quarter of young people leaving school without being able to read and write, we will be adding one million young people to the unemployment rolls who can neither read nor write nor add up the cost of items on the menu in a restaurant.

[Translation]

These young people are at the greatest disadvantage on the labour market. They realize they need to improve their skills, but sometimes they have no idea where to go for help.

[English]

That is why we cannot fail in our mission to restructure social security, unemployment insurance, the whole social fabric, to give those young people a chance to get out there and to be the best they can be. Improved literacy and dropout prevention programs are part and parcel of the kinds of labour market programs that our new social security system must provide in concert with the provinces.

[Translation]

Including Quebec because that province is also looking for ways to improve the lot of its young people. We want to give them a second chance, not write them off by putting them on welfare, on B.S. as they call it in Quebec, and everyone knows what people think of B.S. By the way, the acronym B.S. does not stand for the same thing in French and in English. Those young people on welfare want concrete solutions to their problem.

[English]

Too many young people are falling into a black hole between high school and the workplace. The training opportunities we are identifying must emerge and we must expand into occupations where there will be good paying jobs at the end of the road. Environmental technologies, the information age and the electronic highway are opening up all kinds of avenues in a country that is as geographically and demographically diverse as Canada.

Our guiding principle must be to remember that young people have the potential to learn, to improve and to succeed. We cannot afford to write them off like some sort of debt and deficit liability. That is why the minister of human resources said today that our concern is the deficit but our concern is also the human deficit that is creating a generation of young people who have lost confidence in the capacity of society to give them the kinds of chances that I had.

When I graduated from university I applied to four newspapers for a job, two in Ottawa and two in Montreal, and I was hired by one of them. A young journalism graduate now coming out of university could send out 60, 100 or 200 job applications and would more than likely come up dry. That certainly has a real impact on self-esteem and the capacity to believe in yourself and your country.

Let us seize the opportunity to turn the situation around and build a generation of hope, a generation of talented young people who envision chances for a better life or even a life as good as that which many of our generation have enjoyed. Education and training touch the lives of every worker. The work force as we know it is changing: contract work, part-time work, at home work. They are all potential fixtures in the new

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and emerging economy. Restructuring, downsizing, streamlining, whatever the buzz word, they all mean the same thing: lay-offs.

The economy is shifting. It is forcing more and more Canadians to face the prospect of frequent job loss, retraining and job hunting. Our social programs have not kept up with the workplace realities of the new economy.

To put it in context, I remember during the election campaign I knocked on the door of a gentleman who lived on Nash Road in my riding. He had worked for 23 years. His daughter was in university. He was hoping to meet the dream of getting her into a university that he never could have gone to and he was on his last week of unemployment insurance. He was on the verge of going to apply for welfare. This was a person who wanted to work but after knocking on door after door, they were closed to him.

(1555)

The challenge is to get to these people and the doors that they need opened. We must help the displaced workers in manufacturing which I certainly know very well in my own riding. The fisheries and resource industries face a real tough reintegration into the work force.

We are talking about workers who have contributed to our country and communities year in and year out. They are hard working people. They need our help to get them back on their feet. They do not want a permanent welfare cheque. What they want is a trampoline. They want a system that supports their efforts to try and face the challenges of a new economy. We must enable older workers to learn new skills and adapt to changes in the workplace.

[Translation]

We are all aware of the changes our society is going through. More and more children will have to take care of their parents. The Canadian population is getting older. We must together find a way for the aged to keep their independence and their dignity.

These transitions form our collective experience, shared by each and every Canadian.

[English]

I can speak to the situation in my own community where a citizen action group has been offering pilot programs to help workers over the age of 50 get back on their feet and into the job market. They are using a very creative pilot project where they top off welfare benefits and integrate people into working offices. That program has been working. What the Minister of Human Resources Development is asking Canadians to do is to get our collective heads together and find solutions that work in our communities.

[Translation]

It does not mean that everything will be managed at the federal level. On the contrary, the experience of the last decade shows that solutions will have to come from communities. Whether manpower programs are changed in Quebec or in Ottawa, what is important is that people from Chicoutimi, Rimouski, Hamilton and Shawinigan have the opportunity to get directly involved in training. That is exactly what is proposed in the minister's plan.

[English]

I know that my community is already working to make sure that the minister's model for new employment works at the local and community level. We want to hear from Canadians.

[Translation]

We must also try to implement an integrated approach to social reform. Naturally, we need the provinces in order to face that enormous challenge. We cannot and we must not act unilaterally in an area affecting the lives of everyone.

[English]

We need and want provincial support. The Prime Minister and the Minister of Human Resources Development have had very positive signals from the provinces that they too see the need for real reform.

[Translation]

The task is enormous and urgent. The government is determined to see it through, but we know it will be impossible without the support of each and every Canadian.

[English]

That is why we want to hear from members on this issue. This is a monumental task. It is a real challenge. It is one we must succeed in, not so much for ourselves because obviously with the backgrounds we have and the support we have received, we have been able to benefit from living in a great country. But there are literally thousands of other Canadians who are asking us when will they benefit?

This package and this initiative by the minister will set in motion the opening of doors for those Canadians who are looking for their chance into the 21st century.

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, let me thank the minister for her statements and her emphasis on job creation and developing hope, especially for Canada's young.

Let me stress as she did the importance of job creation in our economy and let me ask her a question which flows primarily from the difference between words and action.

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(1600)

If we look at the research, we will now see that while an active social program policy is important in terms of training Canadians to be better equipped to take on the jobs that might be there, we also know that this active social program approach will in the main create just more skilled unemployed people, unless we do something on the job creation side. Nothing that we do on the social program side will do anything to create jobs for those people.

The minister will remember in the Red Book these words: "The Conservatives' single-minded fight against inflation resulted in a deep recession, three years without growth, declining incomes, sky-rocketing unemployment, a crisis in international payments and the highest combined set of government deficits in our history." The minister, along with others in the government, has said, "Judge us by our red book".

The minister will know that her government has appointed to the Bank of Canada a John Crow think-alike, Gordon Thiessen. This particular comment that I read was targeted for Mr. Crow. I think the statement in the Red Book is right. Appointing Mr. Thiessen, I think the minister will agree, will make it almost impossible to create jobs on anything like the scale needed to get those 3 million or 4 million Canadians back to work.

I wonder if the minister would like to comment on whether the Red Book was right or appointing Mr. Thiessen was right.

Ms. Copps: Madam Speaker, first of all I want to thank the hon. member for his question. In the last Parliament his party and my party were involved in many vigorous debates. I am happy to see that the Canadian people sent us to government in large numbers, but I know that he has certainly a record of being a social conscience on these issues and I hope he will continue to be that conscience.

That being said, I think the decision of the Government of Canada to accept the resignation of John Crow is one that I thought the member actually would be applauding. I am a little bit surprised that he somehow is taking it from stage one to stage two. I do think also, in all seriousness, that the approach of the Government of Canada has to be to inject some hope in the economy first and foremost.

Mr. Thiessen or Mr. Crow, single-handed, are not going to solve the problems of Canadians. I think we need job creation strategies. That is why the first thing we did was in fact to implement the \$6 billion infrastructure program.

There is another area where his colleagues from Saskatchewan may be able to help us. I have been working very closely with the Minister of Industry on the whole issue of environmental technologies. We are hoping at the same time to ensure that interprovincial barriers to job and economic growth are wiped out. I know his colleague, the Premier of Saskatchewan, is

going to want to hear his views on how important it is to ensure that we have a growing economy that basically breaks down provincial barriers.

[*Translation*]

Mr. Yves Rocheleau (Trois-Rivières): Madam Speaker, I would like to congratulate the Deputy Prime Minister for her speech. She drew a very interesting and penetrating, albeit alarming, picture of the social situation prevailing in Canada at the present time. However, I am concerned by the fact that when it comes to solutions, she is less than forthcoming, to say the least.

As far as I am concerned, I see three different options and I would like to know what she thinks of them. First, you cut social programs, as some recommend, that is to say that you go after those who are already in a weakened position.

Second, you increase taxes, affecting the middle class who, as we know, is already heavily burdened. Finally, you can, as the member for Davenport suggested with a lot of courage, lucidity and insight, go after the rich who, in Canada as in the rest of the world, are hardly affected by incentives to fill the public purse. It takes a lot of courage for a government to tackle this segment of our society. First of all I would like to know where the Deputy Prime Minister stands on this issue.

(1605)

Then, I would like to know where she stands, in reference to the remarks made by the member for Davenport, regarding the two main avenues offered to us concerning public expenditures and revenues. In other words, is the government spending too much or is it short of revenues? We know that in the last three years, it has shown that both spending and revenues have been decreasing.

Finally, I would like to know what she thinks of an opinion held by some analysts to the effect that the hidden agenda of this gigantic exercise of co-operation, upgrading and restructuring we have been invited to participate in, is to suppress the middle class in the Western world so that there only remain a few rich and powerful people and a lot of poor ones, just as in the under-developed countries. Is it not what we can expect in Canada and, consequently, in Quebec?

Ms. Copps: Obviously if we continue to do with the tax system what our predecessors did, we will have a society with some very rich people and some very poor people and no middle class. That is why I think it is very important for the initiative launched by my colleague to succeed. This issue does not concern only government taxation. You know very well that if we cut the Canadian government's budget by 6 per cent tomorrow, we would not be able to meet our commitments on spending, transfer payments and so on. I think that the Bloc

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Quebecois is very aware of the need to give the provinces some assurance about their revenue situation.

We recognize that cutting government spending will not solve the problem, nor will broadening the tax base. What will create confidence is training to prepare our young people for the job market. When they work, they will pay taxes and the economy will grow. I think that is where we differ, and I will take the beautiful riding of Bellechasse as an example. We can admire the lovely geese of Montmagny, which suggests very specific solutions in terms of expanding tourism. The solutions would not necessarily be the same for the riding of Lévis, which depends heavily on the Seaway.

The important thing in the process is not only the sharing of responsibilities between the federal and provincial governments but also going directly to the people and asking them, "Do you have solutions to offer that work?" It goes from the grass roots right up to Parliament. Sometimes we are too caught up in issues of federal versus provincial jurisdiction; there are too many bureaucratic battles. The important thing is to have jobs and training to meet employment needs in all regions. That is what the Minister of Human Resources Development is looking for.

[*English*]

Mr. Jean H. Leroux (Shefford): Madam Speaker, I would like to congratulate the Deputy Prime Minister for her comments.

[*Translation*]

There is something that is getting on my nerves and I would like to tell the hon. member about it. Some people say that the federal government wants to interfere in areas under provincial jurisdiction. If you look back on Canadian history, you can easily, very easily see that the federal government has constantly impinged on provincial jurisdiction, and I think it is because—

Ms. Copps: Madam Speaker, we should not be interfering in provincial jurisdictions. But then, when I read in the papers, for example, about toxic chemicals being found in the St. Lawrence, I wonder where they come from? They come from the Great Lakes, in Ontario, from my region. Every action induces a reaction. When the famous British North America Act was drawn up, nobody was concerned about the environment. What has to be done now, what is expected of us, is to stop arguing about who is responsible for what, and to fulfil the mandate we were given by the people, that is to take care of training and job creation. I think and we all think that the local authorities are in the best position to do this. Of course, they need support and harmonization at the federal-provincial level.

(1610)

Mrs. Francine Lalonde (Mercier): Madam Speaker, I would like to start by thanking the hon. Minister of Human Resources Development for his kind remarks. Unfortunately, that is about as far as it goes. Since the very beginning of the session, the minister has shown no sensitivity to the specificity of Quebec as a nation, a distinct nation, one that has been hit particularly hard by federal policies. Quebec's backward economy and poverty cannot be measured against the economic conditions and poverty found across Canada, as the hon. minister did in his speech. To insist on doing so would be an insult to history, and even more so to refuse to yield to facts, facts which are measured and compared better and better by the day. Many people deny these disturbing facts because they would call for an explanation and, today as in the past, they constitute a strong incentive for action.

You would think that statistics were conspiring to break the whole truth to the House of Commons about the relative economic backwardness of Quebec and the extent of poverty in Quebec. We have before us the annual reports that allow comparisons to be made and conclusions to be drawn.

When the second largest province in Canada ranks first in terms of low-income families, it is out-of-place to state, as the minister did, that there is poverty in Quebec like everywhere else in Canada. The truth of the matter is that Quebec has only recently won this title, although it had always been in the running. It is the first time that Quebec takes this dubious honour away from New Brunswick or Newfoundland. Just for the sake of comparison, let us say that there are as many families below the low income cut-off in the Montreal area alone as in all of the Atlantic provinces combined.

Let us take a look at the significance of this. If Quebec, with a little over 25 per cent of the population of Canada, has 31 per cent of low-income families living within its borders, this means that the rest of Canada, all of Canada minus Quebec, with 75 per cent of the population, accounts only for two thirds of low-income families anyway. Poverty in Quebec weighs more heavily on Quebec than over-all Canadian poverty on Canada.

We all know that unemployment and poverty are rampant almost everywhere in Canada. Millions of Canadians are without hope, if not to say living in despair. Without being unique to Quebec, the phenomenon has nonetheless hit Quebec the hardest in terms of intensity and numbers of people affected.

We could expect the standard of living to be about the same for all the people living below the low income cut-off, thanks to the social safety net we have in place in Canada. For that to be true, the concentration of poverty would have to affect neither the people nor the region, which is not the case. The higher the

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level of poverty and unemployment, the more destructive the effects on the affected communities.

(1615)

These just-released census data show that, of all Canadian metropolitan areas, Montreal also comes first for the proportion of low-income families. These figures apply to the entire census area, so that we can say that the concentration of poor people in metropolitan Montreal is quite alarming.

The concentration of poor people in large and small communities or provinces has a significant effect on the services these communities need and on their ability to pay for and obtain these services. It impacts on their ability to keep their young people and their more dynamic elements and, in turn, on their demographic development.

The regions of Quebec are emptying faster because they are in a vicious circle of impoverishment.

I want my position on the fight against poverty to be clear right from the start. As an Official Opposition critic and member of Parliament, I will make every effort to speak on behalf of those who are not here but whose hopes and future depend on the work done in this House and, in the end, on the vote of the majority.

It is too easy for those whose income is a lot higher than that of the average Quebecer or Canadian, whose jobs are secure for at least five years, like the hon. members opposite and beside me, to look at budget constraints and forget about ordinary people who work for minimum wage or a little more, who would like to work for minimum wage or a little more but who cannot find jobs or who would not be able to raise their children on so little.

Because of their insecurity and inability to plan ahead or to save money, a large number of Quebecers and Canadians depend on collective support. This support is being questioned by the government, and any attempt to sugar-coat it for Canadians would be misleading. The government got elected by promising jobs. It did not say that the unemployed themselves would be held responsible for not having jobs.

Let us talk about poverty and unemployment, not in terms of statistics but of living conditions. Let us try to understand. When we talk about poverty and unemployment, we see two scenarios: the first is a low income level but the second must be called poverty.

The first situation, simpler for lawmakers, is when people earn less money for a while because they have lost their jobs but hope to find new employment; because they are students in a sector where jobs are available; because they are ill or have just given birth. People temporarily earning less or no income: that is the kind of problems governments like to deal with. This lack of money does not mean poverty but, combined with other

problems, it can lead to it. That is why we must make every effort to prevent people from getting caught in such a horrible trap.

The second situation facing lawmakers could be called "true poverty"; it is a horrible vicious circle experienced by people whose health, education, housing, addictions, repeated failures, depression, solitude, harassment or family responsibilities only aggravate their feelings of failure and powerlessness.

In such cases, and they are becoming more and more numerous, lack of money turns into a chronic problem and life becomes worse than jail because many prisoners have a hope of getting out. Prisoners have the means to study or occupy themselves and even, ironically, a sense of security.

This poverty is worse than jail because the outside world is there, just beyond the door but, with all its attractions, it remains out of reach. Except perhaps on the evening of payday, but those who want to forget for one night will have to pay the price all month. Yes, hundreds of thousands of Quebecers and Canadians are experiencing these awful feelings of failure and powerlessness.

(1620)

They accept and often internalize the judgment which they know is made against them, and they isolate themselves in their silence. These people need to be helped and not threatened with being deprived of the small pittance which is their only security.

When we, members of the Official Opposition, defend existing social programs it does not mean that we oppose any amendment or reform of those programs merely for the sake of opposing them; rather, in these times of crisis and deficit cutting, it is to defend with constantly renewed energy our social security mechanisms and the principle of fairness, and also to reinforce social cohesion. To defend the existing programs is to oppose duality, to oppose the fact that hundreds of thousands of Quebecers and millions of Canadians will be left to fend for themselves with a pittance barely sufficient to ensure their mere survival.

This is what fighting for existing programs is all about. But to do a good job at it, we must constantly demand that the government introduce an economic policy which will foster job creation, otherwise any social program, any new training, however good, will only be a makeshift solution which could make things worse, since people will be even more desperate if there is no job after this training and all their efforts prove futile.

For more than 20 years Quebec has been asking for control of all social and revenue protection programs to make them more effective. The reasons mentioned today by the minister to justify his reform are far from being new ones. In fact, the Liberals, who today find nothing better to do than to undertake a restructuring of the social security system in Canada, were the ones who refused to give Quebec full responsibility for the tax points, something which Jean Lesage had negotiated at a time when the

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Liberals were still willing to negotiate, that is before the arrival on the scene of former Prime Minister Trudeau.

A social security system, no matter how good, cannot of its own give back hope and dignity to Quebecers and to Canadians. What we need more than anything is a true employment policy.

Since 1990, the employment growth rate, to which research services in Ottawa do not often refer to but we will do so, is diminishing. Indeed, the number of Canadians able to young increases more rapidly than the number of jobs available.

Why is this reform of our social security system suddenly so urgent? Why is the Minister of Human Resources Development, who is accountable to Quebecers and to Canadians for fostering job creation, not desperately trying to introduce a true employment policy, which is the only solution to give hope to young people and workers who have very little hope left indeed.

Among all the testimonies to which he referred, the minister surely remembers that of the former deputy minister of Employment and Immigration, Mr. Arthur Kroeger, who strongly criticized Canadian governments. His comments were reported in the *Globe and Mail*, last week. This is not a quote; it is an excerpt from the *Globe and Mail*.

[English]

He said, "Canada has never had a real employment strategy, even though the unemployment rate, especially long-term joblessness, has been climbing since the 1950s and the labour market is polarizing into well-paid jobs for those with solid skills at one end and low-paid jobs for those with little education at the other".

[Translation]

Later, he added, in his own words:

[English]

"What we are seeing is a growth of a Canadian under-class".

(1625)

[Translation]

In another article, which was reproduced in *Quorum* by the way, yet another expert, Mr. Lars Osberg, told the hon. Minister of Human Resources that social program reform is not what will create jobs, that reform and job creation should go hand in hand. He insisted on the necessity of an employment policy.

If the minister is preoccupied by jobs, why did he increase unemployment insurance premiums as of January 1 instead of freezing them for now, while recovery is so slow, and increasing them later on when recovery has reached the level that econo-

mists are promising him? They all agree that these repeated increases have a negative impact on employment, that they constitute an employment tax.

The answer is simple; with all its generous statements the Liberal government has but one purpose and that is to reduce the deficit. No, I am sorry, they have two main purposes: to reduce the deficit and to implement a system, and I quote from Mr. Axworthy's speech, on page 7, a typically Canadian system that will "give Canadians a sense of their own uniqueness".

Therefore, it is not surprising that today, in the area of occupational training, as was the case yesterday with family allowances and as it will be tomorrow with welfare, Quebec is confronted with arrogance and an ever present desire for centralization. The important thing is not to find efficient solutions for people, it is to find a system "which will give Canadians a sense of their own uniqueness". Quebecers do not need programs to help them discover their own identity. Indeed, the central government and especially the Liberals have consistently tried over the years to suppress the very existence of that identity.

Consider the incredible refusal on the part of the central government to give Quebec control over occupational training. I listened to the hon. Deputy Prime Minister talk to us about the great benefits of occupational training. We and indeed all Quebecers do not need to be convinced of these benefits and we have been waiting and we will have to wait two years. Because the most implausible of all detours is being taken, namely a comprehensive review of social and training programs, Quebec is being denied the means with which to launch a serious assault right away on some of its major problems. Yet, if we look at the Liberal program, we can find nothing in what Quebec is now doing that goes against what is advocated in the red book, except for one thing. Quebec wants control because it knows that the current mess only leads to wasted resources and energy and to dashed hopes. Quebec cannot afford to wait. In the face of Ottawa's refusal last week, labour, business and provincial government representatives had some very harsh words for the amazing ineptness of the government which is seeking "a typically Canadian system".

Do we need to remind the government, or perhaps say it for the first time, that an employment policy is urgently needed, in Quebec more than anywhere else, because it is in Quebec that the employment/population ratio reflects a largely inadequate level of business activity.

To clearly grasp the difference between Quebec and Ontario, let us say that if Quebec and Ontario had the same rate of employment, there would be hundreds of thousands more jobs in Quebec today.

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No doubt it is not merely a coincidence that for many years now in Quebec, labour, business, social agencies and governments have been working together to tackle serious problems and improve the situation. Responsibility for occupational training falls to them and to the *Société québécoise de développement de la main-d'oeuvre* to which the government refuses to hand control over training.

Together—and this was not obvious at the outset—they have come a long way and acquired the necessary expertise. The only explanation for the minister's refusal can be found in his speech where he says he is looking for a “typically Canadian system, one which gives Canadians a sense of their own uniqueness”.

To delay action for two years on such a critical, fundamental matter as occupational training is a slap in the face for Quebecers. What kind of trust should they place then in the aims of the social security reform process?

The Minister of Human Resources Development wants to carry out a comprehensive reform. He wants the proposals and suggestions put forward to be Canadian solutions. He wants to institute a social security system that gives Canadians a sense of their own uniqueness. If the Minister of Human Resources Development refuses to see that the people of Quebec have their own identity which requires a made-in-Quebec solution, if he persists in wanting to encroach upon provincial areas of jurisdiction such as education and training, if he steadfastly refuses to transfer quickly to the Government of Quebec full responsibility for manpower development, well then he should expect vigorous opposition on our part.

(1630)

In point of fact, the Minister of Human Resources Development is in the process of demonstrating that Quebec is right to claim, as it has for many years, the right to manage its own income security system. That is what the minister wants, for reasons of efficiency. Yet, the same reasons can explain Quebec's position. The only difference is that Quebec wants a Quebec-style administration, while Canada wants a typically Canadian system.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Madam Speaker, I have listened to the hon. member's remarks with great interest. She has certainly made some valid comments on the structure of the family and the rather sorry state it is in.

I would like focus my comments on my riding of Mount Royal, where young people between the ages of 15 and 24 in the Black community are facing a 60 per cent rate of unemployment. I must tell you that our party, this side of the House, this government wants to listen to everyone, whether they are from the City of Mount Royal, the riding of Mount Royal, downtown Quebec City, the Lower St. Lawrence, Newfoundland or British Columbia. We are concerned with improving the well-being of

families, young people, middle-aged people, that is to say people 45 and over, wherever they are in Canada. We are not concerned only with Quebec, but with Canada as a whole.

You claimed, first, that we did not have a single idea. That is not true and you know it. You also said that we had done nothing so far and created no jobs. That is also untrue. We are setting up an entire infrastructure policy that the hon. member is well aware of.

There were good points in the hon. member's speech, but they were set in a biased context that I find harmful to the people of Canada, including Quebec, because what matters is not whether you live in Quebec or in Canada, but that poverty should not exist in this country.

If the hon. member has such good ideas and is so much on top of all to provincial responsibilities, I hope, Madam Speaker, that she will participate very actively and whole-heartedly in the projects we will be putting forward to ensure that all Canadians, young and old, are better off.

I detect a certain narrow-mindedness when the hon. member says that we did not come up with a single idea when—and she knows full well—with regard to the Unemployment Insurance Program, we have a piece of legislation regarding the increase in the level of benefits. She failed to mention that we found money elsewhere in order not to increase Unemployment Insurance rates.

I hope that the hon. member will contribute more positively, although she did note genuine facts in most of her remarks.

(1635)

Mr. Langlois: Madam Speaker, I did not want to interrupt the speech by the hon. member for Mount Royal. This is just a reminder, as the Speaker himself asked, to hon. members to address the Chair and not each other directly.

The Acting Speaker (Mrs. Maheu): That is for the Speaker to decide. I am sorry, I did not hear it.

The hon. member for Mercier has the floor, to answer the minister.

Mrs. Lalonde: Madam Speaker, I went over all the points raised by the hon. member for—

Some hon. members: Mount Royal!

Mrs. Lalonde: Mount Royal. Of course! How could I forget? I already went to see her.

Of course the government wants to listen to everyone. If we are talking about the proposal, you must talk about this proposal. The government allows two months for a parliamentary committee to hear all of Canada on a thorough reform, the modernization and restructuring of the whole income security system, and it announces that it will table a policy on April 1. That is what I heard this morning. That is very little time to hear everyone. I had several opportunities to sit on parliamentary

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committees studying much more restricted subjects. If the government has a plan, it should come out with it.

Anyway, the government was elected to govern. I find this show of concern touching, but if you accept and are prepared to take power, you have some ideas. You do not just keep telling people what their problems are. However, I did not say that you did not have any ideas. I must have mis-spoken. Nevertheless, no one in this country can maintain that the infrastructure policy takes the place of an employment strategy. It is a short-term policy which will create 65,000 temporary jobs at best. It is better than nothing, but it is not what we call a jobs strategy when the needs are what they are now.

You said that my way of speaking was harmful. I regret that deeply because what I tried to explain here, before the hon. members opposite and beside me, is the urgency of the situation in Quebec. This urgent situation which they—

Mrs. Finestone: Throughout Canada.

Mrs. Lalonde: It is urgent in Canada, but let me say, because the Minister of Human Resources Development had me go back and say that there is poverty everywhere, that when it is so concentrated, it is urgent. This urgency explains the impatience of many Quebecers who heard—

Mrs. Finestone: And Canadians.

Ms. Lalonde: Madam Speaker, I listened to the hon. member with respect. This impatience, faced with new promises and the refusal to transfer immediate control of labour force training to Quebec, just fills us with doubt.

I would add that many people from all quarters and groups said that increasing unemployment insurance premiums would be bad for employment.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, I would like to direct a question to the member.

I must say that I read the member's opening address last weekend when I was taking a bus to Belleville, Ontario. I brought it to the House today because I was struck by the second last paragraph in which she said, on January 20:

Mr. Speaker, you can tell the Minister of Human Resources and Development that he can count on my unqualified support whenever he wants to help people in need, but I will make every effort to be as fierce a parliamentarian as he was in the opposition, whenever he deviates from this path.

I thought that was a most constructive and supportive statement.

(1640)

Earlier in the member's speech she talked about the fact that there was inherent overlapping, duplication and consequential incapacity to make the right decision at the right moment for the maximization of social benefits. I thought this was just a great speech.

When the minister responsible for human resources addressed in a speech today some of the very things the member talked about in her opening remarks, did she not see that eliminating some of the duplication or overlap and flushing out some of the waste in institutionalized bureaucracy would allow us to have further resources at the same time to help put people back to work? Is that not the way she sees the debate unfolding?

I did not hear the minister talk today about cutting. The only deficit I heard him talk about today was the human deficit. That to me was the sense he was projecting. Could the member not try to see it as a possible approach of the minister?

[*Translation*]

The Acting Speaker (Mrs. Maheu): I am sorry but the time for questions and comments has expired.

[*English*]

It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Bellechasse—National Revenue; the hon. member for Thunder Bay—Nipigon—Grain transportation; the hon. member for Québec Est—Agriculture; the hon. member for Saskatoon—Clark's Crossing—Job creation.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women)): Madam Speaker, it is a particular privilege to join in this very important debate for the people of Canada and for members of the House of Commons. I would sincerely hope that as members of Parliament and Canadians from all regions and all backgrounds we are beginning to undertake an examination of our social safety system which will be in the best interests of all Canadians. This reform is the first step in making our programs more responsive to the social and economic needs of the people of Canada as we prepare to enter the 21st century.

I pledge my support to the Minister of Human Resources Development who has the necessary courage and dedication to tackle such a complex and important task as this review. The life of every Canadian will be affected for many years to come by the results of this reform.

This is why the minister is taking measures to ensure that all Canadians will be heard and that they will not be hurt by this initiative but will benefit from it. The minister has said he is

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asking each and every one of us in the Chamber to participate in the review so that the government is better able to serve the people through an open and transparent system.

He asked us to sit down and speak with our constituents, to seek their opinion and to get their advice. He is also asking Canadians to come forward with their ideas and suggestions for solution. The time line is not just a short two months, as the member for Mercier seemed to suggest. The time line is far longer than that.

If hon. members really are concerned about the people of the country they will get their business and information together. They will respond to the wonderful new transparency that we are presenting as an option for Canadians and will get their suggestions and their ideas to the parliamentary committee in a variety of different forms as will be determined by the committee.

This reform of our social security system is of great importance to me and to all women in Canada. Women must participate in the process, and I am committed to doing whatever I can to ensure that they have that opportunity.

(1645)

It is my hope that Canadian women will seize this opportunity, will provide the guidance as to what kind of social security system they would feel comfortable with, what they think would be important for us to maintain, and where the sense of well-being will be ensured. They can in this way contribute to the progress, and to their own progress, toward equality.

As the minister has pointed out, close to half of Canadians no longer have a sense of security about their lives, and that is dramatic. Many are afraid that the company they work for may close or restructure and as a result they will lose their jobs. They are afraid that should they have to look for another job, they would not have the opportunity, the training, or the education needed to find one. If they are over 50 years of age they are terrified that they may never find another job.

Over and above the concerns that are being expressed, I think it is important to recognize that there has been a dramatic change in the structure of the family. There has been a growth in the single-parent family. There has been a change in what we would call the traditional two-parent, two-child, white-picket-fence image of that particular word "family".

There has been a change in the work force. There has been a change in the workplace. There are too many changes taking place for many people, who seem to feel there is a loss of hope, and they do not understand where things are going. Along with the globalization of the economy, this change to a knowledge-based economy, this restructuring of our bigger firms and the growth of the small business sector are all undeniable elements of the new reality that confronts Canadians. As I said before, many are fearful of these changes.

The consequences of these changes are wide-ranging and diversified in scope. We have to look at them from a different perspective from that of a company's bottom line. I think that people's lives and people's ability to live in this country have to be taken into consideration, not just, as I said before, the bottom line.

We have to look at the social impact with respect to the issues we are facing, adjust our focus and redirect our very scarce resources. Men and women in Canada are proud, hardworking and dedicated people. Canadians want to be contributors, not dependants of our society.

Collecting unemployment insurance cheques or living on welfare is not good enough for any of us. This is not our aspiration and our hope for ourselves, for our families or our children. We want to work. We want to feed and care for our family, and we want to be able to put a little money aside for some pleasure, as well as to protect ourselves in our older age.

This is not a dream. This is the Canadian way of life. This is what has made Canada so rich and so appealing both for Canadian-born people and for all those who have chosen to join us over these years. Now we must take steps to ensure that the social programs that have helped guarantee our enviable standard of living over the past decades will continue to serve us well for a long, long time.

[*Translation*]

The last decade has undoubtedly been a lot more beneficial to the rich than to the general population. Individual purchasing power has fallen and the middle class, caught between tax increases and runaway inflation, has been hit hard.

Food banks, which were the exception and only existed in the big cities 10 or 15 years ago, have now become a familiar sight and that is sad.

I think that the most important and revolting sociological phenomenon to emerge in Canada in the last few years is the face of poverty. Poverty is increasingly taking on the face of a woman and, if that was not bad enough, of a woman carrying a child or of an old woman. That is the face of poverty here in Canada.

When I talk about women, I think of women of all races and ages, but I must admit that our immigrant, native and handicapped women are in an even more difficult situation as they also face discrimination and poverty.

(1650)

In a country as rich and as fortunate as Canada, we cannot accept this disintegration of our social fabric or leave these hungry children and desperate women at the mercy of market forces. We cannot ignore the unemployment and poverty that

contribute to such serious problems as violence against women and children or the formation of youth gangs usually leading to crime and violence. We cannot forget that racism, intolerance and discrimination are devastating parasites that we would like to eliminate from our society but which continue to do a lot more damage than we are willing to admit.

I feel very emotional when I think about this situation we must face, and I think that our Minister was very brave to implement global changes by listening to society in order to improve our current situation.

[English]

It seems to me that one of the single most important factor to take into account in this review of our social safety system is the situation of women. I say women because we represent the majority of the population, and I say women because we make an enormous contribution to our society and our economy. However, as women we are often economically disadvantaged due to the disproportionate responsibilities that we bear for both our homes and our families. I say women because we have diverse needs and concerns that are often overlooked and neglected. Our roles have undergone tremendous changes since the social security system was first established. I say women because we have to struggle for the right to have many choices in our lives: to pursue an education, a career, voluntary activities, caring for children and for our parents. We must continue to value and protect this right to choose.

This is unpaid work that we take, and it does contribute very significantly to our collective wealth as a country.

I say women, because the new social security system must take into consideration the economic and social realities of women today and our aspirations for tomorrow.

Finally, I say women because it is still largely in our hands that the future of our children lie, and that is the future of Canada.

Madam Speaker, the sad reality of the difficult situation of women is revealed in simple statistics; that is, cold, hard fact. Today women of all ages, cultures and backgrounds represent 45 per cent of the work force. They are expected to account for almost two-thirds of the new entrants into the job market between now and the year 2001.

Despite the unprecedented participation of Canadian women in the work force, most women work for low wages in low-status jobs. Almost one-third are still employed in clerical positions and, on average, Canadian women working full-time today earn just 72 cents of every dollar earned by men.

In 1950 about 5.4 million income recipients received a total income of less than \$10,000. Of this, 36 per cent were men and 64 per cent were women. That is those who get \$10,000.

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At the other end of the scale, looking at those who earn \$40,000 or more in income, of these 78 per cent were men, whereas only 22 per cent were women. I would say to you that that is inequity.

Women, especially women of child-bearing age, experience more career interruptions. In too many cases fathers do not share fully the financial responsibility of raising their children.

In 1991, 82 per cent of all one-parent families were headed by women. They made up almost two-thirds of the 900,000 families living in poverty. Those are chilling statistics.

(1655)

Children living with a single mother are five times more likely to live in poverty than those living with two parents. The vast majority of women have very little money to put into an RRSP or a pension plan. Only 48 per cent of women workers aged 45 to 64 can expect to receive company pensions upon retirement. So by the time they reach the end of their careers, only a small percentage of women are financially secure. All the others have to rely on government programs. For too many a lifetime of hard work and sacrifice is rewarded with poverty and deprivation.

If we do not fix our social security system, we will pay a terrible price for our indifference. Women's poverty is not just a woman's problem, ladies and gentleman and colleagues; it is a problem that every Canadian has an interest in solving.

As we initiate this social security review, it is time to recognize the extent of women's poverty in our country and to fully examine the basic cause: women's inequality.

Any plan to end women's poverty must be pursued within the context of the overall efforts to promote the equality of women in all aspects of human endeavour. That requires broadly based co-operative efforts that involve Canadians from every walk of life.

To change this we must place a higher value on the work that is traditionally performed by women. We must offer women the opportunity to diversify their occupational qualifications and seek advancement. They must have the ability to compete for the better paying, more challenging and responsible positions within the work force, because in many cases they are able, willing, ready and competent.

Improving the education and training opportunities for women is central to achieving this goal and is central to sound employment practices. Issues such as training in non-traditional occupations, encouraging girls to continue with studies in math and science, support for school work and home-school transition, and better financial resources must all be addressed for men and for women.

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I would say that the economic situation of women is such that should pay particular attention and make sure that it is addressed as we go forward with this review. This is true for all women, but particularly, as I have said before, for immigrant women who have special needs such as language training and recognition of their credentials. They also need guidance to be able to access and use all the services available to them.

I will work with my counterparts in the provinces and the territories, along with the minister, to improve women's access to education, training and retraining in order to give them equal opportunity to compete for jobs in the workplace of today and tomorrow. I shall work with these ministers and with our minister to ensure that our immigrant women are given equal access to federal government services as well as vocational training and language courses.

[*Translation*]

And finally, we must think of young people. We can never exaggerate the importance of our young people for a country like Canada. On them and in them we place all our priorities, all our hopes and all our dreams for the future. I have to say that few things are as painful for me as to see young people fall victim to violence, to discrimination, and to poverty.

[*English*]

As the minister said so well, there is a human deficit in our country and we all have to realize that if we can deal with this human deficit and put Canadians, all Canadians, back to work, it will be much easier to deal with the financial deficit. I think there is a tremendous interlinking between both these things.

I said in this House on Friday that from now on this government will follow a simple but important path, an action-oriented path. I also said that governments must deal with change in full partnership with Canadians. We have today the perfect application of these two principles.

Yes, we are taking action to review programs that in some cases date back to 1942. Yes, we have refused to take the easy path of amending something here, increasing a part of something there, adjusting something here and imposing a few cuts there.

(1700)

I would suggest that any members who are really interested in this process read the minister's speech and get a fuller picture of where he intends to go in a large number of areas that are of importance to each and every one of us.

I would suggest that instead of the easy path, we have chosen to remake our entire social security system after we have done the necessary consultations. Once change of this nature is made, one does not jump into it in two minutes flat. The minister has laid out a very comprehensive and intelligent plan of consulta-

tion, which will allow groups, including women's groups, to get together, consult with their grass roots and feed back into the process.

We have the parliamentary process, we have the standing committee process, we have members going into their riding for an open hearing in that way, and we have the standing committee to do something.

We really must do something now and do it with full participation and collaboration for all Canadians. To do this we must ensure that organizations representing women—that is, all women, including immigrant and visible minorities, which so often have limited resources and broad mandates—have sufficient time and support to consult their grass roots and get back to us.

Knowing that this government and this House are quickly confronting this complex and difficult issue facing this country hand in hand with all citizens I think should only assure and reassure even the most skeptical and bring hope of a brighter future for all in this nation. That is what we are in this House of Commons to do, address the concerns.

[*Translation*]

We have to take into account the concerns of every Canadian, no matter where he or she may live.

[*English*]

This is exactly what Canadians have elected the Liberal Party, this side, this government, to do, and that is precisely what we are going to do. Whether you live in Newfoundland with your problems, in Manitoba with your problems, Saskatchewan, Quebec, Ontario, Alberta, it does not matter. We are concerned, and certainly with the Northwest Territories and certainly with our aboriginal people, and we have a global view of society. That is how this government intends to allow us to bring this change; it is through consultation, through transparency, without dogma, without dictation, but with an open heart, an open ear, to effect the changes that the Canadian people want for themselves.

[*Translation*]

Mr. Gérard Asselin (Charlevoix): Madam Speaker, I would like to follow up on the comments made by the hon. member who just spoke and who said that these are times of change. Indeed they are, as was also mentioned by the Minister of Finance during Question Period.

This is a time for change in Canada, with the arrival of a new federal government, but let us not forget that things also changed in Quebec on October 25, when three million Quebecers elected 54 Bloc Quebecois members to represent them in this House, as well as to protect Quebec's interests and give it real power.

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The hon. member raised the issue of poverty. In 1980, the Liberals took 74 ridings out of 75 in Quebec, the hon. Roch LaSalle from Joliette being the only Conservative member. At that time, the debt stood at \$30 billion. In 1984, when the Liberals were ousted and replaced by the Conservatives, the debt had risen to \$187 billion.

From 1984 to 1988, the Conservative government enjoyed a strong majority, including in Quebec. From 1988 to 1993, Quebec gave a second chance to the Conservative Party. The debt, which stood at \$187 billion when the Liberals left in 1984, has now climbed to over \$500 billion under the Conservatives, and the Liberals are in charge again.

We just talked about poverty in this House, but it should be pointed out that each day the debt now costs every Canadian and Quebecer \$108 million in interest. With these \$108 million we could build social housing. We could give some security to our young people in post-secondary education and prevent them from dropping out. We could provide vocational training, thus creating something between the dayworker and the university graduate. We will always need plumbers, carpenters, electricians and other tradespersons. Today, more and more women are seeking employment in non traditional jobs, in construction and in industry for example. It is something we are very aware of in Quebec.

(1705)

We have heard talk about poverty in this House and bragging about how we were going to correct the situation with the infrastructure program. The Liberals had their chance, the Conservatives had their chance, but red or blue, they are two peas in a pod, there is no difference. I am convinced that at the end of the mandate of this government, the Canadian debt will not have shrunk a bit. Despite all the speeches that are made, things remain the same. We have heard about the minister's speech, which cost \$173,000. It is only the beginning, we will see more of that kind of waste.

A number of young graduates from universities or Cegeps must pump gas, because they did not get an education which would have prepared them to take over from those who were there before and built this country. This is why Quebec wants to take charge of itself, Quebec wants to be the master of its own destiny in the fields of education, manpower, health and municipal affairs.

[English]

Mrs. Finestone: Madam Speaker, I realize the clock has run out, but I would just like to suggest to the hon. gentleman, our colleague across the floor, that the federal contribution to social security programs in Quebec is \$14.6 billion.

Quebec has a huge deficit. Canada has a huge deficit. We are now providing 28 per cent of all national funds for the work that

has to be done in Quebec and that with these funds, with which I have no quarrel, we will be able to fix the situation so that our young people can find their niche in tomorrow's society.

[Translation]

It is irrelevant to ask today who did what about the deficit. We are talking about young people and the fact that they want to be able to eat and earn a living and get proper training for the future.

The Acting Speaker (Mrs. Maheu): Is the Secretary of State aware that she has a 10 minute question and comment period?

Therefore, I will allow further questions from the hon. member for Gaspé.

Mr. Yvan Bernier (Gaspé): Madam Speaker, I listened to the hon. member for Mount Royal. I agree with her and I am sad to hear her talking about poverty in Canada and Quebec since it is now affecting women. I am very sorry to hear that. I heard a lot of descriptions of poverty in the hon. member's speech.

However, I would like to ask her two questions. First, if we want to reform the social system or social programs in Canada, do we expect that we will have more poor people? Because, otherwise, I would have preferred that we used the time of the House to speak about job creation.

(1710)

Second, I would like to make sure, through the hon. member for Mount Royal, the government representative today, that the reform will not be aimed at giving less money to the poor.

[English]

Mrs. Finestone: What I want to say with regard to the member's first question is that with job creation I think it is very clear.

[Translation]

Job creation is a goal towards which the government is working at this time. Job creation has been the focal point of our Prime Minister's speeches. That is why we have been elected, all of us who considered in detail the Red Book of our party which says that job creation is our primary responsibility. Both go together. If you do not have a well supported population, if you do not have a population that is in good health, it will not be ready and able to learn new trades, to change trade or to enter the job market. When you have a population that is working, the finance problem, the deficit problem can be solved in a better way. It is like a scale: one does not go without the other.

To answer the questions asked by the Reform Party, I must say that our goal is not simply cutting for the sake of cutting. Our goal is to improve the present situation, because you know as well as I do that people on welfare, people who receive different kinds of assistance do not find their niche in the job market

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because they do not have the necessary tools and because our labour force was not trained to face the changes required by the job market today. And I hope that by working together we will find the right answers.

[English]

Mr. Jay Hill (Prince George—Peace River): Madam Speaker, since this is my historic first speech in Canada's House of Commons, I would like to congratulate you on your election to the Speaker's chair. Furthermore, I pledge my support and full co-operation to you and all of your colleagues who will be overseeing the proceedings of this House over the life of the 35th Parliament. Yours is an exceedingly difficult task. The eyes of Canada are upon this Parliament and Canadians are expecting reform.

As a rookie MP it has been my observation over the past two weeks that nowhere is change needed more than right here in this very chamber. Like millions of other Canadians, I am absolutely appalled at the behaviour of some hon. members. I appeal to you, Madam Speaker, to do all you possibly can to help restore the public's faith in this place. I sincerely hope the decorum in this House will improve rather than degenerate further. It is up to each and every MP to assist you in restoring the dignity of this House.

To members elected or re-elected to this Parliament, my congratulations. It is my hope that all MPs will use their mandate wisely.

No maiden speech would be complete without recognizing all of those people who support me, for no politician wins by himself or herself. It takes a dedicated team working together to win. I was very fortunate to have the best team possible working for reform in Prince George—Peace River. For many of my supporters their commitment began before the 1988 election and never faltered—more than six years of hard work and effort. I want to take this brief opportunity to salute them.

A special thank you to Carol, my wife of over 20 years, and my three children for their ongoing love and support. To all my family, friends and supporters, thank you for this great honour that your dedication and sacrifices have bestowed upon me.

I would be remiss if I did not mention a man known throughout our riding and indeed much of northern Canada as Mr. Reform. Short Tompkins is truly a great Canadian committed to doing all he can to bring constructive political change to this country. I am proud to call him my friend.

(1715)

Although the riding of Prince George—Peace River is famous for its pristine beauty, wildlife and abundant natural resources, its greatest asset is the hard working people who inhabit it.

These people have sent me to Ottawa because they have lost faith in the political system in Canada. The population of my riding feels alienated, not only from provincial but from national decision making. There is a growing concern in my riding about how the old parties have avoided making tough decisions on social spending. If this Parliament is to address these critical concerns of Canadians, the attitudes of governments must change.

It is my belief that this reluctance by past governments to listen to Canadians demanding change is a reflection of the plague of political correctness that has infiltrated every segment of our society. If one speaks out against special status for one province, one is said to be out to destroy Canada. If one dares to question our immigration policy, one is branded a racist. If one objects to the legal system that protects criminals rather than holding them responsible for their own actions, one is labelled a dinosaur.

I call on this government to reject political correctness and to instead listen to the wishes of the Canadian people. We cannot create sustainable social programs and safety nets for those truly in need if those programs are built according to the politically correct agenda of the day. The government must consider what is good for Canada, not what is dictated by the media or by a few outspoken interest groups.

Will our social programs as they are currently structured be sustainable? Universality of access must be preserved. But if universality means a declining number of productive taxpayers paying all of the costs for all of the people all of the time, then certainly the programs are not sustainable. Reformers want to ensure that our social programs are sustainable and available for all Canadians when they need them.

In this time of economic trouble caused by a quarter century of government mismanagement, my riding remains one of the few bright spots where hard work and entrepreneurial skills are still rewarded. But even there it is becoming more and more difficult for small business to prosper and expand.

Small business today survives in spite of government, not because of it. Small business people are gravely concerned about the rumoured reductions to maximum RRSP contributions. If this reduction should become reality rather than rumour, this government will be reducing the ability of entrepreneurs in the private sector to provide for their own retirement while the pension plan for the public sector remains untouched.

As of December 1992 about \$150 billion were held in tax deferred RRSPs while \$110 billion had been set aside for the pensions of government workers. If the finance minister is intent on reducing the maximum allowable contributions of private citizens, then perhaps he should also be looking at

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reducing the generous government public servant and MP pension plans that the rest of the taxpayers are helping to fund. The people of my riding are fed up with this double standard.

Canadians are generous people. However they are concerned about whether our charitable but fragile social safety net can withstand the increasing pressures being placed upon it.

Canadians are proud to be able to offer asylum to refugees fleeing political persecution and human rights violations in their home countries. However, is Canada's refugee determination system meeting its mandate? There has been some controversy surrounding the recent appointments to the Immigration and Refugee Board. While recognizing that many of these appointees have knowledge regarding issues relating to refugees, we question the current government policy of appointing persons from refugee advocacy groups.

Can Canadians rely on these board members to make unbiased decisions? In future appointments it is imperative that the minister places the objectivity and decision-making capabilities of potential board members foremost in his considerations.

Since the Immigration and Refugee Board began operations the recognition rate of convention refugees has declined from 76 per cent in 1989 to 48 per cent during the first nine months of 1993. Although there has been a steady decline in the acceptance rate of refugee claimants, there is still something clearly wrong with our determination system.

(1720)

Like Canada, most other refugee accepting countries determine whether someone is a refugee according to the UN convention but they accept far fewer claimants as legitimate. Canada continues to have the highest acceptance rate in the world. Many Canadians are wondering why this is happening.

Recent refugee decisions have allowed women fearing spousal abuse or systemic discrimination in their home countries to stay in Canada. What will be the impact of this policy? Does this mean that every woman from countries that do not respect the rights of women or have different cultural norms should be granted refugee status in Canada? I certainly sympathize with the plight of these women. The solution however is not to bring all abused women to Canada but to assist them in promoting respect for human rights within their own societies.

I commend the Minister of Citizenship and Immigration's recent decision to allow refugee claimants to work rather than being forced to rely solely on social assistance, but the granting of work permits does nothing to address another problem that has outraged Canadians in recent months. I refer to the reports of welfare fraud by refugee claimants. It was estimated that the cost of welfare payments to refugees in the metro Toronto area for 1993 would reach \$209 million.

The minister has removed one barrier for legitimate refugees seeking work but what is he doing to prevent the welfare fraud that his own department has reported? Canadians are compassionate and would like to open their doors to legitimate refugees, but this abuse is an unacceptable drain on our already overburdened social programs.

In conclusion it is my fervent hope that this government listens carefully to the people, as government members have indicated today they are willing to do, and responds by restructuring social programs in ways that make sense to Canadians.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, first I would like to say there were some aspects of the hon. member's maiden address which I really appreciated and support, especially those areas relating to support for small business.

However, I have to deal with this issue of women who are victims of violence not being considered as bona fide refugees in our country. I have to make sure I understand the member correctly. Is the hon. member suggesting that if a mother and children who might be fortunate enough to get to our country and claim refugee status that part of the reason—

[*Translation*]

Mrs. Dalphond-Guiral: I rise on a point of order, Madam Speaker. Simultaneous interpretation is not working.

The Acting Speaker (Mrs. Maheu): We will look into the problem.

[*English*]

The interpretation is not working. We will wait until it comes back on.

Mr. Mills (Broadview—Greenwood): Madam Speaker, could I please have the time to rephrase my question?

The Acting Speaker (Mrs. Maheu): Agreed.

Mr. Mills (Broadview—Greenwood): Thank you, Madam Speaker. I want clarification on the issue of women and children as victims of violence.

(1725)

If a mother and child come to this country and in claiming refugee status they claim that one of the reasons they want to stay here is because they are victims of violence, if they have categorical proof that they are victims of violence, is the hon. member suggesting that we should deport them back to that violent situation?

Mr. Hill (Prince George—Peace River): I thank the hon. member for his kind words about my address. As to his question, I think there is a bit of confusion. What he is trying to indicate is on an individual basis. I was suggesting that if there is something in the culture of a third world country which needs changing, we should be trying to change it over in that country

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and not sending a message to all third world countries that these types of things will provide an open door policy for people to be granted refugee status in Canada.

Mr. Mills (Broadview—Greenwood): To clarify a point, this is a very serious issue. In the last Parliament the issue of violence against women and children was something I spent a lot of time on.

Let us say a mother from Trinidad has provided categorical proof, whether it is sworn affidavits or telephone messages, has given concrete evidence that she has been threatened by her husband and if she were to return she might not only be a victim of violence but possibly murdered. Is the hon. member suggesting that in any way, shape or form we should consider deporting that woman back to Trinidad?

Mr. Hill (Prince George—Peace River): What I was suggesting is that if it is the sole criterion for granting the refugee status and the hon. member mentioned in his initial question if it was part of the refugee process of seeking asylum. It is a different thing if that is the only criterion.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I have a question for the member for Prince George—Peace River. I very much appreciated in his speech the way he mentioned his concern for the people in his riding. He also recognizes the enormous human resources contributed by those who supported him during his campaign. Here is a man concerned with human resources and I would like to ask him the following: Does he believe in a Pan-Canadian employment policy with the same criteria from St. John's, Newfoundland to Vancouver Island?

If you compare, for example, his riding to mine, Kamouraska—Rivière-du-Loup, there are important differences; working language, training, industrial structure and manpower mobility. Could he tell us if he believes a Pan-Canadian full employment policy can be efficient and implemented properly.

[English]

The Acting Speaker (Mrs. Maheu): I am sorry, the time for questions and comments has terminated. Resuming debate, the hon. member for Wetaskiwin. The hon. member on a point of order.

[Translation]

Mr. Crête: Madam Speaker, I would like to ask the member for clarification. Unfortunately, I do not recall the name of his riding and it has already taken up a bit of time. Would it be possible to have an answer to my question?

(1730)

The Acting Speaker (Mrs. Maheu): I cannot allow it. The question and comment period is definitely over; indeed it has gone on too long.

[English]

Mr. Dale Johnston (Wetaskiwin): Madam Speaker, let me say how pleased I am to participate in this debate on social programs. I would like to commend the minister for embarking on a path of consultation through the Standing Committee on Human Resources Development that will allow Canadians the opportunity to express their opinions and suggest ways of improving social programs.

My colleagues before me have addressed some of the problems with the traditional income security program. I want to speak today about health care and health care spending.

Let me make it clear at the beginning that the Reform Party favours the preservation of adequate health services for Canadians. We believe that no Canadian should be denied health care for financial reasons.

The current level of federal funding should be maintained but we in the Reform Party believe that the time has come to make health care users more accountable and more aware of the actual costs of health care. How do we do this?

The Alberta government's public round tables on health summary entitled "Starting Points, a Recommendation for Creating a More Accountable and Affordable Health System", dated December 1993 recommends: "Other consumer education concepts should be considered to dispel the myth of free health services. For example, receipts could be provided to consumers immediately after receiving health services". This in my opinion would let consumers know what these services cost.

Under the Federal Provincial Fiscal Arrangements and Established Programs Financing Act or EPF as it is commonly known, the Government of Canada provides funds to the provinces to support and administer health services and education. The 1994 federal spending booklet states that the 1992-93 EPF transfers amounted to almost \$16 billion for health care. Ten years ago the total EPF entitlement for health care according to the Department of Finance was \$8.7 billion. It has nearly doubled in 10 years.

One would assume that the provinces would have the sole right to determine how to provide health services to the people. This is not the case. The previous government passed the Canada Health Act in 1984, eroding traditional provincial rights. In 1987 all of the provinces complied with the criteria and conditions set out in the Canada Health Act. This was necessary if they were to receive their EPF funds.

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What did the provinces give up? They gave up all rights to charge for health services. We believe that the provinces should have sole jurisdiction over the administration of health care. The provinces currently possess the legal and constitutional responsibility to provide health insurance and services. Federal funding and support of such insurance and services should be unconditional and should recognize different levels of economic development in the provinces.

In 1991 total health care costs amounted to \$66.8 billion. Put another way that is \$2,470 for every man, woman and child in this country. Of every dollar spent 72 cents came from government revenues with the remainder coming from private insurance plans and individual taxpayers. We spent 10 per cent of our gross domestic product on health care in 1991. Compare that to 7.2 per cent in 1975.

Why have costs escalated so dramatically? Is it possible there is more illness or is it possible there is some abuse of the system? We do have a larger population and I am happy to say that people are living longer. We also have more doctors and more hospitals. In 1979 the patient-doctor ratio was 656 to 1. In 1989 the ratio dropped to 515 to 1.

We do have better access to health care but does this allow an opportunity for abuse? Is it reasonable to ask the Canadian taxpayer to pay for unnecessary hospital procedures, unnecessary surgery or prolonged hospital stays? Is the average Canadian aware of what these services cost or even the cost of a visit to the doctor?

(1735)

It is interesting to note that in the last fiscal year interest on the national debt amounted to some \$40 billion or 24 per cent of government spending while transfers to the provinces amounted to 18 per cent of government spending.

Imagine how much easier our jobs as members of Parliament would be if there was no national debt. For one thing we would not have those exorbitant interest payments to make. For another, we would not have to consider spending restraints for health care and social programs. That would leave us more time to deal with other pressing issues. In reality we are saddled with a \$500 billion national debt and we cannot continue to live beyond our means.

Health care is threatened because of the current financial crisis and the effects of 20 years of deficit spending. The government has an option: return the rights and responsibilities of administration of health services back to the provinces where it belongs.

What effect will the foregoing have on our youth? What will they inherit? We have mortgaged the future of our youth. Canada has an aging population and the income support programs that those people have come to rely on are debt ridden. We cannot

pay for them now. Therefore is it fair to expect our children to carry the burden of our extravagances?

The best inheritance we can leave our young people is a country free of debt, a country where they can obtain training and education so they can become contributors to Canadian society.

The Canadian youth service corps announced in the throne speech, according to the Red Book, will teach 10,000 young people a year work skills and provide them with valuable experience by engaging them in social and environmental programs that will improve the quality of life in communities across the country.

This program is estimated to cost \$10,000 for every participant. I hope this is not just another glorified grant project, another stop gap measure. What real training will there be for the participants? What skills will they learn that will land them real sustainable jobs?

I was pleased to note that the motion before us today places time limits on the deliberations of the Standing Committee on Human Resource Development. We cannot afford to linger any longer over these problems. Now is the time for solutions. I ask that a meeting of the committee be convened this week so we can begin the consultation process without further delay.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Madam Speaker, I would like to put a question to the member for Broadview—Greenwoods.

The Acting Speaker (Mrs. Maheu): Your question must be for the speaker who has just had the floor.

Mr. Crête: Very well, Madam Speaker. Then my question is for the last speaker. He talked a lot about social issues and a bit about human resources, towards the end of his remarks. Regarding social policy, he wondered if it would not be better to turn over all responsibility in that matter to the provincial jurisdiction.

My question deals with employment policy. Does he believe that a coast to coast employment policy, with uniform standards from St. John's, Newfoundland, to Vancouver Island, could be efficient when we know that the situation is completely different from one place to the next, in terms of language of work, training, industrial structure and labour mobility?

[*English*]

Mr. Johnston: Madam Speaker, in my opinion, the best employment program is private enterprise, especially private enterprise that is not overburdened by taxation. That would be the only make work program I would support.

Mrs. Jane Stewart (Brant): Madam Speaker, I would like to congratulate the member for Wetaskiwin on his intervention.

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I felt compelled to comment on what he said concerning the Canadian youth service corps. The member needs to understand that these programs are just that. They are programs. As members we have a great opportunity to work with our local communities to ensure that the programs considered and used in our ridings do provide good quality opportunities for our young people.

To my mind, that is part of the role of the member of Parliament. I would encourage the hon. member to consider that just because the government presents these programs, it does not mean that the government does not encourage and want the participation of all members of this House to make sure these programs work effectively and efficiently.

(1740)

Mr. Johnston: Madam Speaker, certainly we recognize what the government is trying to do with their program and we do recognize it as a program.

My point was that we have 10,000 people at \$10,000 each. This amounts to a fantastic amount of money. I think we are trying to push the chain rather than drag it which is ultimately a lot more simple, Madam Speaker, as you will know if you ever tried to push a chain.

We should be trying to alleviate some of the tax burdens on Canadian business and they will provide 10,000 jobs and some to boot.

Mr. Peter Adams (Peterborough): Madam Speaker, I too would like to address the remarks about the youth corps.

It seems to me when the member says \$10,000 a year, he simply sees that as a cost. In the various streams of the youth corps, for example, one stream will be sustainable development and the environment, another will be community development and learning involving young people with training, even younger people and less able people. Another one is the entrepreneurial stream where young people in the corps will be involved with private businesses in the various communities. Yet another is the military stream.

I would like to ask the member one question. One thing these young people are going to get for this modest investment is their pocket money and their keep. My point is that we will have young people who will have worked in various parts of the country so when a position becomes available in Regina, for example, if they live in British Columbia, they will be more confident in applying for that position. They will learn about the country so that they can move around when an opportunity for a position arises.

This is a very worthwhile investment in young people and I would like the member's comments on it.

Mr. Johnston: Madam Speaker, here again we are using tax dollars to do something that private enterprise can do very well.

Hon. Raymond Chan (Secretary of State (Asia-Pacific)): Madam Speaker, as this is my maiden speech in the House of Commons I would like first to take this opportunity to thank the people of Richmond, British Columbia, for the trust they placed in me on my birthday, October 25, 1993.

I am honoured to be serving Richmond and pledge always to work on behalf of my constituents. Furthermore, February 10 this year will mark the Chinese new year of the dog and I would like to wish everyone a prosperous, happy and healthy year.

Many challenges face us in the upcoming year. One of the most important of these is to utilize our most precious resources, human potential.

As I said throughout the campaign, the best investment we can make is to invest in ourselves and our children. For too long Canadians from every region and every age group have faced unemployment, insecurity and disillusionment because of a lack of economic opportunity.

That is why the government believes it is important to invest in our people, to prepare them to return to the workforce. It is as important as creating jobs through fostering economic growth.

We believe this begins by better preparing the transition from school to the workplace, to provide a constructive outlet for the skills and talents of younger Canadians. Canada must become a learning society that empowers young people and adults alike to constantly upgrade their skills and aptitude.

They must be able to meet the future with competence and confidence. So far we seem to have no systematic way of bringing young people into the working world.

(1745)

As the Economic Council of Canada reported in 1992, Canada has one of the worst records of school-to-work transition. Those leaving school find jobs by trial and error, often wasting their own time and society's resources in the process. Of the apprenticeship programs that do exist, many are outdated and irrelevant in today's high-tech marketplace.

In Metro Vancouver, of which Richmond is a part, overall youth unemployment is an alarming 13.8 per cent. In fact, 15 per cent of males between the ages of 14 and 25 are unemployed. This is not acceptable.

On October 25, 1993 Canadians gave this government a mandate to do something about this serious mismatch between today's jobs and the skills of the people who want to fill them.

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As we stated in our red book, we will work with business, labour and provincial governments to provide funding to establish relevant apprenticeship programs. Our focus will be on such growth areas as information technology, computer services, environmental services, and the growing fields of medicine and biotechnology.

Common occupational standards for training certification will be established and set by businesses and labour. Employers themselves will create the course work associated with industry-driven apprenticeship programs. As a result, these programs will be better integrated in the specific needs of business. We will also provide funding for job training through private and public institutions.

As the Minister of Human Resources Development has stated, our government is also committed to improving the Canada student loans program. We will consider changes to enhance short-term aid in collaboration with the provinces and other key stakeholders.

Our partnerships will not end there. Canadians who have jobs also want to improve their skills. They want to be able to earn higher wages and achieve economic stability for themselves and their families. They seek greater job security and a chance for a more prosperous future for themselves and their families.

The trend toward ever higher skills requires continuous education. Most workers realize they will change jobs several times in their lives. More than ever before jobs will require higher levels of literacy and numeracy skills, along with more technical training.

More and more a continuous training and learning culture needs to be developed within companies and businesses throughout Canada. That is why this government is working with business, labour and the provinces to produce joint incentives to increase workplace training.

This government is committed to economic growth in both the short and long term. We are working with the provincial and territorial governments for a joint federal-provincial-municipal infrastructure program. Besides providing much needed improvements to Canada's infrastructure, this program will help to stimulate economic activity and it will help to get Canadians working again.

In another area we will focus on supporting small and medium sized businesses to create new employment through business networks, better management skills, financing, wage subsidies and accessing government services.

Our government will work with Canada's financial institutions to improve access to capital. A Canadian investment fund will be created to help innovative technology firms obtain the

venture capital they need to become Canada's industries of tomorrow.

We will also improve training for the owner-managers of small business. Our government will develop plans for access to information on new technologies and new market opportunities.

Jobs for Canadians will come by way of exporting goods. We have to look beyond the North American border for trade opportunities. We have to look for export markets, for example in the Asia-Pacific region, a region with the highest economic growth rate in the world, yet it remains a market scarcely tapped by Canadian industries.

(1750)

This government will focus on building partnerships with Canadians to develop markets for our exports around the world in order to provide meaningful jobs for Canadians.

Social policy reform and creating jobs by fostering economic growth are both important to the future of Canada. However, the government cannot do it alone. In order to turn the economy around, Canadians must be prepared to play a large part.

For the sake of Canada, I urge all hon. members of this House and all Canadians to be part of this process. If we are, I am sure that Canada can be strong and economically sound again.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Madam Speaker, thank you for recognizing my riding. I want to thank the hon. member who seems to be very much aware of the problems of young people. I don't know whether he is as knowledgeable about rural ridings.

In my riding, I taught at a secondary school and occasionally at a CEGEP, where conditions are very bad. People talk about urban poverty, and I realize that poverty in urban areas may be worse than in rural areas. However, conditions in rural areas may be worse, to some extent, because our young people leave to go the city, and so we have fewer skills and resources.

I had students of 16 and 17 who were very disturbed and had a lot of problems. There were cases of runaways and drugs, and at one point we had to call in the police. I know the hon. member opposite is aware of the problems, but not all members of this House know the rural dimension.

That is why I would urge him and other members to think about what is happening in our schools in rural ridings. We have just one CEGEP. There is no university. This means students have to leave the area, for instance those from Mont-Joli. Amqui only has a secondary school which means that past the age of 16 or 17, after their Secondaire V, students have to leave town to go to the CEGEP. And of course the college is in Matane, so if they want to go to university, they have to leave town as well.

Government Orders

Is the hon. member prepared to look at conditions in rural areas, and does he have any suggestions on how he could help our students, our young people overcome these handicaps?

[*English*]

Mr. Chan: Madam Speaker, I would like to thank the hon. member for his question. It provides me with the opportunity to expand on what we have seen as the way to solve the problems of Canada today.

I appreciate the problems in the rural areas, but the hon. member does have a lot of richness in his community even though he is in a rural area. One of the most important things we have in Canada is agricultural products.

I had a meeting today with a group from the beef cattle farm industry. We are planning to double our exports to the Asia-Pacific region, which will be comparable to U.S. exports. If we are successful we should be able to double the income for beef farms.

I find there is a lot of hope for us. There is a lot of potential for us. Only when we can explore our potential and make sure of expansion in our economy can we transform this into jobs for our youth in the rural areas.

(1755)

The member talked about a problem with education. With the technology of today we could establish knowledge networks such that students, the youth in the rural area, could also tap into the knowledge resources provided by the government and other institutions.

Sometimes it is not necessary to go through university in order to be a productive Canadian. I recommend the hon. member keep in touch with the government to make sure that it can be moved to provide the knowledge network required in rural areas. While I am from a more metropolitan area, I am also sensitive to the hon. member's region but the reason we are elected is to represent our regions.

Mr. Andy Scott (Fredericton—York—Sunbury): Madam Speaker, I am pleased to address the motion calling for the modernization and restructuring of Canada's social security system. I will get right to the point, given we have limited time.

I would like to address the two major elements central to the motion before us: the need for more public input in public policy and the need to change the very nature of our national social security net. On the question of public input I want to commend the minister on his leadership in encouraging Canadians to speak their minds on the issue. It is a very serious debate to all of us.

In my riding we are organizing to debate social programs and human resource development in a comprehensive way. Further, the people of Fredericton—York—Sunbury appreciate the minister's approach since it gives more legitimacy to our efforts.

Since last summer we have organized policy groups around 30 public policy areas, including such areas as health, post-secondary education, senior citizens and so on. Each item will be examined by interested members of the public as well as by stakeholders within each area.

Our first public policy forum is slated for February 27. It is designed for us to consider solutions to the problems now facing our health care system. A session dealing with social security will follow. These and all other public policy forums will be televised. A final document on our deliberations will be sent to appropriate federal and provincial ministers.

I applaud all members of the House for the times I have heard reference to the need for greater consultation. Let us work collectively to see that changes are made here so that sound advice we receive back home will find its way to the floor of the Chamber before major decisions are taken and not after.

The second issue I wish to touch upon is the need for a change in emphasis within our social programs. The Minister of Human Resource Development spoke of the need to change the way programs were designed to meet changing needs and conditions. I could not agree more.

It is no longer good enough simply to provide financial support to unemployed Canadians so that they can subsist with the hope that eventually things will get better. Unemployment is no longer a cyclical phenomenon. In many parts of Canada and among certain Canadians it is systemic, a way of life. I am one of those Canadians not prepared to look the other way in the face of this national tragedy. The country is too prosperous and the gap between Canadians with wealth and those without is too great for us to accept the status quo.

It is not merely a matter of money. Too many Canadians cannot read well enough to advance their own interests or improve their employability. Over the long term we have as much obligation to address the literacy problem as we do that of financial support if we want to offer a better future to the many who are chronically unemployed. I welcome the reference to a national literacy initiative contained in the throne speech and applaud the Prime Minister for his foresight in empowering a minister with special responsibility for literacy.

Finally I wish to speak for a moment on a need for us to realize that we are not all equally equipped to handle change. Nor is everyone in a position to be retrained or re-employed. We must always remember there are some among us who are now and will

remain dependent on the state. In our enthusiasm for reform let us not forget to reassure Canadians that our underlying philosophy remains intact. We are not here simply to find ways to save money. We are here to improve the system.

(1800)

In some cases that may cost money. Training does not come cheap. Some health care costs are going to increase because of demographics. In some cases entitlements are insufficient to meet the needs of poorer Canadians and their children. Fiscal reality demands we be creative, but it can never become an excuse to become uncaring.

One group of Canadians feeling uncertain is senior citizens. Many have spent a lifetime planning retirement based on a set of rules that now seem less certain. The earth is moving under foot. As we contribute to the efforts of the task force looking at social security reform, we must not lose sight of the significant contribution of Canada's social programs to Canada's standard of living for senior citizens. The introduction of programs such as the Canada pension plan and old age security programs has produced a substantial decline in the incidence of poverty among older Canadians.

The next decade is going to redefine Canada. We will no doubt have to be more creative if we wish to maintain our quality of life, but let us not forget the fundamental values of generosity, diversity, compassion and justice that have served us all so well.

Throughout last fall's campaign candidates who ran under our party's banner spoke of balance between fiscal responsibility and compassion. With this in mind I am pleased to recommend that members of the House support the motion for the modernization and restructuring of Canada's social security system. I offer whatever support I can to the minister and to members of task force.

PROCEEDINGS ON ADJOURNMENT MOTION

[Translation]

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

NATIONAL REVENUE

Mr. François Langlois (Bellechasse): Madam Speaker, on January 20, in answer to a question asked by the hon. member for Saint-Hubert, the Prime Minister said in this House that the whole issue of the action brought by the Minister of National Revenue against the federal government of Canada should be settled once and for all.

However, following question period, the Minister of National Revenue made a statement to the media, outside this House, as

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reported on Page B11 of the January 20 issue of *The Gazette*, and I quote:

[English]

“Obviously I am not the one who can terminate an appeal against a victory of mine in the court. The person who appealed has to do that”.

[Translation]

The following day, on January 21, during question period, I asked the Prime Minister if the Minister of National Revenue was going to abandon the proceedings before the Federal Court-Trial Division, which the Crown had appealed. The prime minister told me that the Minister of National Revenue would not be getting any settlement from the government.

I find particularly strange that neither the Prime Minister, nor the Minister of Justice, nor the Minister of National Revenue informed the House that the appeal of the lower court's decision had been discontinued.

My question is really very simple. Is there, still today, before any court whatsoever, some kind of proceedings involving the Minister of National Revenue and the federal government of Canada?

Given the openness the Prime Minister once promised us, I should be able to get a short and concise answer to my question. Could the Prime Minister, the Solicitor General or the minister, who is in the House, confirm that the Minister of National Revenue has withdrawn his action, and if not, if someone intends to ask the minister to fully withdraw his action? In case the minister answers himself, I would like to know if the complete withdrawal papers were tabled.

(1805)

[English]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister): Madam Speaker, in response to the member for Bellechasse, he implied in his question to the Prime Minister that the Minister of National Revenue dropped his case, as reported at page 151 of *Hansard*, “so that he could receive the proceeds initially awarded to him”.

Nothing could be further from the truth. As the Prime Minister noted in his response, the minister had instructed his lawyer to drop the case immediately and in a manner that the minister would no longer receive any settlement from the government.

For the member's benefit I would like to read into the record the minutes of settlement between the minister and Her Majesty the Queen dated January 20, 1994:

The parties hereto agree that the appeal of the Appellant and the cross-appeal of the Respondent are as follows:

The Respondent, David Anderson, will discontinue the cross-appeal herein forthwith.

The Respondent, David Anderson, hereby releases the Appellant from any claim or obligation pursuant to the judgment of Mr. Justice Strayer dated May 31, 1993.

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I do not think the intentions of the Minister of National Revenue could be any clearer.

I would also like to note for the record the minister's situation before he became a minister of the crown. The suit began when the minister was a private citizen and he did not lose his legal rights by virtue of his appointment as a minister of the crown. This was not a matter of ethics. It was a question of fairness.

I would like to read to hon. members an important passage from Justice Strayer's ruling of May 31, 1993. In referring to the approach of the previous government's treatment of the Minister of National Revenue when he was a private citizen, the justice said:

The approach was not only unfair and coercive from the standpoint of the plaintiffs; it was also in my view an abuse of power, in effect amounting to the attempted sale of public offices.

In effect these plaintiffs were being asked to pay for their new Order in Council appointment by surrendering any claim they might have against the government or its officials.

The plaintiff himself obviously was also a victim.

GRAIN TRANSPORTATION

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Madam Speaker, on January 21 I asked a question of the Minister of Agriculture. The purpose of the question was to draw to his attention a flagrant abuse of taxpayers' money by way of subsidy through the Western Grain Transportation Act.

The substance of my question was the fact that we had found out the CNR and CPR railways were using taxpayers' money by shipping grain into an area for the purpose of gaining a subsidy even though the eventual destination was not in that area.

Let me give an example. We have found that grain which is subject to no subsidy and is for consumption in the United States has been transported from as far away as Alberta to the port of Thunder Bay, where it is subsidized if the eventual consumption is in the United States. Grain has been transported from as far away as Alberta to the Lakehead, to the port of Thunder Bay. The trains then turn around without unloading the grain, find their way back to Winnipeg and points west, and then go down into the United States. That is a flagrant abuse of taxpayers' money. That is what we were trying to point out to the minister through that question.

We are trying to say that when we find these abuses in our system, we have to step in as a government and stop them as quickly as we can.

As a result of that abuse I found out over the weekend that the city which I represent, the port of Thunder Bay, has not had a worse shipping season in the last 31 years as it experienced in the year just past.

(1810)

When there are abuses and irregularities in the system, it means one does not play on a level playing field with respect to

shipping in this country. By the very fact that we have these regulations that set artificial means and ways in which to ship grain in this country so that we do not have an actual cost, then the port of Thunder Bay and every port along the St. Lawrence Seaway suffers.

That was my reason for bringing that to the attention of the Minister of Agriculture and to the Minister of Transportation. I asked them to review that abuse. To this day I have not heard whether they have started to review the abuse or not.

Again, please review the abuses under the Western Grain Transportation Act and give every port in this country a fair opportunity to get into the proper business of it.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Madam Speaker, the member has indeed pointed out a concern about the operation and effects of the Western Grain Transportation Act.

The previous government put in place and was conducting an ongoing review of the WGTA as we know it. I can assure the hon. member that our government is continuing those types of reviews. It has an ongoing study of the WGTA.

The first action that was put in place by the previous government was a review by the grain transportation agency of the grain transportation deficiencies, which the member will agree will address his concern. That report has recently been received by the minister and is now being reviewed by the department.

The other study is on the method of payment of the so-called Crow benefit, which in that study group is called the producer payment panel. That report is expected to be received by the minister a little later this spring.

The government will be interested in the results of these two studies, improving grain transportation and the efficiencies in the grain transportation system in western Canada.

I want everyone in the House to note that this government is not bound by the recommendations or reports of the two studies that were put in place by the previous administration. But we will be reviewing and observing those recommendations and taking them into account as we make ultimate decisions as far as the future of grain transportation in western Canada is concerned. We will also be conducting other consultations as to the efficiencies and effectiveness of grain transportation and act in the best interests of the industry for all of Canada.

[Translation]

AGRICULTURE

Mr. Jean-Paul Marchand (Québec—Est): Madam Speaker, I am disappointed to see that the Minister of Agriculture is not here today to answer my question.

The Acting Speaker (Mrs. Maheu): Order, please. It is customary in this House not to mention the absence of ministers or hon. members, whatever side of the House they sit on.

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Mr. Marchand: It is a new rule that I just learned. I apologize.

On January 24, I asked the following question of the Minister of Agriculture:

Can we now conclude that the minister is still trying to protect supply management while he is currently negotiating with the Americans the complete abolition, in the next seven years, of tariffs on yogurt and ice cream?

The minister replied, and I quote:

In whatever discussions we may have with the United States the interests of those producers will be front and centre in our thinking.

He also said: "Again I assure the hon. member and all farmers that the interests of Canadian agriculture in all parts of this country are very much on the top of the government's mind."

He obviously did not answer the question and negotiations with the United States have since ended without the matter being resolved. Therefore, it seems to me that we have the right to know more about the negotiations on yogurt and ice cream.

(1815)

But first, to answer the minister's question, I will remind him that there is no mention of agriculture in the throne speech and that the Prime Minister himself seems not to know and to misunderstand agriculture, judging from comments he has made lately and the fact that he did not intervene in the crucial stages of the GATT negotiations—in fact, he was on holidays at that time—and so far, he has not done anything. He said nothing on behalf of farmers during crucial negotiations that were held recently, last week in fact, while the President of the United States spoke many times to defend American wheat producers. Therefore I would say that the comment of the Minister of Agriculture, to the effect that the vital interests of Canadian agriculture in all parts of this country are very much on the top of the Liberal government's mind, has no foundation whatsoever.

To go back to the point I raised in my question and to which the Minister did not answer, now that negotiations have been completed, it should be possible to get some clarification because farmers, particularly in the dairy industry, are worried since it seems that the government of Canada and the Minister of Agriculture are knuckling under to American pressure.

Can he tell us today, since the GATT takes precedence over NAFTA, that he will fight for the tariffs already put forward to protect ice cream and yogurt in Canada, i.e. 326 per cent for ice cream and 279 per cent for yogurt? Will the government of Canada keep fighting for these tariffs for those two commodities in Canada? And will they try to settle this issue by appealing to a panel with the Americans so that we get some clarification and some peace for farmers in that industry?

[English]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food): Madam Speaker, it is a pleasure to respond to the hon. member's concern.

There have been bilateral negotiations on agriculture and agri-food trade between Canada and the United States for the past several weeks, and I would like to assure and clarify to the hon. member that those negotiations are not completed and are still ongoing.

Many rumours have been spread about what is under discussion and what the outcome might be, and I stress they are rumours with respect to the commodities being discussed.

I would like to say clearly that the government is working to defend the interests of Canadian agriculture in these negotiations and that all sectors of agriculture and agri-food production in all parts of Canada are being considered and are being addressed with high priority.

There are a number of outstanding agri-food trade problems with the United States dealing with a number of commodities, as we know. The minister attempted to settle these in a bilateral framework in Geneva in December, but time did not allow the concentrated and detailed effort that was needed. Unfortunately, the situation was too hectic at that time, but of course negotiations have continued. That also did not mean that these problems went away.

The minister met again with his U.S. counterpart on January 8, and negotiations have been and are still continuing.

I want to state clearly that Canada will not trade off one commodity against another. Negotiations for each commodity are taking place on their own merit and are self-contained.

In this context we should recall that a GATT panel in 1989 ruled that Canada's import quotas on ice cream and yogurt products were not consistent with article XI. Canada accepted that finding and sought to reach an agreement and a solution to this problem in the course of a bilateral trade negotiation.

The government is seeking a solution that will provide stability for Canadian dairy farmers, producers, and processors.

I wish to underline that the government's only priority is an agreement that is in the interests of Canada.

The government remains committed to ensuring that our supply management system can continue to operate effectively.

(1820)

The government also remains committed to ensuring that we have the best possible access to U.S. markets for products we

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export there. We will carefully examine any proposed settlement with the U.S. against these commitments.

JOB CREATION

Mr. Chris Axworthy (Saskatoon—Clark's Crossing): Madam Speaker, on January 25 I asked the Minister of Human Resources Development a question that goes to the core of his government's commitment to job creation.

I asked him about the setbacks that the job creation strategies had received as a result of four major government policies in particular, which will serve to do nothing but cost Canada jobs: the accession to NAFTA; the increase in UI premiums for employees and employers; replacing John Crow at the Bank of Canada with someone with the same frame of mind, with a mad obsession about inflation; and chopping \$300 million from the UI training fund. We have also seen the Minister of Finance going across the country focusing mostly on listening to people who argue for cutting expenditures rather than arguing for any real commitment to jobs.

The only way in which Canada will create jobs is to have an holistic approach to it in which trade, fiscal and monetary policies all ensure that job creation is the number one goal.

Today we are talking about social programs. It is clearly useful to have active social programs whereby people who do not have jobs receive training, help with literacy, and so on.

The minister would know, and indeed the government would know, that the research on active social programs in terms of solving the job crisis shows that we can only expect very modest gains in employment from that because the main problem is that we simply do not have jobs for people, no matter whether they are trained or not.

The minister gave a rather odd response to my question. He said that we need to give real incentive to millions of Canadians to find a job and give real dignity to their lives. Canadians do not lack dignity and they do not lack initiative; they lack jobs and hope.

It is odd and perhaps it is as clear here as in anything else, why the government is not focusing on job creation. I think we have five policy debates of a general nature, ensuring that all members of Parliament can communicate their views to the government on specific matters of policy. Today we had a debate about social policy, but we have had no debate, and we apparently will have no debate, about job creation. If that is the number one goal of the government, I presume that is where we would focus.

We have heard much too, in particular from the Reform Party, about the importance of the private sector creating jobs. No one would doubt that most jobs are in the private sector, that most jobs will be created in particular in small and medium-sized business.

We have had governments that have been particularly favourable to business over the last years in Canada, in particular in my province of Saskatchewan where businesses were given practically everything they wanted. Social programs were slashed; we ended up with a bigger deficit, with more unemployment and with more misery.

Those policies will not work, not because we do not want them to work, but they will not work because the private sector is not in the business of creating jobs. The private sector is in the business of creating profits. If there is a conflict between job creation and profit, they of course will choose profit, as it is their objective.

So we have a conflict here between a government, representing the people of Canada, that needs to create jobs and the private sector, which will if they can make profit without creating jobs. If they need employees in order to create profit, of course they will hire them, but if they can do without those people, they will. Indeed, any CEO's report across the country that anybody wishes to read will argue with pride that the reason for their improved profit picture is because they have in fact cut their work force.

I ask the government to focus on job creation as its number one objective. That is the only way that we will reduce the deficit in Canada. We can do it two ways. When people make money, they buy the things they need. They provide their own services. They do not have to rely upon government programs to do that. It is not dignity and it is not initiative these Canadians lack; it is jobs.

(1825)

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development): Madam Speaker, I would first like to point out to the hon. member that the government's number one priority is job creation. It is for this reason the government has introduced an infrastructure program which will generate thousands of jobs for Canadians. It also for this reason that we have moved very quickly toward the establishment of the Canadian youth corps for our young people.

It is another reason why we have put most of the tools dealing with job creation into a single portfolio, namely the human resources development portfolio.

I would also like to point out to the hon. member that he should be a bit cautious about throwing figures around, particularly when it comes to training. I am speaking of such numbers as the \$300 million cut in training. In fact, our actual expenditure on training will be the same as last year. As the hon. member himself suggests and then proceeds to disregard, we need to look at the big picture.

Training and job creation efforts need to be balanced. Many UI recipients need training but they also need jobs once they are finished. It is why, as mentioned earlier, we launched the infrastructure program where people throughout Canada; the east coast, the province of Quebec or Ontario or British Columbia, will be benefiting greatly from this program.

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Furthermore the Minister of Human Resources Development outlined this morning how we intend to proceed to rebuild the social security, labour market and learning framework of our country. This is at the core of job creation. By renewing and revitalizing the social security system we will be providing the right opportunities for Canadians to get jobs. We cannot stimulate employment if our systems do not reward effort and offer incentives to work.

The social security action plan will also propose clear options for redefining and redistributing work to ensure that more Canadians have jobs.

The Acting Speaker (Mrs. Maheu): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at ten o'clock a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.26 p.m.)

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