



# House of Commons Debates

---

VOLUME 133

NUMBER 042

1st SESSION

35th PARLIAMENT

---

OFFICIAL REPORT  
(HANSARD)

**Tuesday, March 22, 1994**

---

**Speaker: The Honourable Gilbert Parent**

# HOUSE OF COMMONS

Tuesday, March 22, 1994

The House met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

[English]

### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government's response to five petitions

\* \* \*

[Translation]

### COMMITTEES OF THE HOUSE

#### LIBRARY OF PARLIAMENT

**Mr. Ted McWhinney (Vancouver Quadra):** Mr. Speaker, I have the honour to present the first report of the Standing Joint Committee on the Library of Parliament. In this report, our committee recommends that it be authorized to act as advisor to the speakers of the Senate and of the House of Commons when they exercise their authority over the Library. We are also asking permission to meet with a reduced quorum as well as during sitting of the Senate. This is the first report of the Standing Joint Committee on the Library of Parliament since March 5, 1970.

\* \* \*

[English]

### CANADA ELECTIONS ACT

**Mr. Sarkis Assadourian (Don Valley North)** moved for leave to introduce Bill C-229, an act to amend the Canada Elections Act (registration of political parties).

He said: Mr. Speaker, as members know this is my very first private members' bill. The purpose of this bill is to amend the Canada Elections Act to allow the registration of political parties by the chief electoral officer only when the party

nominates candidates in at least seven provinces that have an aggregate of at least 50 per cent of the population of all the provinces and in at least half of the electoral district in each of those seven provinces.

For the purposes of the Canada Elections Act, "province" includes Yukon Territory and Northwest Territories.

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

\* \* \*

### PETITIONS

#### BILL C-91

**Mr. John Solomon (Regina—Lumsden):** Mr. Speaker, it is my pleasure today to present to the House of Commons pursuant to Standing Order 36 a petition on behalf of many of my constituents as well as others who reside in Saskatchewan. These petitioners are interested in seeing Bill C-91 repealed because of the dramatic effect it has had on the price of prescription drugs in Canada.

In essence, Bill C-91 has driven up the price of prescription drugs by over 120 per cent in the last five years. This has been a severe problem financially for those people who require prescription drugs. It also has hindered provincial governments across the country in terms of restricting and reducing the drug plans they have.

The Canadians from Saskatchewan who have signed this reside in Semans, Duval, Nokomis, Earl Grey, Assiniboia, Craven, Southey, Cupar and Strasbourg to name a few of the communities.

I summarize by saying they are begging and requesting this Parliament to repeal Bill C-91, the drug patent legislation.

\* \* \*

(1010)

[Translation]

### QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, the following question will be answered today: No. 10.

*Supply*

[Text]

Question No. 10—**Mr. Simmons:**

What action, if any, has the Department of Fisheries and Oceans taken to resolve the many long-standing deficiencies—in management practices of the fishing vessel insurance plan, including a rapidly declining insurance base, rising deficits, and declining efficiency, the failure to improve client service and the process for reviewing and approving claims, the plan's deteriorating performance, and the Department's lack of corrective action, as raised by the 1992 Auditor General's report?

**Hon. Brian Tobin (Minister of Fisheries and Oceans):** The Department of Fisheries and Oceans has taken a number of steps to address concerns raised in the 1992 Auditor General's report.

In February 1993, a general manager at the executive level was appointed for the program with headquarters in St. John's, Newfoundland. This concentration of full line authority for managing program resources across all regions has streamlined decision making and reduced opportunities for diverting funds away from the program. The consolidation of two regional offices and a reduction of staff complement through attrition has resulted in increased efficiency at decreased costs.

Steps have been taken to ensure the implementation of a national FVIP data base by the first quarter of fiscal year 1993–94. This will provide needed management information for ensuring more efficient administration, establishing appropriate rate structures, maximizing revenue and setting national standards in a number of areas.

A training program developed for field officers on vessel appraisals and claims adjustments is now in progress. The first two week session began on February 28, 1994 and the second two week session started March 12, 1994. Training will also be provided as part of the data base implementation.

Updated procedures for the review and approval of claims now ensure that claims are forwarded to head office with proper documentation. As a result, HQ approval has been reduced to one week thus improving overall service to clients.

A report has been prepared assessing the reasons for the declining insurance base and recommending measures to reverse the trend. This report is now being analyzed.

[Translation]

**The Acting Speaker (Mr. Kilger):** The question mentioned by the hon. Parliamentary Secretary has been answered.

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

**The Acting Speaker (Mr. Kilger):** Shall the remaining questions be allowed to stand?

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

[English]

**SUPPLY**

ALLOTTED DAY—JOB CREATION

**Mrs. Francine Lalonde (Mercier)** moved:

That this House deplore the government's lack of vision and lack of concrete measures relating to job creation policies.

**The Acting Speaker (Mr. Kilger):** Since today is the final allotted day for the supply period ending March 31, 1994, the House will go through the usual procedure to consider and dispose of the supply bills.

In view of recent practices do hon. members agree that these bills be distributed now?

**Some hon. members:** Agreed.

[Translation]

**Mrs. Lalonde:** Mr. Speaker, indeed we, the Official Opposition, feel that it is important to make this House and the government aware of the need to worry, and not just talk, about employment in Canada.

Four heavyweight ministers—I do not intend to put them on a diet—participated in the last G-7 conference. We are waiting for them to inform us of the innovative solutions they learned at that conference to help Canada improve the tragic situation of unemployment here.

I must admit however that I am anxious to see what these senior ministers will propose, considering that when the previous crisis occurred, the G-7 advocated drastic measures to control inflation and Canada subscribed to those, so much so in fact that it tried to show the way and applied a solution whose effects were worse than the problem.

In fact, it seems to me that the federal government must ask itself what kind of policy would stimulate employment, as Quebec has done perhaps because it has been experiencing serious unemployment problems for a long time. Quite often countries, including G-7 members and those which are most easily and naturally prosperous because they have been wealthy for a long time, think that employment is what is left once everything else has been looked after. So the government looks of course after problems such as inflation and the deficit, which is largely the result of its anti-inflationary policies, and what is left in the end is the employment situation.

Then nice speeches are made to say how sorry the government is to learn of the plight of the poor ordinary citizen who is in real trouble, who has no security, and who is deprived of what little hope he may have had of at least getting a minimum income for a while through UI benefits. So the government makes nice

speeches to the effect that it is concerned about employment, and it gets elected by pledging to look after the problem but, in fact, it is essentially business as usual.

I want to take this opportunity to tell members of this House—even though their previous income level was not necessarily the same—that very few Canadians and Quebecers enjoy the same peace of mind as we do. Indeed, many of them live in a great state of insecurity which has a profound influence on the rest of their lives.

(1015)

Of course, when we are in office, we are surrounded by advisors who tell us: You must not worry about it. It is a jobless recovery, it is the same everywhere, and you must get used to people's anger. You have to be thick skinned and not let yourself be moved if you see people who are having a hard time.

I would like to take the time allotted to me to say that there are two main types of economic policy. The first, the most common kind, is a sort of *laissez faire*, as I was saying; you look after the fashionable parameters and live with the outcome once that is done, and that is the more or less long-term unemployed.

We know that since the 1980s, some ideas that were in in the 1930s have come back in fashion; they say that basically only the strong can survive, so let us help the strong and as for the weak, well, too bad, they are disadvantaged so let them suffer.

But other countries over the years have developed other types of policies where employment is not a leftover, not a residual concern about which nothing can be done; no, they say: the purpose of the economy must be to give ordinary people a minimum, not just enough to keep them from dying, but enough to live with dignity, to have some hope and fulfilment, and in our societies for a long time to come, the key will still be employment.

Some societies have taken the trouble to give themselves instruments, not just macro-economic instruments, not just monetary policy, not just a policy on the deficit, not just a trade policy, but a policy concerned with how jobs are actually created and lost and how, with patient effort, by influencing macro-economic policies, through common effort and working together, asking questions, even tough questions, the future of people can be assured.

Unfortunately, we must admit that in politics, these methods often take time and politicians, men and women in politics, because I distinguish the two, can be in a hurry, their time is limited. However, there can be no quick-fix solutions—there are none. There is only the ability to look at a situation and to develop approaches with people at the grass roots.

Mr. Speaker, you will understand that I will talk about decentralization at some point and I will talk about Quebec. But before that, I want to remind you of the situation, not for the fun

### *Supply*

of it, because it is not at all funny. The latest figures show 1,559,000 unemployed people. Remember that the unemployed counted here are those who are actively looking for work. You can be unemployed but not counted in this category if you are a discouraged worker. It is more practical that way; you are forgotten.

In Quebec, how many are officially unemployed? There are 428,000, not counting all the long-term unemployed who are on welfare. We can say without exaggeration that there are about 800,000 unemployed people in Quebec who are actually looking for work, although not as Statistics Canada sees it. The lives of 800,000 people in Quebec alone are tied to the ability to find work. It is a question of self-esteem, of parents being able to face their children or help them, of people being able to build a home, have children. According to Statistics Canada, there are 1.5 million unemployed in this country.

(1020)

The Liberal government came to power on a worthwhile slogan. In either French or English, it was “jobs, jobs, jobs”. The government rose to power on the heels of this catchy slogan.

The Liberals conducted a clever campaign. Their slogan amounted to: “Vote for us, vote Liberal”.

So, what has this government done to follow through on its promise to create jobs, jobs, jobs?

**An hon. member:** It has created jobs.

**Mrs. Lalonde:** Since being elected? You must be joking. Look at the record.

Mr. Speaker, would you kindly remind hon. members to be courteous and to look at the latest Statistics Canada figures?

**An hon. member:** As the hon. member should.

**Mrs. Lalonde:** I have seen quite few figures, sir.

So then, what is the government doing? It does not like to be reminded of its record, but that is our job. What action has it taken? First of all, it cancelled the helicopter deal, without giving any thought to preserving high-tech and scientific jobs, as the Bloc had recommended.

Next, it increased unemployment insurance premiums. It is trying to make people forget this decision any way it can by saying that it will lower the premiums next year. I will come back to this point.

The government plans to inject \$1 billion a year into its largest initiative, the Infrastructure Program. It hopes that the provinces and municipalities will match this amount. After two years, the government hopes to have created between 45,000 and 65,000 temporary or short-term jobs. It is a simple matter to calculate the cost of each one of the 65,000 jobs, in light of the problems.

*Supply*

Mr. Speaker, the members opposite should stop saying that they have created jobs. If that was their slogan, and if they are satisfied with the Infrastructure Program—some bad language comes to mind, but I realize that members cannot speak such words in this House, unless they are willing to temper their remarks and I have no desire to do so.

At best, the Infrastructure Program will create 65,000 jobs. According to the Johnson government, the program will create 20,000 in Quebec. By extrapolating, we see that this initiative will create 20,000 jobs, while the lives of 800,000 depend on finding a job, often any job.

Therefore, when the government says it has followed through on its promises when we know that this program is only a drop in the bucket, it is showing a certain lack of understanding and compassion, as well as extreme thoughtlessness. Its actions must be sternly denounced. Can anyone argue that this is the way to create jobs? However, for the government to be satisfied with creating 65,000 jobs—and this is not done yet—by the end of this period and to claim “mission accomplished”, words fail me, Mr. Speaker. Let me just leave it at that.

The government's next move was to bring down a budget, which it claimed, with great fanfare, would get Canada out of the woods.

(1025)

What was not mentioned too often though is the fact that the forecasts—not the targets but the actual forecasts—for employment in this budget see the overall rate of unemployment move from 11.2 per cent in 1993 to 10.8 per cent by the end of 1995 in Canada. This means that the government itself is resigned to doing nothing more than what is outlined in the infrastructure plan and hope it stirs things up a little.

Mr. Speaker, this is my first mandate as a member of Parliament, not that I did not try to get elected before, and if my constituents have elected me to represent our riding, it is to testify to the best of my abilities to the misery and despair of so many people. I will never tolerate that the government does nothing after running on a platform of “jobs, jobs, jobs”. And especially after claiming—and this shows its lack of imagination—that 40,000 jobs will be created by the end of 1996 because it did not further increase unemployment insurance premiums.

The government says—and I know the word for saying the opposite of the truth cannot be used in this place—that it will create jobs, when in fact the only thing it will be doing is not further hindering job creation. The truth is, based on Employment and Immigration Canada's indicators, that the January UI premium increase probably prevented the creation of 9,000 jobs. That is the truth. We are expected to applaud the government for

not preventing the creation of 40,000 jobs by the end of 1996! That is not my idea of a good employment policy.

The government has all the tools of a powerful state. In spite of its huge debt, Canada is part of the G-7, although it is closer to being booted out than ever before. It is among the have nations. This wealth, admittedly, was acquired for a large part owing to the richness of Canada's subsoil. As the government is now discovering, its true strength rests with its human resources.

Unfortunately, there is no easy recipe for investing in human resources development, and job training, as powerful a tool as it may be, is not a cure-all. I have spent a lot of time, along with other members of the Committee on Human Resources Development, in hearings where we were told repeatedly by the people involved in assisting individuals looking for a job how many of them have qualifications that they cannot even use. Painting in glowing colours the advantages of a little job training, which would be made compulsory, and having people believe that this would solve all their problems and create these jobs they are looking for is not permissible. In fact, it is absolutely forbidden. In any case, it goes against the testimony we heard from people working in the field. In Quebec alone—I do not know the latest figures but I will use slightly lower figures than those recorded during the last recession—over 4,000 engineers were jobless; we are talking about engineers and not about someone who took a little three-month course to upgrade his or her skills in some area. I am not underestimating the value of such courses. But I am saying that to make people believe they can get jobs after a short, compulsory training period is fiddling with the truth.

(1030)

We will have many opportunities to come back to this issue. However, I wanted to say that I participated—I did not check the time I have left, I will be quick, I could have asked you before continuing—with 1,200 other people in the Quebec forum on social solidarity. What I want to say is this: There has been, at least in Quebec, perhaps because the unemployment problem there has been serious for a long time, a change in mentality. We do not simply ask others to show their concern about jobs. We know—and it may be true of unions, it is true of businesses, governments, and individuals—that the unemployment problem can only be tackled by means of a policy of solidarity. Solidarity means that everyone, including the rich, will have to do their part. We cannot simply let the rich carry on with their business while telling others they must tighten their belts because we can no longer afford to pay for social programs.

We in Quebec have been working on these issues for a long time. We have developed the ability to act in concert with employers, unions, citizens' groups, and governments. After a long debate, we developed a capacity to reach a consensus. Many see sovereignty as a project because we can no longer afford to waste time on discussions. We want to act quickly to

use the resources at our disposal in pursuing the priorities developed in the regions of Quebec.

I am making this speech in this House because I know that other regions of Canada are facing tremendous problems, that they can no longer rely on their previous wealth, that they may have to undergo a long process. But, if the government is not aware of this, if it thinks it can collect revenues and leave those in difficulty out in the cold, it is on the wrong track. It can change course and that is the purpose of today's motion.

**Mr. Raymond Lavigne (Verdun—Saint-Paul):** Mr. Speaker, instead of always criticizing everything this government does, she should realize there is more to this than infrastructures. Members should look at the situation for small businesses in their ridings, get organized and help create small businesses. These generate a lot of jobs and can be created in all regions. I think that if all members look after their ridings as they should, a lot of jobs could be created in the days, weeks, months and years to come.

(1035)

I think the hon. member should look around in Quebec, as I have been doing, since we have already started into small businesses, and we have made a start with creating jobs. We are looking in my riding at all the agencies that take care of job creation and training, to ensure that people are not being trained for jobs that do not exist. If we provide training and if once people finish their training, they have no jobs, it is no use training them.

We should have on-the-job training, with the assurance of a job for at least the next few years because, as you know, small business creates 85 per cent of the jobs in this country. I want to ask the hon. member what she has done in her own riding since she was elected and what kind of initiatives she has introduced.

**Mrs. Lalonde:** Mr. Speaker, I have to smile when I see someone who wants to put the employment problem right back on every member's doorstep. I find that amazing. I do not see why a party would want to get elected and have the power and the instruments it needs to run the economy, if it means making members responsible for job creation.

However, I will give you my thoughts on small businesses, and I can tell you the concept was not discovered by the newly-elected Liberal government. It has been common knowledge for years. Anyone who is concerned about employment issues knows where the jobs are. There are jobs in the public sector, which are being cut because it is felt the public sector is costing too much, which means fewer jobs and less money in circulation. However, one soon realizes that jobs are created by the business sector. At one time I was working for a union and I

### *Supply*

said, at great personal cost to myself, that unionized workers should be concerned about productivity.

Yes, small businesses do create jobs. But the federal government, which runs Employment and Immigration Canada and which has, and this is just an example, I am hitting the ball back in your court, Self-Employment Assistance—

**The Acting Speaker (Mr. Kilger):** Order, please. I might remind hon. members on both sides of the House that they are to address their remarks through the Chair.

**Mrs. Lalonde:** Thank you, Mr. Speaker. I said this in the heat of the debate, and I apologize. I certainly would not be able to maintain this intensity when addressing the Chair.

Mr. Speaker, I wanted to say to the hon. member that Employment and Immigration Canada, which has what could be an effective mechanism, called Self-Employment Assistance, decided, despite the unemployment rate we have in the Montreal area, to restrict the number of persons—I think it is 125 or 165—to be given assistance in starting a small business. However, it has been proven this option is effective. Throughout the Montreal area, we see people who have projects but often do not have enough money to make the initial investment. They lack a framework and need help in the start-up stage—I have done that sort of thing, and I know what I am talking about. There are a lot of people like that. Unfortunately, governments are only concerned about macro-economic policies and do not care about how jobs are created or lost. We have businesses closing that should not close, but they say these are lame ducks, and so forth. There is a lot of time and effort involved in starting a business, and sometimes all it takes is a few adjustments and some management restructuring. With a little more attention and assistance, far more could be done for these businesses.

As far as small businesses are concerned, I am looking after my riding and helping specific businesses, but the hon. member is not about to make me responsible for what a government should be doing, including the obligation to know what has to be done at the grass roots level.

[*English*]

**Mr. Rex Crawford (Kent):** Mr. Speaker, I listened to the hon. member's speech which, and this might amaze her, I enjoyed. Now I am asking her and her party to help me. I am not passing the buck.

(1040)

What I am referring to is last week in my riding of Kent in southwestern Ontario, the provincial government removed the excise tax on ethanol and also contributed \$5 million to the building of a \$160 million to \$170 million company in the riding. I have been asking our government if it would do the

*Supply*

same as the provincial government did and keep the excise tax off ethanol for at least the next 12 years.

It is in the red book. It is environmentally friendly. The job creation factor is that over 90 employees will work in this factory, with a spinoff of over 400 to the agricultural area, taking in the corn in the area to put into ethanol.

The next factory to be built after the completion of this factory, anticipating the passage of this bill in the House, will be in Quebec. It will be the same size; a \$170 million plant to help not only Quebec but Ontario. Another is being built in Saskatchewan as well as an addition on the one already there.

**The Acting Speaker (Mr. Kilger):** Order. I know that members would want to seize the opportunity in the limited time of questions and comments to make them directly to the last spokesperson. If we are going to have a triumvirate discussion, excluding the Speaker, we would have great difficulty getting to the issues of the day.

The hon. member for Kent, please.

**Mr. Crawford:** I apologize, Mr. Speaker. I ask the hon. member if I could have her support and her party's support in this very important matter of ethanol.

[*Translation*]

**Mrs. Lalonde:** Mr. Speaker, you can tell the hon. member that I will be very interested in learning more about that. From what I understand, he could get our support.

If I may, I would like to add that, in Quebec, we have really developed an expertise, because we had some problems, we always have serious problems and we know how important it is to combine in a synergic effort—although I do not really like that word—forces that exist in an area. It takes time, but it is the only sure recipe. Governments must know that macro-economic policies absolutely have to be implemented, promoted and, surely, prevented from interfering with what is going on at the local and regional level.

[*English*]

**Hon. Ethel Blondin-Andrew (Secretary of State (Training and Youth)):** Mr. Speaker, I am very pleased to rise to respond to the motion moved by the hon. member for Mercier.

I am very glad to reiterate for all hon. colleagues of the Bloc Québécois the Liberal vision of Canada. It is a Canada that offers to all young Canadians the kind of opportunities to work, to grow and to prosper as so many other Canadians enjoyed before them.

It should be noted that part of a government's vision is responding in an accountable, responsible and innovative way to what it sees around it, and not only responding to the problems

but capturing the spirit of the potential that is there. This is what we as a government are attempting.

I also welcome the opportunity to expand on this government's actions to date on how we will create jobs and opportunities through an integrated and effective approach to investing in people. As the Secretary of State for Youth and Training, I specifically would like to address the House on what concrete measures this government is taking to improve the job prospects of our young people, to get young Canadians back to work in the mainstream of the workforce.

I should perhaps preface the rest of my speech with some comments about how inspired I have been in my travels across this country since having been appointed secretary of state. I have met young people from all across the country, from the east to the west, from the north to the south. It has been very inspirational for me to know there is vast potential for us to work with.

(1045)

We have a wealth of resources in the ideas, the energy and the leadership among young people. It should be noted that generally young people have the potential, the talent, the ability and the willingness. They need the opportunity and this is what I would like to address today.

Other hon. members of the government will rise to speak on the Liberal vision for Canada and how that vision is fuelling concrete measures on several fronts to mobilize Canada's economic and human resources to create jobs and opportunities for all Canadians.

During the election last fall the Liberal Party articulated a vision for a Canada where people live and prosper with a sense of hope and opportunity. Our vision was clearly spelled out in the Liberal platform called "Creating Opportunity" or the red book.

It is a vision of an independent country that is economically strong, socially just, proud of its diversity and characterized by integrity, compassion and competence. These are the guiding principles that generations of Canadians live by and they laid the foundations for a great country and a fair society. The government stands behind these principles and we will create opportunities that reflect our strong belief in them.

As the hon. member for Mercier is no doubt aware, the Liberal vision for a strong, cohesive and productive country hit a responsive chord among many Canadians. They increasingly felt isolated by their institutions, worried for our young people and uncertain about their future.

The previous government adopted a wait and see attitude to social and economic policy and left Canadians to fend for themselves. However, this government has acted quickly to address the new social and economic realities of a global

*Supply*

economy by inviting Canadians to engage in a far reaching examination and rebuilding of the very structures that have made this country so great.

The impetus for change can be seen all around us. Where Canadians were once sure footed, they now feel they are slipping. Nowhere is the degree of uncertainty and the desire for change greater than when we hear the call from our young people to give them opportunities to contribute to their community, their country and to join in with other Canadians in building a brighter future for this nation.

Canada cannot risk seeing a generation of young people sidelined in the job market because we did not have the right programs at the right times. Canada had over 400,000 young people under 25 who were looking for work each month in 1993. That is an unacceptably high unemployment rate of over 18 per cent. Without opportunity they will lose hope.

In human terms, there are a lot of idle young people whose talents are being wasted. We need to ensure that young people have better opportunities like access to work, education, job training or community service. It is not for lack of interest. It is for lack of opportunities that this situation exists.

The most recent labour force survey shows that while the number of unemployed in Canada is down, the youth unemployment rate is rising. It reached 18.1 per cent last month, its highest level since last June.

We want to rebuild the social safety net for young Canadians who need help to get their lives back on track. In restoring the sense of security and opportunity, we want to offer choices that will help them make their way in the workforce. That is what the social security reform will accomplish.

I want to make it clear that helping young people make the transition from school to the workforce is a major focus of social security reform.

The government is calling on all Canadians to join in rebuilding our social security net. We are strongest when we act as a team. We are strongest when we combine the talents of governments, business, labour, educators, community groups and our youth. Together we have the human resources necessary to find solutions. Together we can do a better job.

Young Canadians have as much to contribute and to gain from the rebuilding of our social safety net as any other age group in the country. They are a top priority because they are our future workforce.

(1050)

Young people will be the beneficiaries of these revitalized social programs. They will see the productive outcomes of a social security net that rewards effort, offers incentives to work and restores hope for the future.

Our vision is to create a more productive economy by investing in the potential of our young people. To do this we have to recognize the needs of young people who are in the workforce now and looking for a meaningful outlet for their talents, energies and ideas.

We also have to plan for the next generation too: those students who are just entering high school now and who will be planning their careers for a yet unknown job market and the generation after them as well.

Social security reform is being propelled by a strong desire to meet the social and economic needs of Canada head on. Canada's social programs have served us well but they were designed in a different time for different circumstances. We cannot keep waiting. The realities of the next century are on us.

On January 31 the Minister of Human Resources Development announced a three stage process for social security reform. It involves the participation of Canadians from all levels of the community.

A parliamentary standing committee has been holding public hearings and is scheduled to submit its report to the House later this week. We have met a number of times with our partners at the provincial and territorial levels. These meetings will continue. A task force has been appointed to advise the minister. From these discussions an action plan will be drafted and tabled in the House in late April or early May. Canadians will be consulted on proposals for social security reform to be outlined in the action plan.

We are moving quickly because the economic prospects of young Canadians can only improve if our system which can help them make that transition from school to work is redesigned and improved to meet their pressing needs.

It is time to rethink our priorities and come up with a plan to meet the needs of our young people, our workforce and our society in the 1990s and beyond. In doing so we will also put in place a system that is responsive, compassionate and economical.

The majority of jobs created now to the year 2000 will require at least 17 years of education and training. That is high school, plus four or more years of further schooling. Employers have raised the ante. Yet approximately 60 per cent of young people go looking for work right after high school. The doors to entry level jobs will be closed to them unless we give them the opportunities to improve themselves.

Youth unemployment is directly linked to education and training. Between 1990 and 1993 jobs held by university graduates increased by 17 per cent. The uneducated and undereducated are being squeezed out of the workforce. The longer they are out of the job market, the harder it will be to get back in. The gaps on a young person's résumé will put them at a great



*Supply*

disadvantage when they are up against newer graduates just entering the workforce.

Young Canadians have the highest unemployment rate and are the most vulnerable to economic downturns. There may be fewer youths compared to their baby boomer predecessors. However, their needs are more pronounced because of the increasingly complex world they are entering, in terms of the workforce, what is productivity for a nation per se and because of global competitiveness as well.

The federal government is offering jobs and hope to young people who have been hit hard by the recession and have fallen between the cracks in trying to find a job after leaving school. The failure to make that transition has a ripple effect on the economy and society.

What is particularly disturbing is the growing number of young people who have never held a job. That is why it is essential that we help young Canadians.

The Liberal government is committed to helping young Canadians make that transition. It is a top priority and that is why we are moving ahead with the youth service corps that was outlined in the red book. The youth service corps will help offer young Canadians an opportunity to serve and learn about their country and gain important skills and valuable work experience.

(1055)

The government will reach out to young people to prepare them for the challenges of the future. Liberals believe now more than ever that Canada needs the skills, talents and energies of every young Canadian. The youth service corps will get unemployed youth working in community service projects to address the diminishing opportunities for young people as a result of the tough job market.

It is not a question of whether young people want to work, because they do. It is a question of giving them the opportunity to do something constructive and rewarding that benefits the individual, improves their community and strengthens our country.

Canada simply cannot afford a lost generation. Demographic trends clearly demonstrate Canada will soon suffer a worker shortage. As baby boomers leave the workforce in large numbers we will increasingly count on your young.

To compete globally in the next century we will need a highly educated, highly skilled workforce. You need not be a futurist to know our continued growth and prosperity depend on the workers of tomorrow who are generally the unemployed youth of today.

This venture will be less costly than unemployment insurance and welfare and will give young people the tools to build better lives for themselves and for our society. Young people are

searching for relevant work experience that will give them saleable skills to get their foot in the job market door.

During my discussions with young Quebecers on the concept of the youth service corps I heard firsthand their enthusiasm for such a program. Quebec youth eagerly identified with the goals of the youth service corps to give them practical skills and work experience while contributing in a meaningful way to their country.

The youth service corps is a smart and necessary investment in our future workforce. It is a concrete measure which addresses the serious need to help the unprecedented number of youth who are squeezed out of the workforce, who are giving up on finding work. Canadians age 18 to 24 who are out of school and unemployed will have opportunities to gain a sense of accomplishment, self-reliance and marketable skills through practical work experience in the community.

Do we act now to offer young people opportunities so that they can acquire some skills and learn good work habits? Or do we write off a generation of youth and leave them unprepared to compete for jobs? The government has decided to act.

The youth service corps represents one of several concrete measures by the government aimed to better prepare youth for the fast changing labour market. It is part and parcel of our underlying vision to invest in Canadians. The same vision is behind the social security review process.

Young people today want what other Canadians want: good jobs; opportunities to enter and re-enter the workforce; the right to be part of the mainstream and to be treated with dignity. That is the essence of our vision for young people.

The government stands for creating opportunities for young people. For the great majority of Canadians, jobs are at the top of the list. A job is the best form of security. We want to give young Canadians all the tools necessary to aim for, prepare for and find jobs.

I should mention a number of other things that relate to youth between the ages 18 to 24 who are unemployed, left on the sidelines, out of reach of the opportunities. We also have a general preoccupation with the poor, the disabled, the street people, the people who are most in need and at risk. The initiatives we have outlined in the red book express that very well.

Let me give a few examples. We have proposed an aboriginal head start program that will deal with preschool child development. It will help greatly those sole parents who struggle on their own with their children in the area of parenting skills and nutritional skills. We have a great need there. These are for the inner city poor.

In a particular area of Winnipeg, one out of three children lives in poverty. This program is designed for the inner city poor. We now have a program designed to help keep young children in school called the stay in school program. It has been

*Supply*

hailed as a success across the country. Many regions have supported the program. There has been a marked difference in the attendance of people who have been impacted by the program.

(1100)

We also have the brighter futures program, which is a carry-over from the last government. We do not discard what works. We try to perfect, adjust and make better things that would work under our mandate.

We now have Youth Services Canada which will break the cycle of dependency. It will take youth between the ages of 18 to 24 years off unemployment insurance and assistance. It will be an enabling process.

We also have the summer challenge program on which the minister will speak later. It is a very successful program. It is a program for the young people of Canada who are out there right now educating themselves, training and working. This is their opportunity to work between the months of April and September. They want to work and they are working.

We also have the proposed youth internship program. I could go on and on about the wonderful things we want to do but my time is running out. We have laid out our priorities. We have expressed a commitment. We have looked at the human side of all the misery out there. We have laid out our plans concretely. For the first time in the history of the country the government has come forward and laid out on paper what it wants to do.

In particular reference to my mandate we are committed to helping our youth. Our commitment will be expressed over the months to follow. It has only been since November that I have been in this mandate. Conversely I have been inspired by these young people. They are knowledgeable. They are mature. They want an opportunity. They are a leadership resource and we aim to work with them.

[*Translation*]

**Mr. Benoît Tremblay (Rosemont):** Mr. Speaker, I very much appreciated my colleague's speech and the enthusiasm and determination she showed in talking about the Youth Service. She said that, thanks to that program, young people will have the opportunity to get off unemployment insurance. We must understand however that, given the recent unemployment insurance reform, they will not go from unemployment to that program since they will no longer be eligible for UI benefits.

If the prospects presented in that famous red book are so extraordinary, please tell us why, after just a few months, the Prime Minister got such a bad reception in the Maritimes and in Shawinigan? What is perfectly clear for Canadians is that the

government made promises and that we are now being presented with some well-intentioned measures that are totally out of proportion with the real problems of our society and the extent of those problems. The government promised us heaven on earth.

Just remember what happened when Ms. Campbell said, during a debate, that the unemployment rate would stand at 9 per cent at the end of the century. She was treated like a pariah. Well, I suggest you read our Minister of Finance's budget. What does it say the rate will be in 1996 and in 1997? What are the medium-term projections for the unemployment rate? We will know in August.

The reality is that we are facing problems of a massive scale, the Liberal Party made irresponsible promises and now it is unable to abide by them.

I believe the last campaign was totally irresponsible as concerns public finance; the idea was it would not be necessary to cut government expenditures, all that was needed was job creation. Now we see major cuts, particularly in social programs, and we get some small measures totally out of proportion with the problems; that is why people are so disappointed.

I understand that a program of such a scale as the one announced could be reasonable for a village or a small region.

(1105)

It is totally ridiculous to talk of investing \$25 million in venture capital for small business. We would end up with about \$60 per business for the whole of Canada. Twenty-five million, fantastic! It would make more sense if we gave this amount to a region in particular, to a small group of credit unions in the south-western part of Montreal for instance. An amount of \$25 million in venture capital for small business all over Canada can only excite the imagination. But it has absolutely nothing to do with reality. The problem is there are more than a million small businesses in Canada. In the long term, the program is said to amount to \$200 million, but in the short term, it is \$25 million a year or \$25 per small business. It is totally absurd.

The solutions you propose are out of proportion with the sheer scale of the problem. Throughout the campaign, the government described a situation becoming progressively easier. We now notice that it is rapidly deteriorating and, what is worse, that interest rates are affected more and more. Could the member explain to what extent the measures she mentioned are geared to the problems?

[*English*]

**Ms. Blondin-Andrew:** Mr. Speaker, I am very pleased to respond to some of the concerns raised by the hon. member.

*Supply*

I can understand the cynicism on the part of the Bloc Quebecois. I have been to Quebec and probably the most enthusiastic response in terms of the youth service corps specifically was from the youth in Quebec with whom we consulted. They were the unemployed, people dealing with justice, young offenders, street people and street youth organizations. They were very enthusiastic and wanted to endorse it.

Opportunities big or small are not shunned by people who need the opportunities. Opportunities for youth in Quebec to do something with their lives, be it an opportunity for one person or opportunities for twenty people, will not be pushed to the side by young people. These young people were very enthusiastic. Every opportunity for every person is worth gold to those people whether or not the hon. member agrees.

We never said that we had magical solutions. I salute the Prime Minister; I congratulate him. He went to the source. We knew there were concerns. We knew there would be a lot of reluctance. Change is difficult. Change is not without pain. Change is not without the kinds of difficulty and the controversy we are not afraid to confront. We know there is no pretty way around making the changes that will eventually lead to long term gain.

In the interim we as a government are prepared to face the kinds of responses there are. We are prepared to make greater gains in the long run: short term pain for long term gain. We know there really is no pretty way around it. We never said we had magical solutions, but we believe every opportunity we create is for people who want it.

Perhaps as politicians we tend to extrapolate on what is good for people in terms of jobs when we do not really have the right to do so. Those young people want those opportunities. They told us that. They endorse the programs enthusiastically.

We hear the concerns about job creation and small and medium sized businesses. That was part of our platform. We never promised paradise to Canadians because we knew the problems that would be there when we were elected. We promised commitment. We promised to work hard. We promised to consult. We promised to try to create opportunities for those people to do for themselves, not to do for them what they could do better than we could as a government.

That is where we are going. That is our intention. I would like the hon. member to be there to help us.

**Mr. Dick Harris (Prince George—Bulkley Valley):** Mr. Speaker, I listened with interest to the secretary of state outline the plan of yet another program.

No one can deny that there is a serious problem in the country with youth unemployment. Certainly I am aware of it. The secretary of state talked about the government getting its priorities straight. I think the government does not have its priorities straight.

(1110)

In the period leading up to the election members of the Liberal Party did their homework. They did polling to find out the cause of the lack of jobs in the country. The message came back from the very people who create jobs, the majority of whom are small and medium sized business people, that the cost of doing business was simply too high. The government's prior and current neglect of the fiscal problems has caused high taxation. It has driven up prices and the cost of doing business.

Jobs do not come from more government programs. There is a direct correlation between the deficit and the financial problems of the country and unemployment. If the government wants reassurance of that it should go back and ask the people who create jobs and will create jobs, the small and medium sized business people.

The answer to youth unemployment and to unemployment in general is not to put more programs into effect. There are no jobs in the country. Small and medium sized businesses have so much uncertainty about taxation levels and the cost of doing business in the future that they are simply not expanding. Investors are not investing because they do not know what the taxation levels will be. Consumers are not spending because there is so much uncertainty about the government getting its fiscal house in order. We have university students with diplomas clutched in their hands applying for jobs at McDonald's. There are trained people out there but there are no jobs.

I would suggest the government should re-examine its priorities and start to show some light at the end of the tax tunnel to encourage small and medium sized businesses to start creating jobs.

More social programs are not the answer. That is the philosophy of the government that started 30 years ago, a time when there was no deficit, a time when the debt was manageable. It has instilled in youth an attitude of entitlement, a "don't worry, don't take responsibility for yourself" attitude because the government will look after them with social programs. The generosity of social programs has created this attitude among our youth. Why would they work when the government will look after them?

The government should look at where jobs come from, the small and medium sized businesses, start to attack the problems people are telling it about, and the jobs will be created.

**Ms. Blondin—Andrew:** Mr. Speaker, I am hearing a fundamental difference in vision here. We have our priorities right. We want to create jobs. We do not believe that investing resources to better the lives of young people who are unemployed, out of school and between the ages of 18 to 24 years is a poor investment. We cannot afford not to do it because those young people are actually a drag on the social safety net. We are either paying them unemployment insurance or welfare. We

*Supply*

have the choice of deciding whether they should be productive. This is an effort to enable these young people.

If I might explain in detail, once young people use the opportunities in community based pilot projects they get what is called a completer's bonus. This bonus could be in the form of a tuition voucher, a loan forgiveness note or a portable wage subsidy. It could also give them a credit note to start a small business or work with a small business. This is all directly related. It is not a government program for government people. It is the government's effort to provide adequate resources so that young people can have opportunities they do not now have.

It is a modest effort. It will not solve all ills. However in our review we are looking at every opportunity or every avenue to do better. We are not saying that we will solve all the problems of the world with one program. We are saying we cannot do everything but we know we have to do something.

(1115)

We have to help those young people out there. If the Reform Party chooses not to, it sounds a little anti-youth to me and it sounds like a bit of a downer on the attitude toward youth.

I have met many youth who are capable, who want to work, who want the opportunities, who are on the cutting edge, who show leadership and who are very good at what they do. I could give many examples. I suggest that the hon. member go out there and meet with some of those young people.

**The Acting Speaker (Mr. Kilger):** Resuming debate. I wonder if the member for Elk Island could assist the Chair and indicate if he will be splitting his time with a colleague or taking the full 20-minute complement.

**Mr. Ken Epp (Elk Island):** Mr. Speaker, the very first thing on my agenda was to give notice that on behalf of the caucus co-ordinator, called the whip in the standing orders, according to Standing Order 43(2), our speakers on this motion will be dividing their time.

The motion before us today is quite clear and quite succinct. It states that this House deplores the absence of vision and concrete measures from the government with regard to policies toward job creation.

There is really no need to work on establishing the fact that there is a job crisis in Canada today. The unemployment figures are quite convincing. When one adds the innumerable individuals who are unemployed and who have given up and whose names are not even on the lists of the unemployed, there is little doubt that there is a crisis in this area.

In the strictest sense of the wording of this motion, it should be opposed. We should really be opposed to the motion and hence appear to be siding with the Liberal government on its job creation plan. As the members on the opposite side might have

applauded, some will be asking why. Is this motion before us not in agreement with what the Reformers have been saying about jobs?

In a way it is but if one takes the wording of the motion exactly as it is stated, at least the last part, one cannot accurately state that the government has failed to declare some concrete measures with respect to job creation. It seems to me that this government has proposed concrete measures for job creation in line with the vision of this government.

The fundamental problem is that this government's so-called jobs plan is the wrong plan. It will not work. I am sure members opposite will correct me if I am wrong, but here is the summary of what I see in their plan.

There is government deficit spending to review social assistance programs. There is government deficit spending to assist the space sector. There is government deficit spending to establish an apprenticeship program. There is government deficit spending to establish a youth service corps. There is government deficit spending on day care potentially. There is government deficit spending on home renovations, otherwise known as the RRAP program. There is government deficit spending on the granddaddy of them all, the infrastructure program.

I hear a howl of protest because I am saying deficit spending. Stop to think about it. Just saying that this money is being transferred from other areas where we will not now be spending it is an inadequate explanation.

My wife would be delighted if I told her that I have decided not to buy a new luxury car. We will have all this money to do renovations to the House. I would have had to borrow the money for the car. Therefore it would be quite deceptive to indicate that we now have a bunch of free money available.

We would now be borrowing it for another purpose but it would still have to be borrowed, and so it is with these proposed programs. As long as we have a \$40 billion deficit we are doing what we are doing with borrowed money. Instead of borrowing for helicopters, we are borrowing for the things that I have listed.

There is a jobs plan. The leader of the Liberal Party said often during the campaign: "We have the people, we have the plan". The problem is that the plan, based on borrowing and deficit spending, will not provide any long term solution at all to the problem.

(1120)

If the government could really solve the problem, and if the only problem were jobs, then it would work for the government to hire people to dig holes in the ground and then hire other people to fill them in again. Obviously with that facetious example I have shown that the job must add to the real wealth of

*Supply*

the country if it is to improve our standard of living and our economic well-being.

It seems to me the only real wealth we have is in the provision of goods and services that have a market among our citizens and the people of other countries. Therefore, and I hesitatingly admit this but I think it is true, to the extent that the infrastructure program enhances our ability to create real wealth, it is useful and will contribute to a longer term well-being, but only to that extent. There seems to be much in the planned activities of this program that is temporary, short term and that does not add to the ability of our nation in providing needed goods and services.

Let me also bring to the attention of the House the problems inherent in the government's debt-deficit plan. To a question I asked in the House last week I was given the answer that the deficit is under control. This government has stated publicly in the recent election campaign, in the red book, in the budget and in numerous statements both inside and outside the House that its goal is to bring the deficit down to 3 per cent of the GDP. I must state seriously that I doubt this will happen.

This first year spending is actually going up and the reduction in the deficit as a percentage of GDP is minimal and based on some fairly generous assumptions on economic growth. If we assume that the government assumptions are right, there is still a huge flaw. If we assume that government spending will help the country's economy, then the deficit as a percentage of GDP should drop dramatically during periods of high growth. The relationship should be the inverse of what is being stated. Conversely, the deficit would normally increase as a percentage of GDP in periods of low growth.

This is not to say that even if the government had it right, its interventionism would be the right policy. Adam Smith said:

The statesman who should attempt to direct private people in what manner they ought to employ their capitals, would not only load himself with a most unnecessary attention, but assume an authority which could safely be trusted to no council whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.

Is this what our government is doing? I say yes, just look at government spending. Using the government's own projections the deficits and debts will be growing year by year in perpetuity. Using the government's own 3 per cent target, by the year 2000 our debt will be approximately \$700 billion.

I challenge anyone to convince me or any of my constituents that this is an acceptable level of indebtedness. It is unbelievable that this government will undertake as a goal taking the people of this country further and further into debt. I cannot be convinced that this will have anything less than a devastating effect on our long term well-being definitely as it relates to the job problem. At the rate given by the government's projections

we will have \$1 trillion of debt by the end of the first decade of the next century.

What will work? Let us hear Franklin Roosevelt:

A programme whose basic thesis is, not that the system of free enterprise for profit has failed in this generation, but that it has not yet been tried.

People do not need the government's assistance or interference so much as they need it out of the way.

(1125 )

How do we get it out of the way? We reduce the deficit, then debt, then taxes because the component of interest which is growing so rapidly decreases. Then we will instil confidence, both consumer and investor, so we can get the private sector hiring again. We can eliminate interprovincial trade barriers. We can eliminate the red tape barriers to business. We can help with training, among others.

Perhaps I am forced to admit that the government has taken hesitant steps in this direction. By mixing its incorrect theory with some correct theory it is accomplishing nothing but annoying both sides: the entrepreneur, and the worker who cannot find a job.

I highly recommend that the government take the most courageous step any politician can make to really spur job growth and get out of the way. In the words of Lord Acton, the finest opportunity ever given to the world was thrown away because the passion for equality made vain the hope for freedom.

**Mrs. Karen Kraft Sloan (York—Simcoe):** Mr. Speaker, I listened with a great deal of interest to what the hon. member had to say. I found it rather interesting that the hon. member was quoting different sources basically to suggest that government should not intervene in any way whatsoever in the domain of business.

However, I noticed a real contradiction with what the hon. member had to suggest. I find it rather odd because he is certainly agreeing with the Liberal policy of this particular government. He suggested that government had a role to play in training. I find that if government is not to intervene at all in the domain of business, training is one of the most important areas of business. I would like the hon. member to comment on that.

**Mr. Epp:** Mr. Speaker, I welcome the opportunity to respond to that. I was previously involved as an educator for 31 years and therefore am well aware of the need for training and the effectiveness of it.

I would like to indicate in answer to the question that there are areas where government needs to be involved. I do not think that anyone would deny that. There are many areas in which we can collectively as a nation do things better than individuals.

However, having worked in the technical field I have found that we work best when we work in consort with the businesses that are hiring our graduates. I worked in a technical institute and we did that. In many areas and many times we provided as individuals and as an institute services on demand from industry for specific training where they needed the help.

Therefore, I would not ever say that government should not be involved at all. However, there are many areas where government interferes. I would like to give a quick example.

At the technical institute where I worked there are some 750 instructors. About a year or so ago in January when we got our cheques, our deductions for UI had increased sharply. Being in mathematics some of us were doing quick calculations and computed that collectively the 750 instructors of the institute were contributing about \$1,200 per year into the UI fund, matched by the employer with a total of about \$2,800 per year.

Had we been able to keep that money we could have spent it on things we like. I could have had my roof repaired. Someone could have been hired to do that. Instead we were simply contributing an amount of money which would have provided 60 jobs at \$35,000 per year just on that UI. That is an interference of government: taking money by coercion to give it to people to meet their basic needs without really providing jobs for them.

(1130)

**Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, I want to comment generally on the comments the member has made. I really think it is up to him to be quite open and forthcoming with Canadians about the kind of impact the deficit reduction targets his party proposes would have on Canadians.

What the Reform Party proposes is exactly a more concentrated version of what we have seen in this country for the last nine years. They are the kinds of programs that have left 1.6 million Canadians unemployed and over six million Canadians dependent in one form or another on unemployment insurance or social assistance.

This is not the particular issue I want to raise with the member. I would ask for some elaboration on his final comments where he seemed to disparage the concept of equality as somehow destructive of freedom and democracy.

I know that some people do not quite understand that equality does not mean being the same. My personal view is that our world, our nation and our communities require a multitude of talents that our people possess. To not allow those talents to be fully and completely used and developed through various equality measures would limit our capacity as a society.

### *Supply*

I really would like the member opposite to explain what he has against equality and why he thinks that some groups really are not quite as equal as he is perhaps. Could he just expand on what he has against equality.

**Mr. Epp:** Mr. Speaker, I would like to comment on both. Since I graduated from university at a time when the debt and the deficit were more or less under control we had a choice of jobs, as many members in the House will know. That has changed remarkably. There is almost a 100 per cent correlation between the size of the debt in this country and the level of unemployment.

There is no doubt in my mind that the deficit and unemployment are closely related. The government is pulling more and more money out of the pockets of individuals, entrepreneurs and business people just to service the debt that is resulting. That is the first part.

The second part concerns equality. Indeed I do believe in the equality of people but in quite a different way from the way of those who tend more toward the socialist end. I do not believe that anyone in this country should suffer because of lack of health care or lack of educational opportunities because of lack of ability to pay.

I believe we need to make sure that in our governmental system we provide equality of opportunity. However, I do not believe we serve ourselves well, in fact I believe it is very detrimental if we use government policies, especially in the fiscal area, to provide equality of circumstance irrespective of what the individual does.

We really need to get back to a system of solid rewards for efforts expended. That would still provide everyone in this very rich country the ability and the circumstance to provide for themselves and to be very well off compared with the rest of the world.

**Mr. Jim Silye (Calgary Centre):** Mr. Speaker, I rise today to address the opposition motion which reads:

That this House deplore the government's lack of vision and lack of concrete measures relating to job creation policies.

It is my belief that to stimulate the economy and to increase revenues for government, lenders, investors and consumers must possess a larger pool of disposable income. Jobs are created in the private sector, which the government readily admits is up to 87 per cent, which follows the laws of supply and demand. They would do a better job of creating long term meaningful jobs with \$6 billion in cash than the Liberal government would do with its infrastructure program.

The role of government should be to do what government can only do: peace, order and good government. It is not job creation. It should regulate, administer, pass laws, defend borders but it should not enter the marketplace to create jobs. With regional development funds, grants and subsidies to

*Supply*

businesses, governments distort the private sector, create temporary jobs and promote unfair competition within industry sectors. When will governments acknowledge that they are in fact part of the problem and not the solution.

(1135)

I would like to educate this Liberal government on the reality of the private sector and not the perceived reality of the Liberal government.

Government overspending results in the raising of tax dollars. Higher taxation means that less capital is available in the marketplace which leads to a drop in demand. When demand drops, consumption drops, businesses close their doors and the cycle continues. This vicious circle is the main reason why 1.6 million Canadians are unemployed.

It takes money to create wealth but the government takes too much of it away from the people who know how to spend it. It takes it out of the system and then wonders why unemployment goes up.

The root of the unemployment problem in this country is the debt. The Liberals would have us believe that the debt is only one of many symptoms causing millions of Canadians to be unemployed. The fact is that the government is now adding another projected \$41 billion—let us hope it is only that—to this debt which will take it to \$550 billion at the end of this coming fiscal year. It is the debt and the interest to service that debt that is causing the problem.

Currently the unemployment rate is at 11.2 per cent. At the end of the year with the finance minister's own projections that he has defended in this House, including the \$6 billion infrastructure program and the 168,000 short term jobs that it will create, the unemployment rate will drop to 11.1 per cent after 12 months.

This is one-tenth of 1 per cent. Is this what the Liberals call job creation? Are Canadians across the nation and especially in central Canada truly getting the changes that they demanded and were promised by the Liberal government? The answer is no.

The Minister of Human Resources Development has said in this House that capital creates jobs. So far he is right on. As a businessman I know this to be true. But what politicians on the other side of the House do not seem to realize is that there is a big difference between the spending of debt capital that is borrowed money and equity capital that does not have to be repaid.

The private sector understands the difference. It is time politicians did too. At risk money motivates; government money wastes. The government is going to spend \$6 billion on infrastructure programs. Since it is going to spend the money anyway that money should be spent improving the kind of

infrastructure that permits the productive sector of the economy, the private sector, to function more efficiently which in turn will allow it to create real long term jobs.

The government's role should be to develop an economic atmosphere, an environment, an infrastructure that facilitates investment, not to make the investment itself directly. The private sector will do that.

In his speech at the G-7 jobs conference in Detroit in the last two weeks, the Minister of Industry spoke of developing a national technology extension network to offer technological services across Canada. Sounds great. The minister stated: "Small business will be encouraged to work more closely with public sector research institutions to improve the commercialization of new technology, base products and services".

When will the government listen to what small businesses are saying: "Get out of our pockets, get off our backs, and get out of our way so that we can create the long term meaningful jobs".

Let me give a specific example of this. When the government talks about creating an information superhighway in conjunction with the public sector backed by the government with more government money, my suggestion is that it look south to the United States and see how it is addressing this need.

Two entrepreneurs, William Gates and Craig McCaw, have joined forces to build an extensive global communication superhighway. It is the marketplace that is addressing the needs in the states of consumers and not the government. I reference the article. It is in the *Financial Post* of Tuesday, March 22, and if anybody on the Liberal side of the House would like to read it, they may learn something from it.

The government need not build an information superhighway with taxpayers' dollars.

Freeing up the marketplace from government intervention creates opportunities, incentives, and real long term meaningful jobs. It generates real revenue and sends a message to investors and to all Canadians that this country wants a future based on prosperity not on government handouts and high debt.

The Liberal government must encourage the spending of equity capital from the private sector and not debt capital as is the current situation. For too long our governments have relied on the spending of borrowed money, not equity capital, in the funding of short term job creation programs that benefit specific groups and not society as a whole.

(1140)

In a speech at the G-7 conference the Minister of Industry stated: "Well planned infrastructure spending offers a potential for immediate job creation in the short term", that is, while it is being built. "As well, there will be a payoff in the longer term through the support of higher levels of economic activity when it is operational".

*Supply*

Let us put this theory to the test. The Calgary city council just last night at a marathon meeting agreed in a 9 to 6 vote, this is at the municipal level, to use part of the infrastructure program of the government to renovate the Saddle Dome. For those members in the House who do not know what the Saddle Dome is, it is a hockey rink, a facility used in Calgary to house the Calgary Flames, the major tenant, and other programs and events throughout the year.

Is this infrastructure money being well spent? Does this benefit the city as a whole or just a select few?

In my opinion, there are a multitude of roads, bridges and buildings that urgently require immediate attention that would make it better for investors and businesses to live in Calgary. This is not the proper use of infrastructure funds. Only a few taxpayers will benefit at the expense of all taxpayers. Few if any new jobs will be generated in this instance because most jobs will go to contractors and workers who are already employed.

Federal funds will once again be used to interfere in a private sector matter. This issue is between the Stampede board and the Calgary Flames hockey club. With the Liberal program it now involves all the taxpayers. The federal government has no business allocating taxpayers' money to influence the outcome.

If the infrastructure program is intended to create jobs with the benefit being an improvement to the nation's basic infrastructure, then how can this be justified? The maintenance of basic infrastructure has always been the responsibility of governments which leads one to ask: What have they been doing for the last 25 to 30 years to bring about such negligence with regard to the basic responsibility?

The answer is instead of using taxpayers' dollars to take care of the fundamentals such as roads, sewers and bridges, the government has been squandering the nation's wealth on inefficient, expensive social programs. Those programs in many ways encourage people not to work, that is high UIC benefits and generous welfare payments that all started with the Liberal government in 1968 under Pierre Elliott Trudeau.

Once again it is a vicious circle. Government ignores its basic responsibility with respect to infrastructure in order to concentrate on an extensive and expensive social agenda. It increases the tax burden to finance that agenda, kills jobs through the tax burden, declares job creation as part of the social agenda, then spends more tax dollars to create jobs, working on the very infrastructure it ignored in the first place. Have fun, Liberal government.

I would like to conclude by quoting the hon. member for Calgary Southwest who has stated many times, and in my opinion is worth repeating many times: "A dollar in the hands of

a lender, taxpayer or investor is much better than that same dollar in the hands of a bureaucrat, a lobbyist or a politician".

**Mrs. Dianne Brushett (Cumberland—Colchester):** Mr. Speaker, I could hardly contain myself sitting in this seat when the hon. member talked about the infrastructure program. I am afraid he does not understand the legislative structure of the Government of Canada, the provincial governments and the municipal governments.

If he were to understand that municipal governments are those people elected by the grassroots citizens, the taxpayers of Canada, and it is the municipal governments, whether they be city governments, rural towns or very rural county municipalities, those local governments are responsible for the maintenance of their own highways, snow removal, their bridges, their sewers, their water treatment plants, that entire fundamental basic infrastructure that keeps Canadians doing their day to day business.

It is not the federal government which has been squandering its money. Its money comes from property taxes at the very basic level. The reason the infrastructure program was brought in arose from those municipal governments. I was part of one. Many of the member's colleagues in this House were also. We lobbied through our FCM to the federal Government of Canada for the past decade to get the government to cost share in infrastructure projects because they were falling by the wayside and property taxes could no longer afford to maintain basic infrastructure.

(1145)

I reiterate that it was not the federal government squandering money. It was the lack of property taxes by all Canadians that could sustain our basic needs. We have shown the generosity, the fulfilment of that need from municipal councils to cost share so that we could build up those basic needs and maintain their industries, their citizens, their competitive edge and provide those jobs through a solid infrastructure. I would challenge the member to debate and refute the municipal councils across this country.

**Mr. Silye:** Mr. Speaker, I thank the hon. member for the history lesson on municipal government. I would also like to comment that it is awfully nice to say how generous the Liberal government is with money and funding to help, but whose money is it? It is other people's money. It is borrowed money and we have to stop borrowing because we have to stop adding to this debt.

There are lots of income taxes around. Municipalities have lots of ways to raise money to sustain themselves. This infrastructure program is going to people who already have jobs, who already are skilled. We need accountability.

**Mr. Rideout:** You do not know what you are talking about.



*Supply*

**The Acting Speaker (Mr. Kilger):** Order. I know that this period of questions and comments usually allows for lively debate but I would hope that whoever has the floor and in this instance, the member for Calgary Centre, would be able to conclude his remarks.

**Mr. Silye:** Perhaps the hon. member who said that I do not know what I am talking about does not know the rules. The standing orders probably would help that member quite a bit.

The problem with the infrastructure program that the Liberal government has put forth is that there has to be a mechanism for accountability that it has created new jobs.

Our concern is that it is not really creating the new jobs, witnessed by the member's own evidence that at the end of the year the drop in unemployment is only one-tenth of 1 per cent.

**Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans):** Mr. Speaker, I listened with great interest to my hon. colleague.

His background is business and my background also is business, starting as a small business person.

**Mr. Silye:** You should have stayed there.

**Mr. Dhaliwal:** The hon. member says that I should have stayed there, but I think I can contribute to this House just like he feels and that is why I am here. I want to comment and talk about some of the points made.

The budget the Liberal Party put forward talks about small business. It takes action on where the jobs are created. Eighty-five per cent of all jobs created are in small business.

I want to tell members about the infrastructure program. The hon. member said that was not creating jobs. In December I was in Singapore. There one learns how important infrastructure is. Its economy is booming. It has a very low unemployment rate because of a strong infrastructure.

Infrastructure is very good for the long term because it creates efficiencies. It lets business become more efficient and if one looks at what has happened in Singapore, it has an incredible ports system and an incredible airport system. All that has created a tremendous economic boom there where it has become the hub of that area.

The Liberal program is all about creating jobs. It is about economic growth. If one looks at the Reform Party's position, what it wants to do is bulldoze everything and cut the deficit in three years. It thinks that will build confidence in the economy. It thinks that will create jobs, that getting rid of thousands of jobs is going to create confidence in the economy.

This is a dream for the Reform Party. It is not true that one can create jobs by cutting \$40 billion in a matter of three years out of the economy. What we need is economic growth. What we need is small business, incentive to create jobs and that is what we are doing.

We are reducing the paper burden for small business. We are looking at ways that small business can take advantage of research and development. We are looking at ways in which small business can export to other markets and that is where the jobs are going to be created.

(1150)

I want to tell the member that we have not heard any concrete solutions from that side except cutting things like CMHC. If we cut CMHC, all the funding for CMHC—

**The Acting Speaker (Mr. Kilger):** Order. Having been reminded of the rules of this House, I will try to interpret them as fairly as I possibly can. In the timeframe that we have I would ask the member for Calgary Centre for a short reply please.

**Mr. Silye:** My first response, Mr. Speaker, is that the infrastructure program of the government represents only one-half of 1 per cent of the gross domestic product. For the wonderful things that this is going to create, like the leader of my party says, that is like trying to fly a 747 with a flashlight battery.

When the hon. member talks about our plan and how bad it is, we have not had a chance to implement it. Give us a chance. He talks about job creation. When the finance minister first introduced the budget he said: "Give our budget six months at least. Do not hold anything that happens in the economy against us for at least six to seven months. Then give us a judgment".

Now the report comes in that higher employment has been achieved and the Liberal government is quick to jump on the bandwagon and try to take credit for it. There is no consistency of logic there.

With respect to the fact that the government's budget in this infrastructure program is well thought out and well planned and that it is going to take action, I would continue to debate that. It is all rhetoric. It is all talk. No action is being taken. It is filled with 14 or 15 new committees to study everything from social programs to a new study on the GST when the hon. member's own leader—

**The Acting Speaker (Mr. Kilger):** Order. It is in that spirit of continuing debate that we will resume debate with the hon. member for Kamouraska—Rivière-du-Loup.

[Translation]

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup):** Mr. Speaker, it is interesting to see how the opposition motion dealing with "the government's lack of vision and lack of concrete measures relating to job creation policies" draws the members' attention to this problem, which is a very real one, as

*Supply*

we saw during the election campaign. The interest shown here is much greater than in the case of previous motions calling for the striking of committees. It seems that on the government side, they are either getting highly specialized in that area or just falling asleep. The motion before the House today is giving rise to an interesting debate, and so it should.

As a matter of fact, the two major tasks the government was supposed to tackle to meet voter expectations after it was elected, were control of expenditures and job creation.

The budget tabled by the Minister of Finance was a blatant indication of this government's failure to give itself enough room to manoeuvre and make the cuts required to invest in job creation. Because of this budget, Canada still has to pay a risk premium on the money it borrows abroad. I think that this is proof enough of the lack of efficiency and commitment on the part of the present government in the area of job creation.

The most blatant betrayal of their election promises can be found in the job creation field. I read somewhere in the *Liberal Plan for Canada*, which is not ten years old but only six months old, that unemployment was a waste of human and economic resources. And that the top priority for a Liberal government would be job creation.

And yet, this Liberal government is offering nothing more than an infrastructure program. It will take a lot more than a project, which might create 45 000 temporary jobs, to give hope to the 1 565 000 Canadians who are out of work, 437 000 of them in Quebec. The government's action does not reflect the sense of urgency to create jobs they talked about during the election campaign. Why is it? I think it is due to a lack of vision on the part of the government. It is unable to show the kind of vision necessary to face these tremendous times we are going through.

The structural changes brought about by the globalization of the economy make the conventional wisdom obsolete. To meet their objectives, the Liberals are counting on the economy recovering on its own. For the Canadian economy to reach its full potential, the annual growth rate should be above 4 per cent over the next four years.

The few measures taken now will not be enough to meet this objective; they are mere window dressing.

(1155)

The initiatives undertaken by the Liberals only touch upon the problem and the government refuses to do something about structural unemployment, which prompted the minister of Finance to say that it would be unrealistic to think that the unemployment rate would drop below 8 per cent within five years. Is it no longer urgent to create jobs?

What would have been the building blocks of a stringent and efficient policy to fight unemployment, which is a waste of our very own human resources? The first building block would have been to restore consumer confidence.

The election campaign restored hope among Canadians and Quebecers for some major changes, including a change in attitude for the government, and voters thought they finally saw some light at the end of the tunnel. Instead, Canadians and Quebecers learned that the estimated deficit of the Liberal government would reach an all-time high, at \$39.7 billion. They cried wolf for several months and came out with a miserable little policy.

Second negative signal, going after the unemployed instead of unemployment. Following the unemployment insurance reform, you will have to work more weeks in order to be entitled to less weeks of UI benefits, and those benefits would, in several cases, be reduced. Given that, the people in Quebec and in Canada have no reason to regain confidence and to decide, for example, to buy a house.

A young couple with no job security, where both spouses hold seasonal jobs, will understand from the messages sent concerning UI reform that, in a year or two, they will not be able to get the income support provided by the unemployment insurance program, because of the increased number of weeks claimants have to work, and for that specific reason they will decide not to buy a house. It would be totally irresponsible to decide otherwise.

The government sent another negative signal when it decided to wait until 1995-96 before reducing the unemployment insurance premiums from \$3.07 to \$3, which proves that the Liberals do not feel the situation is very urgent. To send a positive signal to Canadians and Quebecers, they would have had to freeze the premiums at \$3 in 1994-95, and not only starting in 1995-96.

No, job creation is not really an obsession for the government, it is not even a priority, if you ask me.

Indeed, the government itself is undermining the confidence of consumers by recognizing that these measures will only have a minor effect on unemployment, since it is said in the Budget that unemployment will hover around 11 per cent in 1995.

In my last years at university, an 11 per cent unemployment rate would have been so totally unacceptable that people would have taken to the streets. In those days, unemployment was at 3, 4 or 5 per cent and even then, it was considered unacceptable. We are now told in the budget speech, which reflects the official position of the government, that we can live with an 11 per cent unemployment rate. This demonstrates, I think, that the government is not up to its responsibilities and, above all, to its campaign promises.

*Supply*

I think one rare encouraging signal in the Budget is the permanent renewal of the program enabling people to use RRSP funds to buy a first house. However, as I have just said, employment insecurity dampens the enthusiasm of many.

Another building block of a stringent policy would have been to send a clear message to the government machinery as a whole that the government is engaged in a ruthless battle against unemployment. Instead, the Governor of the Bank of Canada is replaced by another of the same philosophy. The monetary policy of the Bank of Canada is praised even though it is responsible for the fact that the recession was harsher in Canada than in the United States.

The demagogic struggle which the Bank of Canada has led and is still leading while the Canadian economy is plummeting has contributed to kill whatever confidence consumers had in the future of their economy. We must stop being afraid to be afraid and achieve a new dynamism. It is not with this kind of message that we will succeed in making progress.

If you compare the United States with Canada today, you will understand why the Americans are far better off than we are. Between 1989 and 1992, the United States pursued a monetary policy aimed at containing the recession and stimulating economic recovery. American monetary authorities are willing to accept an inflation rate that is higher than ours. There is an economic principle that says that if you fight inflation, unemployment will go up, and vice versa. This principle is long-standing and very fundamental since it is taught in any introductory course in economics. So, we have been very dogmatic and the results of that are obvious in the situation we are facing today.

(1200)

The third building block of a measure that could have been adopted is a job creation policy specifically directed towards the main groups of unemployed Canadians that should be put back to work.

I have been sitting on the human resources development committee for a few weeks and I am very surprised by the way people talk about how we are going to get things from the disadvantaged. We are always on the defensive, whereas we should take advantage of a department like the Department of Human Resources Development to initiate positive measures, to turn to people who are doers and who will help us turn the situation around instead of simply guarding the status quo.

The primary group that should be targeted is young graduates, people between 20 and 35 years of age. Nowhere in government commitments is this group mentioned as being the target of structural projects.

There could be other structural projects, but there is one example that we have been focussing on in the House for a long time, and I think that we will keep coming back to it. The Bloc Quebecois would like the high-speed train project in the Quebec-Windsor corridor to be carried out. The realization of

this project could have a ripple effect similar to that of the great hydro-electric projects of the 1970s. We feel it is essential that Canada and Quebec invest in railway infrastructure for transportation of goods and passengers.

We have a vast territory and the maintenance of the road network is very costly. Moreover, developing a competitive economy while banking on individual transportation is not an environment-friendly solution. The Bloc Quebecois is not opposed to restructuring the railway system if this helps increase its profitability. However, we have to proceed while taking into account possible alternatives instead of abandoning this mode of transportation bit by bit.

Rail transportation is not just nostalgia, it can also be a major development tool, as much for Canada as for Quebec, and it is urgent that we become aware of that and take action accordingly. Canada and Quebec must therefore adopt an efficient public transport policy.

The Quebec City-Windsor high-speed train project would cost about \$7.5 billion over a ten year period, but 70 per cent of it would be funded by the private sector. The remaining 30 per cent, about \$2.3 billion, would be funded by the Quebec, Ontario and federal governments. By getting involved in this HST project, this government would help stimulate a \$5.3 billion investment by the private sector, not counting the spin-offs.

During construction, tax revenues generated by the project would amount to \$1.8 billion. Thus, the funding provided would soon be recovered. The HST requires less funding than the infrastructure program and is an investment rather than an expenditure.

This investment by the federal government would not increase the Canadian debt and would help make VIA Rail profitable. It would create almost 120,000 jobs annually, including 80,000 direct jobs in the construction of the infrastructure and the manufacturing of equipment for the HST, and 40,000 indirect jobs upstream and downstream from the project. It would reduce unemployment insurance costs for the government.

In 1991, the Ontario-Quebec Rapid Train Task Force made a comprehensive feasibility study. Extensive public consultations concluded that people in the areas affected by the rapid train project would support it. It has been said many times that the Quebec City-Windsor corridor is crucial and that it is important that the cities in that corridor be made more effective in order to succeed in a competitive market.

Since the committee concluded that the project is relevant, a committee with representatives of the federal, Quebec and Ontario governments was set up to make a cost-benefit analysis of different technologies. The Bloc Quebecois advocates the implementation of an environment-friendly technology. The HST would reduce government spending. It would provide intercity transportation at a much lower cost than an expansion of road or air transportation services. This is a good example of a

streamlining of expenditures which would have a positive impact on job creation.

The multiplier effect of the HST project would contribute to strengthening of local economies. In Europe, it has been demonstrated that the HST can be an engine of growth for job creation and economic renewal. It would attract hotels, office buildings, convention centres, restaurants and other commercial and tourist activities.

(1205)

During the election campaign, the finance minister acknowledged the structural erosion in Montreal and made a commitment to look for ways and means of solving this problem. He made the following diagnosis: the industrial structure of Montreal is obsolete and fragile and it is not being replaced by new, dynamic, and technologically interesting manufacturing industries. Why is it that the government does not take any action consistent with this diagnosis?

The HST would be an industrial force for Canada and Quebec. Our standard of living and our competitiveness depend on decisions we make now. We cannot sign away our future by rejecting the high-speed train or any other infrastructure project of this kind. Time is running out. If governments act right now, we will have a strategic lead on the North American high-speed train market. There are 20 projects of this type in the United States, a market estimated at more than \$200 billion for the next 15 to 20 years. If we are the first on the market, our businesses will benefit from exports of technology.

The Canadian government must have a long-term vision and restart the economy by implementing innovative projects. The high-speed train seems to be a much better way to create jobs creation and increase competitiveness for a lower public investment level.

Furthermore, we must also ensure that productivity gains made by using new equipment, for example, in forestry, do not benefit only investors. These people have a right to make profits, but we must at the same time invest in tomorrow's forests, thus allowing the workers who were replaced by machines to work in tree planting, which will prevent in the medium-term stock shortages like those which fishermen are cruelly experiencing at the present time.

If we do not learn from the fisheries example, we will face the same problems in forestry 20 years from now. Above all, we will cause a serious social crisis in regions where traditional forestry communities have maintained a balance between production capacities and the growth of the forest. Given the new machinery now in use, other means must be developed to counterbalance the increase in production, or tree felling, through adequate forestation techniques. A skilled workforce is ready to take over

### *Supply*

such trades, but these people will never enrol in high-technology training programs. They are qualified for forest jobs, which I think we should provide them with.

Canada's slow recovery from the recession is also indicative of the inability of the federal system to face the increasingly deep changes sweeping the global economic order. Jurisdictional conflicts, overlap and duplication, and bureaucratic centralization all contribute to our slow responses and to the inefficiency of the measures taken. Think of the infrastructure program! I agree that this program is very good in itself, but when it takes three governments to decide whether or not a stretch of sidewalk should be laid in a village, I think efficiency is definitely lacking.

On top of jurisdictional conflicts, unemployment is a problem which is even more apparent to me on my riding tours. The unemployed need training programs, but the whole array of programs confuses them, not for lack of the required brochures, not because civil servants neglect their jobs, but because too many governments play a part in this jungle, and we have not really developed the tools which would allow us to reach the unemployed in serious need of adequate training programs.

There are 1.5 million unemployed in Canada, but only some 600,000 available jobs. That imbalance stems from the system's inability to adapt rapidly to emerging manpower needs.

Moreover, Canada has not solved its regional disparity problem, in spite of all the efforts made during the last 30 years: federal-provincial agreements, federal economic intervention in provincial fields of jurisdiction, and grant programs. Again last week, the whole issue of regional development in Canada came up once more, because we turned away from real solutions, which require assigning responsibilities, powers and the appropriate level of government's ability to tax.

(1210)

The problem has not been not solved since the solution lies in deep structural changes which have yet to be settled after 30 years of constitutional debate. Some will say that Canadians do not want to hear about the Constitution. However, they want to put an end to the personal difficulties encountered by those unemployed individuals searching for jobs, whom they meet everyday. It is for us to propose solutions. Social program reform is part of the same logic that brought about the disastrous conditions we are experiencing today.

To conclude, I feel that the government should learn from the past. In order to allow his country to emerge from the Great Depression of the thirties, President Franklin Roosevelt did not hesitate to look for new ways to restore confidence among Americans. He undertook important programs, such as the one in the Tennessee Valley, which restored the confidence of the American people. Essentially, one only needs to have the

*Supply*

political will and the necessary vision to put Quebecers and Canadians back to work.

To build a society, one needs the participation of all human resources and a revolutionary change in attitudes and practices in order to allow each segment of this society to build its development on its strengths.

The present government was not elected to act as the steward of Canada. It was elected to turn things around and to give to Quebecers and Canadians a sense of pride in their achievements. There is still time to act.

[*English*]

**Mr. Roger Gallaway (Sarnia—Lambton):** Mr. Speaker, on the day after the Academy Awards the remarks of the hon. member opposite are interesting in the sense that they were very flashy. It was a good performance.

I tried to follow his logic. I had problems listening to the litany of events historically and of statistics quoted by him in the early part of his speech which he attributes to the repercussions on job creation. Like most members of the party opposite he always refers to Canada and Quebec.

I have a question but I want to draw an analogy first. I live in a border riding not far from the city of Detroit. In the late 1960s we saw in Detroit the rise of the city state, a city at that time of some six million people, not unlike the province of Quebec in terms of population. In the late 1960s we saw the rise of a certain economic pride in the black community. We saw the rise of a saviour by the name of Mr. Coleman Young who became the mayor of Detroit. Mr. Young promised the people of Detroit that he would lead them out of the wilderness into some sort of economic nirvana.

In 1993 Mr. Coleman Young decided he would not run again; at 75 years of age he had had it. At the same time we find that the population of Detroit has declined. The economic base has declined and I ask the simple question why. It was the so-called city state, this type of nationalism that arose in that city that killed business. In fact development did occur in the state of Michigan. It did occur in the United States but it did not occur in Detroit because of the economic policies of that city.

Using the analogy that there is a certain element of nationalism, much like in the city state of Detroit in the late 1960s, will this have a repercussion on job creation, the 465,000 people he claims to be unemployed in the province of Quebec—I do not dispute that number—and are the policies of his party also not contributing to that uncertainty, the creation of the mentality

that nobody wants to invest in the province of Quebec because of the policies put forward by his party?

[*Translation*]

**Mr. Crête:** Mr. Speaker, the hon. member should know that I talked not so much about the actual government's policy but rather its lack of policy regarding job creation.

(1215)

As for nationalism which the member mentioned without going into specifics, he was probably referring to the nationalism of Pierre Trudeau who, by creating the Foreign Investment Review Agency, caused serious investment problems in Canada, problems which had to be corrected in order to restore Canada's international image. My colleague was probably referring to that kind of nationalism.

As for pride, I think we have shown in Quebec that despite the current system's shortcomings we were able to develop instruments for capital funds management. For example, the influence of the Mouvement Desjardins and the Fonds de solidarité des travailleurs has been such that, whereas Ontario members of the industry committee are trying, in a roundabout manner, to find ways to enrol them in a way that will allow them to get closer to contractors, in Quebec we have already found a solution to that problem.

We have also found a solution to another problem, namely worker consultation and everyone in Quebec, be it employers, union members, the government or political parties is asking for the patriation of the jurisdiction on labour. There is a unanimous agreement on that. Therefore, a sound nationalism is compatible with positions that further a society's progress.

Let us not forget that our nationalism has also permitted North America to sign the Free Trade Agreement because Quebec is the province that gave the most active support to the agreement and contributed the most to the initiative that will create a certain economic boom in North America. In that sense I can be proud of what we have accomplished.

[*English*]

**Mr. John Finlay (Oxford):** Mr. Speaker, I hope the previous speaker from the Reform Party listened to my hon. colleague because he would have learned something about history that my hon. friend mentioned and that I was going to mention earlier. We had a depression when the law of supply and demand held sway in the country, on this continent and in the world. We had a mini replay of the thirties in the eighties. We got heated up and there was to be no tomorrow. Interest rates went as high as 19 per cent.

My question has to do with the jurisdictional wars I heard about. In the House committee I am serving on we are working at harmonizing matters between departments and levels of government, not having wars. The infrastructure program was very

careful in putting decision making at the local level, at the municipal level, and that is where it is. I have seen no evidence of jurisdictional wars.

Perhaps my hon. friend does not have that kind of co-operation in his riding. I do in my riding. People are very pleased with the fact that they are deciding at the grassroots level where the money is to go.

[*Translation*]

**Mr. Crête:** Mr. Speaker, I believe it would be appropriate to repeat my position on infrastructures to make sure it is well understood.

To provide this country with adequate infrastructures is fine and is something we need. However, the present Canadian system calls for too much manoeuvring between the three levels of government—federal, provincial and local governments—which have an input in decisions that, in my opinion, should be taken at local level only. Without laying on the table that the one solution is sovereignty, it is clear that the centralized decision-making process is a problem in Canada, one which we have tried to bypass in many ways. In terms of regional development, departments were established in order to be able to deal directly with clients because the federal bureaucracy could not reach those regions.

Therefore, there is a structural problem. And the federalists should have a vision about what they can do to be more efficient and effective and stop developing tools aimed at making governments more visible.

[*English*]

**Mrs. Dianne Brushett (Cumberland—Colchester):** Mr. Speaker, I have a brief comment. As the hon. member was speaking about rapid transit, modern communications and rail fast track, I too could sympathize with those thoughts. Coming from Nova Scotia, we would like to have a better transportation system. We believe that rail is far more sustainable than highway. We are looking in those same directions.

(1220)

However, what puzzles me is that as the member talks he sounds as if he is talking as a federalist, as a complete Canadian nationalist. He wants railways to go from Quebec to Ontario. He wants them to be sustainable, to serve all Canadians. I am wondering how this serves Canada and at the same time how he can separate his thoughts from the country.

[*Translation*]

**Mr. Crête:** Mr. Speaker, if having a vision means that we are looking for the economic development of Quebec and Canada in an adequate and coordinated way, whether federalist or else, I am saying that when Quebec is sovereign, there will still be transportation needs to and from Canada, the United States,

*Supply*

Mexico, South America, Europe, every part of the world. Since we will always need tools, we might as well have the best.

In 1867, the Canada compromise was based on the east-west road. Why not redefine the territories, the jurisdictions and say that Quebec is a country and Canada is another one, and that the high-speed train could serve as one of the main communication links between those two countries?

**Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, I am very glad to have the opportunity to address the members of this House and to reply on this motion.

[*English*]

The motion would condemn the government for a lack of vision in the area of job creation. I would like to comment on this point. A motion saying that the House should deplore the government's lack of vision and lack of concrete measures relating to job creation policies shows very little vision and very little concrete policies in and of itself.

It is a very shortsighted motion and a very shortsighted view of the program the government has placed before Parliament. All members of the House know what major issues are facing the country: the economy, the deficit and job creation. These are easy to see.

We have the example of previous governments that chose to address one or another of these problems at the expense of the others. Recent history has proven that an attack on the deficit only aggravates problems in the other areas, stifles economic growth, makes fewer jobs available to Canadians, and makes the deficit worse. Our view is that we must see the interdependence of all different problems we are trying to solve. This requires actions based on an integrated plan or a vision.

Our plan is to provide support to the economy, to reduce the deficit as quickly as possible without handcuffing economic recovery and to create jobs in the process. By keeping a keen eye on the process and the progress of each of the government's initiatives we know we will see results.

We as a government have put before the House and before Canadians a first step. It will not solve everything overnight, but it will provide a basis upon which we can build. It is the first step to economic recovery, to the well-being of individual Canadians and to the elimination of the deficit.

We have listened to Canadians. We are implementing our plan which includes jobs and growth. During the election campaign we were very clear about the solutions we were proposing. We are following through on them. One of the best and most visible examples is the infrastructure works program, a government program to rebuild the country's infrastructure over the next three years.

*Supply**[Translation]*

The infrastructure program is a shared-cost initiative to which each level of government in Canada—federal, provincial, territorial and municipal—will contribute \$2 billion, for a total of \$6 billion over the next two years. There will also be some flexibility so as to allow limited financing in the third year. The program is based on the collaboration of all levels of government in supporting infrastructure investment. The private sector will also be invited to invest in these public initiatives if their investments are considered useful to local governments.

(1225)

The federal funds have already been divided among provinces and territories according to a formula based on the population and unemployment rate of each. I might add that that formula was approved by the First Ministers last December. Each province and territory will match the federal government's contribution, as will municipal and local governments.

The infrastructure program is intended to stimulate the economic recovery while responding to the need for infrastructure renewal and improvement in Canada. In this way, the program should help municipalities and communities to use new, efficient and environmentally sound technology while improving competitiveness and productivity.

We noticed a major reduction in the amounts spent for public infrastructure in Canada. In 1960, our three levels of government invested 4.3 per cent of the gross domestic product in fixed capital, but by 1980 it had dropped to 2.5 per cent.

Members opposite stress that right now, our financial resources are too tight to invest in infrastructure. We, on this side, do not agree at all with them.

*[English]*

The health of our cities and towns is absolutely central to the health of our economies. Good, efficient roads and transportation services reduce costs to individuals and businesses, avoiding expensive tie-ups, reducing wear and tear on vehicles, reducing operating costs. In the same way modern water and sewage systems are vital for servicing industry and commerce, as well as for the health of Canadians and the health of our environment. Without such services our communities cannot attract new industries or maintain the industries they have; local economies stagnate and communities die.

Our infrastructure has started to deteriorate and it will only continue to deteriorate. We have heard much about leaving a debt to our country and to our children. The cost of replacing infrastructure we do not maintain is far greater than the cost of maintaining it. If we do not do something now the debt we will

be leaving our children is in collapsing sewers, unsafe water supplies, corroded bridges and crumbling roads.

There are longer term benefits to improving the infrastructure and the quality of life Canadians have come to expect. Improved infrastructure means improved environmental quality and improved amenities. It is vital to our quality of life, whether creating a clean and pleasant environment or a hospitable environment for working, living and doing business.

There are major issues in each of our cities that require urgent investment in infrastructure to remain competitive. These projects are needed to allow Canada and communities across the country to remain competitive and to continue enjoying the Canadian quality of life.

Our goal is to develop economic, social and technological infrastructure to support the efforts of all Canadians to make Canada stronger in coming years. Infrastructure works is a national program. We are investing in each province and territory. The provinces and the territories, as well as the municipalities, are matching our investment.

(1230)

The infrastructure program is now a reality. Framework agreements have been signed with all partners, getting Canada's three levels of government working together for jobs and working together for Canadians. It is a tribute to the government that within barely two months of taking office we were able to get all the partners to the table and get the agreements.

People across Canada are interested in our country's economic well-being. They have businesses they want to keep working. The needs and commitment of these Canadians are also necessary to achieving the goals of the program.

All members have realized that in one way or another this program will affect their ridings and their constituents. All could probably list from memory a number of worthwhile projects that have been brought to their attention by the people who elected them. Not only will these projects be good for communities but they will also give a boost to the businesses in those communities. In each of those communities these projects will put people back to work. There will be jobs for people who are not working right now. This is job creation where it matters: in the homes, in the businesses and in the neighbourhoods right across Canada.

In every province projects will be submitted to a joint management committee by municipalities, by school boards and by other local groups. This means that the local level, the communities across Canada will be the key to the program. The projects that local governments are willing to approve, the projects that local communities identify as their priorities, will be the projects that make up infrastructure works.

This is truly rebuilding Canada from the grassroots up, rebuilding Canada in a democratic and equal way across the country.

There is also a responsibility in this program for every member of the House. Members can discuss with their town and city councils their local priorities, their local needs so they understand them and give them the support they can.

People will ask what infrastructure is. By agreement with each of the provinces it has been defined as the physical capital assets of our communities. That means the physical capital assets of the nation, with an emphasis on physical infrastructure associated with municipal services at the local level, things like water treatment, water distribution systems, sewage and drainage, roads and other transport facilities, buildings, machinery, equipment, earth works, related construction activities.

It can go further. The program has the flexibility to include smart infrastructure such as information highways or social, cultural and other economic priorities.

We have heard a great deal about government getting out of the way of businesses. A number of members of the House are obviously not aware that this program has the endorsement of the industry associations that will be involved in doing this work. The government does not go out and build roads and bridges. Companies across the country go out and build roads and bridges. We are giving them the opportunity to work again.

We hear a great deal from the opposition about listening to people and representing our constituents. Therefore I find it hard to understand why parts of the opposition have so much trouble listening to the people and the level of government that is closest to those constituents in their local towns, villages, townships and counties. These are the people who for 10 years have been asking their national government to take the leadership to bring all three levels of government together to rebuild the infrastructure of Canada. They continue to be strong supporters of the program, as do the business associations that will be involved in implementing the program.

(1235)

The framework agreements specify the criteria that must be met for project approval: incremental and/or acceleration of investment; short and long term job creation; enhancing Canada's economic competitiveness; use of sound, innovative, smart technologies; bringing infrastructure up to community standards. Also included in the criteria are: codes and bylaws; enhancing long term skills in the workforce; enhancing environmental quality and sustainability; the use of sound, innovative,

### *Supply*

financial techniques, including the use of private capital and distribution of program benefits within a province or territory.

Yes, there will be an evaluation component so that when we reach the end of the program and as it proceeds we will know what it is accomplishing. This program will put people back to work this construction season. We will see 50,000 to 65,000 direct jobs and many more indirect jobs as suddenly construction workers and others in related industries have money in their pockets. They will have the money to go out and buy goods and services and to contribute to the public treasury as well.

A great deal of the initial \$2 billion investment we have made will come right back to the government and to the people of Canada through the contributions of those people who are now working on this program instead of being unemployed.

From across the House we also hear a disparagement of construction jobs as if these are only old style job creation schemes and not real work for people. I am sorry, but somebody who digs a ditch, who operates a crane, who moves cement blocks, who puts a trowel to bricks is doing valuable, important and constructive work for this nation. We are proud of the jobs we are going to be creating. The people who will have those jobs will be proud of them.

We have heard that unemployment figures are up. Unemployment figures are up because this among other programs is bringing hope back to the country. People who have kept away from the job market are coming back because they believe now, with a new government in place, there may be a job for them.

The government believes it should keep its promises and put Canadians back to work. We ask for support, not criticism, from the other side of the House as we try to do that. By launching this infrastructure program we are helping the economic growth, helping Canadians get back to work and helping to reduce our deficit.

I truly hope that when motions come forward from the opposition, if they cannot be totally laudatory of our programs at least they might be more constructive.

[*Translation*]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, I listened carefully to my Liberal colleague's speech and there are a few comments I would like to make.

First a general comment followed by a case in point. This government does not promote job creation as it said it would during the 45 days of the election campaign, and in its now defunct red book. I think the red book can be thrown out, considering the latest Budget brought down by the Minister of Finance.

Of course, the infrastructure program will create between 45,000 and 60,000 jobs, depending on whom you talk to. However, what are 45,000 jobs, compared with 1.5 million



*Supply*

unemployed Canadians, including 428,000 Quebecers? These 45,000 jobs, the cornerstone of the platform of the Liberal Party of Canada, are peanuts.

Does the hon. member not realize that this measure is totally inadequate and provides no structural improvement of the employment situation? Does she not realize that all the measures taken by her government since the morning of October 26 have clearly compromised job creation and this country's economic recovery?

(1240)

Mr. Speaker, I will give you a few examples which I have found particularly revealing since we took up our duties on the morning of October 26.

First of all, her government, after spending years criticizing the high-interest policies pursued by our defunct Conservatives, has now opted for the same policy. This means that as soon as there is the slightest increase in inflationary trends, of the kind we saw in the first quarter of 1990, the new Governor of the Bank of Canada will administer exactly the same horse medicine as his predecessor, which was vigorously condemned by the present government. What does this mean? It means that as soon as there is the slightest hint of economic growth, interest rates will rise, and this will undermine job creation.

Second, since this government came to power, it has failed to correct the *laissez faire* approach taken by the budget in recent years. The latest Budget brought down by the Minister of Finance is a failure as far as control of public spending is concerned. So much so, in fact, that financial circles are starting to express concern about the government's lack of control. This means that we can soon expect an increase in the rates of interest charged on government borrowing, a trend that may continue in the foreseeable future.

I repeat, the government is undermining job creation, although for months, if not years, it has been saying that the Liberal Party of Canada is a party that promotes job creation. It is part of the tenets of the red book as well.

Third, Mr. Speaker, as you know, the present government insists on playing a role in manpower training, although this comes under the jurisdiction of Quebec and the other Canadian provinces. When it goes on about job creation being so terribly important, the fact is that by not withdrawing from this area, the Liberal government is undermining our chances of creating durable jobs and quality employment in the years to come.

How can members on the other side of the House say that the government is doing something about creating jobs, when the infrastructure program is merely a drop in the bucket, considering one and a half million Canadians are unemployed, and when the government takes the kind of measures it does in this Budget?

Another point I would like to raise, if I may, Mr. Speaker, is that on the other side of the House they keep saying they are doing something about unemployment and want to intensify the measures that will create jobs. What we find in the last Budget is more like a planned attack against the unemployed, because in the next three years, the government is going to take a little more than \$5.5 billion out of their pockets.

That is how the government wants to create jobs and attack poverty, while refusing to restore the budget for social housing, for instance, as it has been promising for years. If that is the way it wants to improve the well-being of Canadians, as it did by attacking old age security pensions and tax credits for the elderly, well, Mr. Speaker, I am truly astonished that the hon. member is still proud to be part of a government that is as far to the right as its Conservative predecessors if not more so.

**Mrs. Catterall:** First of all, Mr. Speaker, I would like to thank my hon. colleague for his speech. I regret that I do not have time to respond to all of the statements made, but I will do my best.

Yes, it is true that the infrastructure program is just the first of many more initiatives to come. We acknowledge that this is only the first step, a building block, but one that will create jobs in an industry that is truly the cornerstone of the economy, namely the construction industry. Therefore, it is very important to begin here because projects can start immediately.

(1245)

These initiatives will create both direct and indirect jobs.

The hon. member spoke of controlling public spending. This government has slashed \$17 billion from its expenditures. I would like to ask my colleague opposite the following question: Which programs would he cut? In which areas would he reduce spending and which Canadians would feel the effects of these cuts?

The hon. member also spoke about training for all Canadians. He knows very well that current programs are, by our own admission, inadequate. We have called for broad program reforms, for example, integrating training programs with social programs. The hon. member knows that we are currently seeking input from the Canadian public on ways to improve programs. We will continue to follow this course of action.

The hon. member mentioned unemployment insurance recipients. While we may have reduced our spending in this area, our goal is to provide improved service to the unemployed who have lower incomes.

Getting back to another point, the hon. member said we failed to control spending. Now, he is criticizing one of our spending control initiatives. Again, I ask him: Where would he have cut? Which Canadians would have been affected?

*Supply*

**The Acting Speaker (Mr. Kilger):** The debate between the hon. Parliamentary Secretary and the hon. member for Saint-Hyacinthe—Bagot is a very interesting one, but other members should be given an opportunity to speak.

[*English*]

In the time remaining, approximately five minutes to the parliamentary secretary, I would like to recognize two members who are seeking the floor. I will first recognize the member for Lisgar—Marquette and we will come back to the member for York—Simcoe.

**Mr. Jake E. Hoepfner (Lisgar—Marquette):** Mr. Speaker, I enjoyed the remarks of the hon. member from the Liberal government. I would like to give some constructive criticism.

When the infrastructure program was announced I thought right away it was becoming too political. It was not really for job creation. When I saw a \$27 million grant being made to Quebec City for a convention centre even before the guidelines were laid out I was frustrated with the program.

This is my concern right now. I was just informed by some constituents in Manitoba who talk to me quite regularly on this issue that the provincial government now seems to have control of about 40 per cent of that money designated to Manitoba. It is not really going to go to the communities where these projects are desperately needed. It is becoming a political issue in Manitoba because of the provincial election due there in the next year.

I would like the government to look at this and maybe change some of the guidelines if that is the problem. It will not be infrastructure for the benefit of the taxpayers; it will be infrastructure for the benefit of provincial governments. That worries me a bit. Could the member comment on that, please?

**Mrs. Catterall:** Mr. Speaker, I would be quite happy to comment on that. As I said, one of the strengths of this program is that it is all three levels of government working together. When projects come forward such as the one in Quebec City that he mentioned it is because that is seen as the priority of the local community for its long term economic development and health.

Similarly, while we have worked out agreements with all the provinces and territories based on exactly the same principles I enunciated, there is flexibility within each province and territory to meet the requirements of that community. That respects the diversity of this country and the different needs across Canada, the different needs of different kinds of communities.

(1250)

The minister has made it quite clear that members of Parliament have a role to play in this. Not just government members of

Parliament but all members of Parliament will be consulted about the program and its use in their own communities. All members' views will be sought and taken seriously. I can assure the member of that.

If the member feels there is a problem I urge him to speak to me or the minister responsible for the infrastructure program. If it is truly a problem we will try and do something about it.

**Mrs. Karen Kraft Sloan (York—Simcoe):** Mr. Speaker, I have just a few comments.

I want to congratulate the parliamentary secretary for her very articulate and comprehensive outline of the infrastructure program. I want to reiterate some of the points that she made in her speech to the members in the House.

It is important to note that infrastructure is very important to the economic well-being of this country as well as to the health and the environmental sustainability of our communities. As vice-chair of the parliamentary committee on environment and sustainable development I am very concerned about those issues. The parliamentary secretary was very good in her explanation of how new sewers and things like that can enhance the health and well-being of our communities.

When one takes a look at it in the long term, when one can get rid of some of the problems that may cause illness and problems associated with health as well as environmental pollution, that can make a substantial saving in our deficit.

**Mrs. Catterall:** Mr. Speaker, the member has just emphasized the point that this is an investment in the long term health, economic and otherwise, of our communities. She is absolutely right. If we allow untreated sewage to be put into our lakes and rivers and to be dumped on our landfill sites we simply end up leaving our children and grandchildren much bigger and much more expensive problems than we have now.

Any member of this House can look around their own community and find perfect examples of where, had problems of contamination been prevented, it would have been far cheaper than trying to clean up those problems after they occurred. I thank her for raising the point.

[*Translation*]

**Mr. Yves Rochelleau (Trois-Rivières):** Mr. Speaker, it is with great pleasure that I rise today to participate in this crucial debate, given the current social and economic situation in Canada and Quebec.

First of all, I would like to congratulate my colleague the hon. member for Mercier who has introduced on behalf of the Official Opposition this motion denouncing the lack of innovation, imagination and vision of this government in terms of job creation, because we must realize the magnitude of this problem in this country.

*Supply*

In January 1994, unemployment in Canada was still hovering around 11.5 per cent and 12.5 per cent in Quebec. This means that there are currently 1.6 million unemployed individuals in Canada, 425,000 of whom are in Quebec. That is unacceptable and honest minds will see this constitutes an emergency, a situation which calls for action, concerted action.

The Liberal Party of Canada apparently understood this at the time—because timing is important here—of drafting the red book presented to the voters during the October 1993 election campaign.

On page 15, you can read the following:

—Canadians are facing hardship: 1.6 million unemployed, millions on welfare, a million children living below the poverty line, record numbers of bankruptcies and plant closings.

Our overriding preoccupation is to offer a government that will help in solving problems and in creating opportunities for Canadians.

“Jobs, jobs, jobs” was their theme. A catch phrase that the people of Canada heard over and over, raising the hopes of many, particularly in Atlantic Canada and Ontario, that the government would finally see to it, as promised, that this hardship be alleviated as mentioned earlier.

At this time, I would like to digress for a moment to deplore the fact that this type of conduct seems to have become contagious. When we see Quebec Premier Daniel Johnson making easy, demagogic promises over which he has no control, there is a common denominator: everywhere we find Liberals who do such things. But have no fear, Mr. Speaker, Quebecers know the score; they are not so naive and will not be fooled; they will be able to judge those who have been in office for nine years and who let this situation deteriorate.

(1255)

Let us return to the federal scene, which is our immediate concern. What are the Liberals doing now about the commitments they made in their red book? What about it, Mr. Speaker? There is a huge gap between what they say and write and what they do. What has come out of these commitments? A coast-to-coast infrastructure program, in which the government will invest \$2 billion, it seems, with the co-operation of the provincial and municipal governments. How many jobs will we create for the 1,600,000 unemployed? It seems that we will create 45,000 temporary jobs. How many in Quebec for its 425,000 unemployed? Fifteen thousand temporary jobs. You should realize that this is what this government has proposed to meet its commitments: 45,000 temporary jobs, which include not only jobs that are created but also jobs that are maintained.

Of course, there is the Youth Service Corps that is also mentioned in the red book. Here is what it says on page 35: No group faces bleaker economic prospects than Canadians under

25. A Liberal government will help return hope to young Canadians by creating the Canadian Youth Service Corps, which will involve 10,000 young people a year. Mr. Speaker, do you know how many people under 25 were unemployed in Canada last month? There were 428,000 unemployed Canadians under 25, 18 per cent of this age group in the labour force, and this percentage and this number are increasing every month. What do they propose? A youth service corps with a fourfold mandate: community service; discovering and understanding Canada, as my colleague, the member for Lachine—Lac-Saint-Louis, said last week in this House; environmental awareness; and personal growth.

That is very nice, it is well intentioned, but we have seen other Katimaviks, we have seen other schemes dreamed up by senators, but that is not what Canadians and Quebecers need, especially the young people we were just talking about. They need specific job creation measures to meet their needs, to give them back their dignity and, in the case of young people, to give them back their collective future and their personal future.

We do not need projects like Katimavik, but we know how interesting it could be before a referendum to take young people who are vulnerable, especially in Quebec, and give them the proper conditioning to show how much people care about them and how good it is to live in this very democratic country that has no work for them. We know all that can be done with that target group to win some more votes to keep Quebec dependent on Canada.

In these two cases, faced with the same unemployment problem, we see the very serious problem of joblessness affecting the Canadian economy and the people of Canada. All that this government has been able to find so far are half-measures, the infrastructure program and the youth service corps, things that skirt around the issue, that do not really solve the problem but that can be described as a sort of smoke screen, pseudo-solutions for problems that the government seems completely unable to solve, despite its claims.

The same goes for the information highway, a scientific and technological project, but what are they doing about it? What is the action plan? What funds are being allocated to it? All we know is that since October 25, 1993, the minister concerned, the Minister of Industry, recently appointed an advisory committee that will study the information highway, behind closed doors. Meanwhile, our American neighbours apparently have a fairly well-defined action plan, which has the full support of the U.S. Vice President.

(1300)

Without knowing where we are going, we have appointed an advisory committee that, until further notice, will meet behind closed doors: such is Canada's electronic highway, Mr. Speaker.

This illustrates very well the attitude of this government; we do not know where it has been nor where it is going.

Regarding these commitments, we can honestly say without fear of being mistaken that this government has disappointed us, that it is beyond the hopes it had raised or tried to raise among Canadians with respect to infrastructure and the Youth Service Corps; it has only addressed unemployment in science and technology in the manner we just mentioned. The government is letting us down.

I would now like to speak to an issue I am particularly interested in as industry critic: industrial conversion. Let us refer once again to the red book stating the government's intentions in this area and others. On page 55 we read this: "The defence industries today employ directly and indirectly over 100,000 Canadians. The end of the Cold War puts at risk tens of thousands of high-tech jobs. A Liberal government will introduce a defence conversion program to help industries in transition from high-tech military production to high-tech civilian production".

That was the vision, the intentions of the Liberal Party of Canada in terms of industrial conversion. It was a wise, enlightened vision of the situation but unfortunately, after this document was released, we never heard again of this government's so-called vision or intention to encourage the conversion of military production to civilian production.

Yet, this sector is in dire straits. Between 1987 and 1992, the deliveries of arms manufactured in Quebec fell by more than 48 per cent, almost by half, from \$1.6 billion in 1987 to \$810 million in 1992.

Businesses in the defence industry are value-added high-tech manufacturing ventures where salaries are high. The number of Quebecers working in arms production is estimated at over 46,000. Electronics, aerospace, general transport and EDP are the most active sectors in the defence industry. The major defence companies are very well known: Bombardier, CAE, SNC, Lavalin, Pratt & Whitney, Bell Helicopter, Expro, Héroux, Marconi, Paramax.

All these companies were successful in finding their niche in an international competitive environment. Together, they are responsible for over one quarter of all the research and development work done in the Montreal region. They have always enjoyed the federal government's financial support to develop defence capacities.

This shows how the conversion of these defence companies, given the geopolitical changes occurring all over the globe, is important, especially in Quebec, to maintain a healthy high-tech industry.

During the election campaign, the Liberals made four major commitments regarding industrial conversion. First, to expand the mandate of the Defence Industry Productivity Program or DIPP, to help the industry convert and diversify, a \$150 million

### *Supply*

program. Second, to establish an economic conversion commission, with the participation of industry and labour, to facilitate and coordinate the process of conversion in the defence industry. Third, to develop joint conversion arrangements with the United States, the market for 80 per cent of our defence exports, in order to establish a concerted conversion strategy. Fourth, the conversion of Canadian military bases, for example in training centres for peacekeeping forces.

As we saw earlier, the government's intentions were illustrated by the closure of military bases, without reference to any kind of conversion. As for the new mandate of DIPP, it is said in the budget speech that, indeed, this mandate will be expanded in three years to possibly include some form of assistance for conversion and diversification. But at the same time, the government says that in three years, and not right now, the budget allocated to that program will be reduced by \$10 million per year.

One wonders why wait three years given the problems of that industry, a slowdown of all activities, a reduced number of contracts in general, as well as a need to transform that military industry into a civilian one.

Moreover, we never again heard anything about this idea of setting up a commission to look at the conversion issue with the companies and workers affected.

(1305)

Yet, there is in Quebec an example which seems to serve as a model for all researchers and university people interested in this issue. I am referring to EXPRO, a company specializing in military products, which is famous for having experienced all kinds of problems throughout its existence, including labour relations problems. When it realized that it was obviously and clearly in jeopardy, the company decided to come to grips with its problems, this with the support of its workers. It set up a manpower committee, made an in-depth review of the situation, hired consultants, established a diagnosis, and now EXPRO is a company with a civilian production instead of a military one. I think this is an example to follow. EXPRO is showing that where there is a will, there is a way.

Yet, the situation is serious, and some members of the aerospace industry have already reacted to the government's intentions, and especially to its lack of vision, as illustrated by its decision to cut in the military sector and elsewhere, without having planned anything to make up for the impact of these measures.

So, last week, representatives of this industry, who worry about the government's intentions, asked for an urgent meeting with the Minister of Industry to find out just what these intentions are and to discuss them with him. I am talking about such prestigious industries as CAE and SPAR Aerospace, which asked to meet with the minister because of the government's attitude and lack of planning. We do not know what transpired,

*Supply*

but we sense that there is a malaise in this industry regarding the government's actions, or lack of action.

We have to be aware of the dangers which would threaten our economy should inertia, a lack of planning, or a lack of vision guide the government's actions and policies.

There is a precedent in Canada. A very high-tech industry of the time—I am referring to the AVRO ARROW case in the fifties—had to cease operations, which resulted in thousands of Canadian engineers leaving the country to go to the United States, thus triggering a massive exodus of brain drain.

If the government fails to take any action, the same will happen to the Canadian economy which, in a matter of a few years, may lose a very substantial number of qualified people who might otherwise have stayed here to try to turn the situation around.

Furthermore, while in Canada there seems to be a conspiracy of silence in this respect, in the United States the Clinton administration plans to provide \$20 billion in assistance over the next five years for defence conversion. Here in Canada, \$150 million will be spent over the next few years on defence research, and this \$150 million will decrease by \$10 million annually, starting in 1996-97. There is a difference in vision between the two administrations which is enormous.

What is particularly exasperating, and shocking as well, is that there are plenty of projects that could be converted. The Bloc Québécois was very clear about that during the debate on cancelling the helicopter contract. It is not just cancelling the contract but knowing how we can make the best of the situation and convert a project that was rather questionable, from the military point of view, to civilian production that will benefit the population and ensure that the know-how will stay, in Quebec in this case, and that it will be used for civilian purposes and that the budgets will be maintained.

At the time we said that after cancelling the helicopter contract, the government should proceed with construction of the high-speed train. The manufacturing process would require equally complex technology which would have made it possible for our researchers and scientists to stay here and continue to develop and do research, but this time for civilian industries. If the government were to go ahead with this project, it would be able to develop new expertise in a field with a very promising future, apparently, in North America, and Quebec and Canada would be able to capture a substantial part of the market so that the principal expertise in North America would be spread from Quebec City to Windsor, via Trois-Rivières. However, the project is on the back burner, and the government does not really know where it is headed in this respect. Once again, the government lacks vision. There is also the sad case which we

will not forget, despite the government's apathy, namely the case of MIL Davie of Lauzon. This company, which built military vessels primarily for the Canadian government, is facing a situation where it will no longer receive any contracts because of the government's decision to pull out of this field. The company has come up with its own conversion plan depending on the good will of the current government which could, if it wanted to, award the contract to build the Magdalen Island ferry to this shipyard.

(1310)

We learned again yesterday that the government does not know where it stands. It still does not know whether it will order a new ferry to be built or whether it will purchase one from a foreign shipyard. If the political will existed, the contract would have been awarded to MIL Davie a long time ago, since it has a conversion plan in place and has the facilities to build the ferry. If the government were to proceed on this, it would be killing two birds with one stone, that is it would be keeping our domestic know-how here in Canada and would be conducting research and development and converting former military facilities for civilian purposes.

In conclusion, I have to wonder where all of this is leading. Clearly, this government is guilty of lacking vision and empathy for the situation experienced by hundreds of thousands of Canadians and Quebecers. This government does not know in which direction it is heading. It lacks not only vision, but also the political courage to address the real problems facing people.

The red book is nothing more than smoke and mirrors. Personally, I am deeply disappointed and concerned because these are old methods which today have led to public cynicism. People realize that during election campaigns, candidates say just about anything. Once in office, however, they continue to provide the same kind of government and style of administration they once criticized. Nothing changes. This type of cynicism is encouraged and this contradicts the nice statements made in the red book.

How is it that today's Liberals and yesterday's Tories seem to have so much in common? I will conclude on this note, Mr. Speaker, perhaps because there is a common denominator. Both parties are financed by the same persons. They both feed from the same trough and both produce the same results.

[*English*]

**Mrs. Dianne Brushett (Cumberland—Colchester):** Mr. Speaker, the hon. member speaks about Quebec youth and their vulnerability to federal Liberal programs.

I would have to differ. I have great respect for the Quebec youth. I believe the young people of Quebec are just as intelligent, if not more so, than the rest of our young people in Canada.

*Supply*

We have smart, competitive, aggressive, intelligent young people throughout this country.

He would suggest that the young people of Quebec are vulnerable, they are susceptible, they are less than knowing of what kind of program they might get into if they pay allegiance to the youth corps program. I disagree. I would give them more credit. The young people of Quebec are very intelligent and they will decide whether it is a good program or not. It is not incumbent upon us to suggest that they are not that intelligent.

[*Translation*]

**Mr. Rocheleau:** Mr. Speaker, I thank my colleague for her question. I do not think that we have to wonder if our young people are intelligent or not; we can take that for granted with the great performances recently turned in by Quebec youth internationally in the Olympics. We saw how competent and intelligent our young people could be.

What gets me, and I refer to something that happened to us in the past, is everything the federal government could do when Quebecers were deciding their future. We know how much the federal government got involved. We had Katimavik with Senator Jacques Hébert at the time, all that can be done to give our young people a feeling of belonging to the Canada of today and tomorrow.

We certainly know what the federal government tried to do in the 1980 referendum campaign. There was the Council on Canadian Unity through which the federal government got involved, although Quebec had a law limiting the "yes" and "no" sides to \$2 million each. The federal government's involvement in the 1980 referendum is estimated to have been between \$15 and \$20 million. We are expecting a similar kind of operation when we see the government, as if by chance, come up with a similar initiative called Youth Canada which seeks to promote better understanding of Canada.

(1315)

I repeat what your colleague, the member for Lachine—Lac-Saint-Louis, said, a better understanding of Canada. He told us about the four main projects, the four major thrusts, and I think that in complete intellectual honesty we can suspect this government's intentions, what it intends to do about the future (of Quebec) and to make Quebec stay in Confederation, and as we say in Quebec, what are a few thousand bucks, Mr. Speaker, it never bothered them.

**Mr. Peter Adams (Peterborough):** Mr. Speaker, I thank the hon. member for Trois-Rivières for his speech.

[*English*]

He mentioned in it the real problem, le vrai problème. It seems that one of the real problems we are facing, the solution to which will help everyone in Canada and particularly I hope the

young people to whom he refers, is simply getting the economy moving.

I know that the member listened to the parliamentary secretary's remarks earlier about one aspect of the budget which was the infrastructure program. She stressed the jobs which will be created and she stressed the value for our economy in the future of improved infrastructure, as he knows.

There is one aspect which relates to this business of getting the economy going that she did not stress greatly. That is that through the infrastructure program which affects Trois-Rivières as it does the riding of Peterborough, already capital is being released, capital which is already there.

I do have a question about this, with respect for the hon. member for Trois-Rivières. In my riding for example, there is a seniors group which has already raised a great deal of money, some hundreds of thousands of dollars toward a new building. They are able to move on that building sooner than was the case before. I believe the flow of those moneys will help stimulate the economy.

There is also an arts group which has done the same thing. It has not raised quite as much yet but these are moneys which are there which will be released into the economy because of the infrastructure program.

Also in the public sector I would have to say one of the townships in my riding has money from dump fees. J'ignore l'expression française de ce terme.

The township is in fact being paid for the discomfort of having a dump on its property. It has accumulated those fees and it is going to spend them constructively on local projects with some jobs and by the way local raw materials, sand and gravel and things of that type.

Once these projects start, and in my riding we are talking about scores of construction projects in 17 or 18 townships, in the city, in the county, in the university and in the college, scores of these projects all starting when the frost is out of the ground. Again the wages will be paid, the wages will be spent. This capital which I have mentioned will flow across the country.

If it scores in Peterborough, I do not know if it scores in the Trois-Rivières area, hundreds if not thousands of those projects will take place and all of them we hope will stimulate the economy and that will help the young people and all the people of Canada.

I wonder if the member would care to comment on that point from the point of view of what is going to happen in Trois-Rivières once these projects start.

[*Translation*]

**Mr. Rocheleau:** Mr. Speaker, I thank the hon. member for his question. We in the Bloc Québécois are not against the infrastructure program. We are against it being the solution the

*Supply*

Liberal government seems to have found to deal with a very serious problem in this country with 1,600,000 unemployed people.

I think this is easy to demonstrate. The government says it will create 45,000 temporary jobs, and we must remind you that when they talk about jobs, they talk about maintaining jobs; 45,000 jobs created and maintained for 1,600,000 unemployed workers. I do not see how the hon. member for Peterborough can think this will solve in any way the situation in his riding. Assuming that unemployment should be around 10 per cent—it is now around 13 or 14 per cent in my riding of Trois-Rivières—it is no reason to rest easy and tell ourselves that the government is up to the task.

Especially since—and I see the Minister of Human Resources is here—this same government is going after the unemployed rather than unemployment, the poor instead of poverty itself. We hear the government tell the poorest among us, those who are already in a bad spot, because unemployed workers are in a bad spot, that from now on they will get 55 per cent instead of 57 per cent of what they were earning and work longer to receive less, for a shorter period. I think they are going after those who are poorest.

(1320)

They say we must modernize and revamp—the words they use are exceptionally subtle in denoting intellectual honesty—our social programs. We do not know how but we do know one thing as I speak: the government was able to figure out how much it will cost in two or three years, so it can spare the public purse by going after the unemployed and the poor: \$7.5 billion, including \$5.5 billion in unemployment insurance. We know that already. That is what I rise against when I hear such comments.

First of all, we have no real solution for reducing unemployment since the so-called infrastructure program is not a solution, it is not even a half-measure. At the same time, the government is going after those who are already hard pressed while leaving the richest Canadians alone. They create committees to examine whether their measures are justified or not. The time has come to review our thinking because the underlying process, as everyone is increasingly aware, is the disappearance of the middle class, like in an underdeveloped country with few rich people and a lot of poor people. This is what we think.

*[English]*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, I am pleased to have the opportunity to speak at this time, particularly in light of the comments just made by the hon. member.

*[Translation]*

First of all, the motion before this House is incorrect and so are the comments made by the hon. member from the opposition. I will take this opportunity to set the record straight.

For one thing, this year, there will be more jobs for Canadians, and particularly for Quebecers. The Conference Board said there could be as many as 57 per cent more jobs for Quebecers this year, as compared to last year.

Unfortunately, the opposition fails to mention the positive initiatives, measures and efforts the government and the private sector have made to create employment across Canada.

*[English]*

In saying that, I do not think we are here just to argue about figures. I think we are here to argue or talk about a very deep felt need by Canadians to have the opportunity to share in work, to have a sense of dignity, of making a contribution to their own and their family's well-being. The prospect, the hope for a job, for themselves and for their children is one of the great ambitions that we have always held out to Canadians.

What is not recognized in anything I have heard or listened to by opposition members so far is any recognition whatsoever that the world of work has changed and that we cannot simply fall back on old methods, that we cannot simply defend the status quo, that we cannot simply argue on a rhetorical basis for what used to be.

*[Translation]*

I found particularly interesting, for example, this comment from the editorialist for *La Presse*, Mr. Alain Dubuc: "Program reform is simply a must for everyone's sake. Lucien Bouchard is making himself the advocate for status quo". And I would like to draw point out this line: "Out of demagoguery or sheer narrow-mindedness, the Bloc Quebecois nationalists are turning into advocates for inflexibility and inertia". How true! It is true that the members across the way are advocating inflexibility and inertia and using demagogical arguments.

(1325)

*[English]*

This is not a time for that kind of narrowness of spirit, that unwillingness to change, that attempt to exploit people's deep concerns for immediate partisan advantage.

We have to talk about how to put a good employment strategy in place in this country, something that takes into account various elements. There is no single answer. There is no panacea for the creation of employment. It is something that is affecting every country and it is going to take a full, concerted, comprehensive approach.

When I attended the job summit last week in Detroit where the seven major industrial countries were brought together, we talked about the fact that in those seven countries alone there were over 30 million people unemployed and the number is growing.

In Europe there has not been any job creation or any growth at all for the past year or two. In the United States there is job creation but it is low level jobs, part time jobs, insecure jobs at a wage that is not reasonable to live on.

The Canadian answer is to find a balance somewhere between the two. We must make sure there is growth and job creation, that we stimulate the economy, that we provide a boost in the private sector to give a new sense of momentum to the broad base of job creation that the private sector must provide. At the same time we must recognize that there are fundamental changes going on in the labour market, that it is not simply good enough to have a job at a minimum wage if that minimum wage is below the poverty line. It is not good enough to say to workers that they can have a 20-hour part time job if there are no benefits attached.

Those are the kinds of questions we are wrestling with. Unfortunately members, particularly those in the Bloc Quebecois, do not want to face those issues. Their representative on the parliamentary committee refuses to deal with the fact that there must be some change. Instead they go out, organize a demonstration and say to keep things the way they are. If we stay with the status quo then the jobs will not be there, the income will not be there, and the opportunity will not be there.

When this government is asked where is our vision, our vision is to undertake one of the largest, most comprehensive attacks on the question of unemployment ever seen in this country. We have initiated on a number of fronts a broad based employment strategy.

We have already heard some of the measures that have been brought forward today. There is the infrastructure program which by estimates could create 60,000 to 70,000 jobs. This is a way of providing a catalyst to get a spark into the economy. Now that we are beginning to grow at a level of 3 per cent a year there has to be a little bit of an electric shock treatment to get people hiring again. The infrastructure program should not be measured simply in the numbers of jobs directly created but also what it does to send a signal that begins to say to Canadians that we can start doing things again.

I must say when I listen to members of the Reform Party or the member for Mercier say it is a waste of money it seems to me those members do not really quite understand what it is all about. It is not a waste of money if you invest in better roads, better transportation and better infrastructure because that

### *Supply*

creates productivity. It creates the ability to generate more wealth.

If you allow your infrastructure to deteriorate, if you have too many potholes in the roads, if you cannot move information along an electronic highway or if you cannot begin to rebuild your schools and universities, then you will not grow.

We may argue about spending the money. It may be asked who is going to invest in a new road system. Is an oil company going to invest in new roads? Is the bank going to invest in a new training college? Are they likely? That is the responsibility of the public sector. It is the responsibility of government. That is why we have taken on that responsibility.

(1330)

I hear members opposite say that it is a waste of money. That simply indicates to me they are not serious about the issue. They are not really looking at a growth strategy or an employment strategy. They are caught up as the apostles of rigidity or demagoguery, as the editorialist in *La Presse* said.

We introduced a number of measures in the budget. The infrastructure program was one. There is significant support for small businesses because the records show that is where jobs will come from. They will become the engine of job creation if we give them the right incentive or the right signal.

I find incredible the ignorance of members opposite who have criticized our efforts to relieve small business of the payroll burden in order to create jobs.

[*Translation*]

I find the Bloc Quebecois' position incredible. They are against efforts to reduce UI premium rates which will have a positive impact on small business.

Here is a good example to illustrate my point. Take a small business with 100 workers. As a result of this initiative or plan to reduce UI premium rates, this business will save \$30,000. That is enough to hire another worker, one more employee.

[*English*]

How can we argue against a measure clearly designed to say to small businesses that by bringing down their cost structure, by giving them better cash flow and by reducing some of the burden placed upon them they will be given the incentive to go out and hire people?

I met a week or so ago with representatives of the Canadian Federation of Independent Business which represents hundreds of thousands of small businesses across the country. They said that was one of the best things any government had done because it began to say to them that we would rely upon them. They said that their membership would now take up the challenge because we have taken the initiative to show we care.



*Supply*

Yet we hear members on the opposition side saying that it does not matter or it does not count. I happen to believe it is very important to give the right incentive and the right stimulus to small business as part of an employment strategy to free up creative juices and to give the cash flow that is necessary. Members opposite—and I know they would not do it deliberately—distort the impact of that. They make all kinds of claims that changes in the UI system will have an enormous effect upon the poor.

[Translation]

I think it was Mrs. Trépanier, Quebec's Minister of Income Security, who said that it had a slight impact.

[English]

Our own figures show that it will be no more than an additional \$100 million in terms of people coming off the rolls. People do not recognize that simply because we increase the level of weeks of work does not mean to say that people will stop working. A lot of companies and a lot of organizations presently cut their work time to suit the 10-week period. There may even be more work to do, but they cut it and put people on the unemployment insurance rolls as a way of helping their own balance sheets.

A member of Parliament in our caucus who was chairman of a major school board in Ontario said it was a common practice for school boards to hire people on nine-month contracts and then let them go for three months in the summer so that they can pick up UI. That is not a practice we condone. That is one reason we are saying if we begin to relate the weeks of benefit to the weeks of work we begin to provide the proper relationship. We begin to say that one works to earn benefits; one does not get benefits by not working.

(1335)

It is no wonder the editorialist in *La Presse* says: "Il y a les apôtres de la rigidité et de la paralysie". C'est une bonne raison pour cette déclaration. They are not thinking. They do not have an employment strategy. They do not have any strategy that encourages people to go back to work.

That is a lot more important than collecting UI. UI is a crucial program to help people make transitions from work to work. It is not long term dependency. That has been part of the problem. Over the years we took a good program and started changing it to the point where it became a program not to make that transition but to try to solve all other problems.

We are saying let us have a proper program dealing with long term unemployment. That is one of the reasons we are conducting a major review. That is one reason we invited the participa-

tion of members opposite even though they now refuse to participate.

Let us have a special program for long term unemployed people. They should not be kept on UI in perpetuity but they should have programs of training, job creation, income supplements or whatever the proper mix will be, so that we find ways of getting someone who can no longer stay in the labour market back in. We should focus or target that need exclusively. We should have programs designed for that need, not try to tinker with old programs that no longer fit the bill.

This is why we are conducting the review. Opposition members say there is no vision, but that is the vision. Where is their vision? There is nothing in their motion or in anything they have said. Our vision is to get people back to work.

Let us talk about young people. Let us talk about what is happening to the close to half a million young people between 18 and 24 years of age who are without work. It is probably one of the most tragic circumstances we have. How do we come to grips with the difficult problem of enabling people to make that changeover from formal education back to work? In many cases formal education does not even work any more for them. Many young people no longer fit into the school structure; they drop out. There is a 30 per cent dropout rate. It is a tragedy.

If we do not have sufficient levels of education and training we know there will be no jobs. We are not back in the age where skills are unimportant. We are in an age where if one does not have that basic element one will not work.

That is why we place a lot of emphasis on this point. We have included in the red book—and I will be introducing them very shortly in the House—initiatives for a major program of apprenticeship–internship. It will take tens of thousands of young people to give them experience in the workplace. It will be a combination of education and good, solid experience in employment so they can acquire the necessary skills. That is the commitment we made. That is a vision. That is a proposal. It is part of our program. We are negotiating with the provinces now to make sure they are on side.

The secretary of state spoke this morning about proposals for a major youth corps to give community employment experience for young people right across Canada. When they cannot obtain their first employment we get them into a setting where they learn skills, produce their first resumé and learn how to do something useful and important. It will give them some hope.

We are looking at major changes in student aid and student loans programs to give another incentive to young people to get back into the training and educational stream. Along with the discussions we are having with the provinces we are putting in place a serious, broadly based youth employment strategy. I am very pleased to announce today that as part of the strategy we are

substantially increasing the amount going into summer employment by 20 per cent so we can say to young people: "Go back to school and we will help you get a job to get there".

That does not come easy. We have reallocated money. We have brought together another \$20 million which will mean that over 60,000 young people this summer will have an opportunity for employment sponsored in a wide variety of circumstances. When the opposition says we have no plans or actions, I say we just announced another one today as part of a broadly based scheme.

It is interesting that not once did we have a question from members of the Bloc or members of the Reform Party about summer employment and what we are going to do with summer students. They were so deeply concerned about our young people they never got around to asking questions about that. They have only been here for a couple of months but they never quite got around to the question of what will be happening to young people this coming summer.

(1340)

Members of Parliament in my own caucus asked me about it every week. They had the good sense and understanding of what was happening to young people, and that is one reason the government responded to its own caucus.

The question of employment will take a real effort by many Canadians. I hope the committee will report this week on what it heard from a broad base of consultation in the first phase. We are also negotiating seriously with all the provinces to talk about how we change training programs and how we change social security to get people back into the workplace.

We are meeting with a wide variety of advisory groups. In the past two weeks I have met with 15 different groups across the country.

[*Translation*]

Today, comprehensive consultations are being held in Montreal with several social groups to discuss changes relating to the social security net.

[*English*]

We are talking to Canadians to involve them and to say that change is necessary but we can do it together. We can do it as a country united in the fundamental objective of getting people back to work and of restoring the dignity of work.

The only people absent from the debate, the only people who seem to be withholding their participation, are members of the opposition. They do not seem to think it is important enough to look seriously at how we can change our social assistance system by giving incentives to go back to work. They do not think it is important enough to be looking at what is happening to young people in our society. They do not think it is important enough to look at long term unemployment and how to get a much better mix of programming to deal with the problem. All

### *Supply*

they want to ensure is that there is somebody to go to the barricades, organize a demonstration and say: "Stay with what you have". Fortunately that is not the message of Canadians.

We are listening to the people who are not in the extreme groups on the left or the right. It is interesting that one group of people on the far right is saying that we should trash every program we can find and the group on the left is saying that we should keep every program we have. Fortunately a large group of Canadians in the middle say that change is necessary but it should be done responsibly and carefully so that we can get the country back to work again.

I ask members opposite to help create a climate in which there can be jobs for Canadians. They should help to put together the building blocks of an employment strategy that recognizes the creation of employment in the private sector, that relieves the burden of payroll taxes, that has a specific target for the long term unemployed, that looks seriously at a child care system, that enables women to participate fully with a sense of security and that works in dealing with our young people.

If we can put those elements together, if we can put the right package together over the next several months, we will create a new vision for the country. We will have given Canadians a new sense of identity. It will not be tied up with some kind of false debate about the Constitution, who controls this or who is responsible for that. The fundamental point is that we will have restored for Canadians a sense of hope and opportunity that they, their families and their kids can go back to work. That is the real meaning of what the country is about, and we intend to do it.

**The Acting Speaker (Mr. Kilger):** I take note of the number of members interested in asking questions of the minister. I will try to accommodate as many as possible. I would ask members to keep in mind the great interest stimulated by the intervention of the minister.

[*Translation*]

**Mr. Nic Leblanc (Longueuil):** Mr. Speaker, I listened carefully to the Minister of Human Resources Development, and not Natural Resources as I said last week. In any case, I wonder if ministers have any real powers, regardless of the department.

So, I listened carefully to the minister, whom I have known for some time now. I must say that he is very articulate and he sounds convincing but, once again, the content of the red book and the speeches we hear every day are the absolute opposite of reality. I must first ask the minister how he thinks he can create jobs by, on the one hand, investing one billion dollars in infrastructures and, on the other hand, taxing UI benefits for the unemployed, to the order of \$800 million for 1994-95, following changes to UI which is within the scope of his department. What does that mean? It means that, on one hand, the purchasing power of Canadians is reduced by \$800 million while, on the other hand, one billion dollars is invested in infrastructures.

*Supply*

That means that nothing is created. On the one hand purchasing power is reduced, while on the other hand money is being distributed, and we are told that people will spend more and that jobs will be created. The minister does not understand the economy at all, because he is not creating anything. The results are almost non-existent.

(1345)

Moreover, the minister says that he will create jobs while also increasing taxes and personal income tax by \$1.7 billion over the next three years. Over that same period, he will also increase taxes by \$1.8 billion for small businesses. And he thinks he will create jobs that way. He is completely wrong and he does not understand anything about the economy. If jobs are created in Canada, it will certainly not be because of the Liberal Party and its alleged vision on economic development and employment. If jobs are created, it will be thanks to the initiatives of individuals and certainly not because of this government's measures. Indeed, there is absolutely no vision in its way of doing things, which is to tax Canadians even more and then try to create jobs with an inadequate program. If you want to create jobs by investing one billion dollars and then take back \$800 million, not to mention the fact that Canada's gross domestic product is somewhere around \$700 billion, I can tell you that one billion will not make much of a difference.

Mr. Speaker, I would also like the minister, who is responsible for manpower training to tell us when he will fulfil a request which the Quebec government has been making for at least three or four years. When will he delegate manpower training to Quebec? In doing so, he would immediately save at least \$300 to \$400 million, while at the same time ensuring more effective manpower training in that province? All Quebecers, whether they belong to the business sector, the unions or the government, support this request. When will the minister do something about this?

**Mr. Axworthy (Winnipeg-South-Centre):** Mr. Speaker, first of all, I would like to say to the hon. member that I did address these issues directly and that I am surprised by all the contradictory statements he made. On the one hand he says that we have to bring down the taxes and rates, and on the other hand he says that we should not touch the unemployment insurance system. We have done that. We have reduced the UI premiums. That will stimulate employment and help small business to create jobs. Our policy has had another major impact on workers. It has increased by \$70 to \$80 the income each worker can spend on goods and services for his or her family, which is also good for small businesses. That is not too bad. Workers now

have more money in their pockets. At the same time, we provide stimulus for small businesses and for workers.

*[English]*

I am trying to tell the hon. member that his party is very confused. On the one hand members say not to touch UI. On the other hand they say to bring down the premiums. We have done that; we have brought down the premiums and the stimulus effect is there. However, to bring down the premiums we have to make sure that we can still pay for the deficit of the UI system which this year is \$6 billion. We have to bring down the deficit of \$6 billion. That is the reason we balance it out. In a way it ensures more benefits going to the poorest people, not less.

(1350)

Unfortunately members opposite in their statements somehow forget the facts, which is too bad. I feel sorry they have this selective memory. It is not a good thing in a situation like this to be so selective in your memory. It gets you into trouble.

We have increased the benefits for the poorest in society. We have created a new linkage between work and benefits and we have given stimulus to private enterprise to create new jobs. It seems to me that is not so bad a proposition.

**Mr. Ted White (North Vancouver):** Mr. Speaker, the opposition motion deplores the lack of vision in the Liberal policies on job creation and I think the minister missed the point here.

The infrastructure program has no vision because it amounts to less than half a per cent of the gross domestic product. That is like a family of four winning \$200 in the Lotto 649 in a whole year.

Then the minister goes on to say that high unemployment affects every country. That is simply not true. Places with low taxes like Hong Kong and the Cayman Islands have more than 97 per cent of their people employed. There is a direct link between taxes and unemployment.

Countries with high tax loads have high unemployment. There is a terrible lack of vision from the government in failing to recognize that it is the high tax rates that are causing unemployment and that the problem can be cured by reducing government spending.

Will the minister acknowledge that high taxes are the cause of unemployment?

**Mr. Axworthy (Winnipeg South Centre):** Mr. Speaker, one important revelation from this debate is that we now understand the employment strategy of the Reform Party. It is called the Cayman Islands employment strategy.

*Supply*

An important set of principles can be taken to heart. How do the Cayman Islands support their projects? A group of offshore companies register there in order to escape the tax burdens of all the other countries in the world.

What the member is suggesting is that Canada should be a tax haven for all the misfit companies around the world that want to escape their rightful obligation to pay their taxes to their rightful government.

Now there is one hell of a good employment strategy coming from the Reform Party. Let us have a Cayman Islands employment strategy, says the Reform Party. Except I do not think Canadians want to have a Cayman Islands employment strategy.

Canada is a serious industrial country, one of the top seven countries in the world. Canadians realize we need a comprehensive strategy, not just infrastructure but a wide combination. Infrastructure is important in one element; stimulation to small business is another; reduction of the payroll tax for small business; serious training programs; real attempts to get their educational system in place, a broad based comprehensive program.

That is what is going to create jobs, not following the precepts and principles of the Cayman Islands.

**Mr. Jim Gouk (Kootenay West—Revelstoke):** Mr. Speaker, first I would like to express some gratitude on behalf of Tom Hanks who, had the Minister of Human Resources Development sought a different career, may not have won the award he received last night.

I would like to point out a couple of things. The minister talked about the apprenticeship programs, student loans, the youth service corps. He lumps them all together and says that we reject them. That is wrong. Certain programs have more merit than others.

For example, the apprenticeship program leads specifically to a direct career job and is something well worth pursuing. On the other hand to say that our poor youths after graduating from college can be helped by putting them in a make work community project which does nothing to enhance their career expectations may not be good value spent.

I would look to the unemployment insurance rebates. We often hear about smoke and mirrors. Let us look at that particular one. After we carry away the mirrors and disperse the smoke what we have is a raise in UI premiums by the government which, even before it implemented it, says: "We have created another job in small companies". I would suggest if that were true what the minister should have done was raise the rates by \$3

instead of the 30 cents. Then the government could have knocked that entire \$3 off and would have had 10 times as many jobs.

(1355)

If the infrastructure program is needed, fine. Let us talk about the need for infrastructure repair. Let us not bring in the smoke and mirrors again and call it job creation because it does not create jobs. We have already discussed at length the fact that most of these jobs will be put to contract which will go to companies that have their crews and it will not create any new employment at all.

In creating the jobs we are talking about, the government will spend \$70,000, according to studies, to create a \$35,000 job which produces a \$10,000 benefit to the government.

To create jobs for \$1.6 million worth of people we would need \$96 billion. Even if the roof of this building opened up and that money dropped in and it was spent without increasing the deficit, we would still have no jobs at the end of that year when that money was spent. The government's infrastructure program does not create employment. It simply addresses a different problem and the problem remains.

How is the government going to bring on long term jobs when it maintains the old Liberal strategy of tax and spend and not addressing the deficit?

**Mr. Axworthy (Winnipeg South Centre):** Mr. Speaker, I am really thrilled that the hon. member with such a profound question left me 30 seconds to answer it. The question deserves that length of answer.

How do we do it? It seems to me that there is one fundamental principle the hon. member should understand. It is that investing in our country, investing in infrastructure, investing in schools, investing in roads is one of the primary elements of creating growth and jobs.

By opposing the infrastructure program that was called for by every municipality across the country to improve its transportation system they are standing in the way of long term job growth development.

In the meantime they are also facing the fact that 40 per cent or 50 per cent of construction workers are out of work and this job creation program is one element among several that will get them back to work, create growth, and show the Reform just how their Cayman employment strategy makes no sense.

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

*S. O. 31*

## STATEMENTS BY MEMBERS

[English]

[English]

### RACIAL DISCRIMINATION

**Mrs. Anna Terrana (Vancouver East):** Mr. Speaker, on March 31, 1966 a group of black South Africans who were holding a peaceful demonstration were massacred in Sharpeville. During the same year the United Nations declared March 21 the International Day to Eliminate Racial Discrimination.

Yesterday International Day to Eliminate Racial Discrimination was celebrated around the world. In Vancouver I was a speaker at the event organized by the Vancouver Multicultural Society in co-operation with the Vancouver Police Department.

The road to democracy is hard and dangerous. Canada is a blessed country where we do not have to endure acts of racism but we are still far from being a racism-free country. A strong message must be sent out that racism and discrimination can no longer be tolerated. These two diseases must be completely stamped out for Canada to become an example to the rest of the world.

March 21 makes people pause and think. Through education and example we can achieve equality for all and respect for each other.

Let me congratulate the many volunteers—

\* \* \*

[Translation]

### PRIX DU MÉRITE DU FRANÇAIS

**Mr. Jean Landry (Lotbinière):** Mr. Speaker, yesterday, the president of the Union des artistes, Serge Turgeon, presented sportscaster Richard Garneau, with le Prix du mérite du français dans le secteur culturel, a merit award for French language use in the cultural sector. For some time now, the Conseil pédagogique interdisciplinaire du Québec has been recognizing each year the outstanding contribution of an individual or organization to the promotion of dynamic and correct use of the French language.

Mr. Garneau reminds all Quebecers as well as francophones across Canada that correct use of a spoken language forms an integral part of everyday life, both at work and at play.

On behalf of all the members of this House from Quebec, I would like to pay him a well-deserved tribute.

### POLICE MEMORIAL

**Mr. Art Hanger (Calgary Northeast):** Mr. Speaker, I would like to draw the attention of the House to the gallery. In our presence today are family members of police officers who have been tragically killed in the line of duty.

They have come to Ottawa to take part in the unveiling of a memorial dedicated to those officers who have made the ultimate sacrifice during the service and protection of their communities.

Names like Van der Wiel, Sonnenberg and King may not be widely known but they should be universally respected. It is that respect that I am expressing to the families assembled here today.

The dedication will take place at the Summer Pavilion on the Hill at 5 p.m.

I encourage all members to take a moment today to remember those officers who have been our most noble and brave public servants. May their legacies be a reminder to all of us of the need to reform our criminal justice system so that no more lives are needlessly lost to those elements of society who have not learned to respect the laws of our land.

\* \* \*

### TAINTED BLOOD

**Mrs. Beryl Gaffney (Nepean):** Mr. Speaker, as a result of a 1983 blood transfusion, a Nepean constituent became infected with HIV and consequently developed AIDS. He carried this devastating disease unknowingly for 10 years before he was diagnosed with full blown AIDS. As a result of not knowing, his wife is now an AIDS carrier.

Federal and provincial assistance has been offered to only those directly affected by HIV tainted blood. They fail to recognize the secondary victims of this tragedy. This couple had no way of knowing that he was carrying the HIV. Had they known, cautionary measures would have been taken.

The primary victim has received financial assistance to help him in his time of need but who will help the secondary victim, his wife? I implore the Minister of Health to reopen the federal extraordinary assistance plan to take into consideration secondary victims of the tainted blood scandal.

\* \* \*

### FENELON FALLS CURLING TEAM

**Mr. John O'Reilly (Victoria—Haliburton):** Mr. Speaker, I rise today to salute the Fenelon Falls Secondary School girls

curling team which has earned a berth in the upcoming provincial high school curling championships in Sault Ste. Marie starting today until March 25.

We have all heard of the surprise performance in sporting competition, the small conquering the large, the David and Goliath syndrome. The courageous team I speak of, skip Jennifer Dickson, vice-skip Andrea Howard, second Cayley Rodd and lead Christina Dunn, won but a few games in the Cannington-Lindsay-Fenelon league this year.

However, in true underdog fashion the team peaked at the right time, finally winning a shootout against Trenton to see which team would represent central Ontario region at the all-Ontario provincials.

It is the first team from Fenelon Falls to compete at the championships and it will face a level of competition never before experienced.

I salute this team as it heads into uncharted waters and wish it all the best as it represents all central Ontario schools at the provincials.

\* \* \*

#### MEMBERS OF PARLIAMENT

**Mr. John Bryden (Hamilton—Wentworth):** Mr. Speaker, there have been repeated calls in this House for reform of MP pensions, especially in the matter of double dipping. This, as members know, involves taking a government salary with the right hand while accepting a government pension with the left. My colleagues of the Reform Party opposite have been most eloquent in attacking this practice.

The taxpayer's dollar is the same dollar whether it comes from provincial pockets or federal pockets. I would therefore ask my Reform colleagues to join with me in urging that all parties institute a code of conduct whereby no MP collects a salary and a taxpayer funded pension at the same time.

I am sure all would agree, for example, that a \$61,000 Alberta government pension on top of an MP's salary is a flagrant example of double dipping.

**The Speaker:** I would hope that the statements would be of a more general nature as we go on.

\* \* \*

[Translation]

#### HYUNDAI CAR PLANT IN BROMONT

**Mr. Jean H. Leroux (Shefford):** Mr. Speaker, it was with dismay that we heard about Hyundai's decision to suspend indefinitely the operation of its facilities in Bromont. Over 800 workers will be affected.

S. O. 31

The Bloc Quebecois and the people of my region are outraged. Must I remind that Hyundai received substantial grants from the federal government to build its facilities in Bromont?

Now, we are told that company officials refuse to meet the primary stakeholders to discuss the situation. How can a company like Hyundai treat its workers so offhandedly?

The Bloc Quebecois urges the federal government to act immediately to preserve these workers' jobs as well as to make sure this never happens again. More than ever, the government must manage public funds with a strong hand.

\* \* \*

(1405)

[English]

#### THE GRUMMAN GOOSE

**Mr. Jay Hill (Prince George—Peace River):** Mr. Speaker, I would like to call the attention of the House to a potential tragedy for Canadian aviation history.

In a Prince George RCMP hangar rests the Grumman Goose. This plane was built in 1944, can land on water, snow or ground and has logged over 24,000 flying hours. It has seen service on both coasts, in Ottawa and the high Arctic. It has been used for drug busts, surveillance, rescues and air shows in addition to ferrying people and equipment.

The RCMP may have to sell this 50-year old plane and the National Aviation Museum cannot afford the estimated price tag of \$300,000.

I implore the RCMP and the government to reconsider the possible sale of this plane to give Canadians the time to find alternatives for raising the money to preserve this piece of our heritage. If not, the last flight of the Goose will probably take it out of Canada forever, heading south of the border to the highest bidder.

\* \* \*

#### CANADIAN ARMED FORCES

**Mr. John Murphy (Annapolis Valley—Hants):** Mr. Speaker, recently I had the pleasure and opportunity to visit CFB Greenwood and Camp Aldershot in my riding of Annapolis Valley—Hants.

During my visit to these bases I was most impressed by the dedication, professionalism and commitment of our men and women in the Canadian Armed Forces. These men and women often do their work with little or no public recognition. Yet our military has made a significant contribution to the maintenance of international peace and security.

*S. O. 31*

This strong tradition of pride and service is a model for nations around the world. I am proud of the personnel serving in CFB Greenwood and Camp Aldershot.

As we embark on foreign defence policy reviews in the months ahead, I urge all parliamentarians to reflect on the professionalism of our military and the important role it plays at home and abroad.

\* \* \*

**THE LATE KENNETH KIDD**

**Mr. Peter Adams (Peterborough):** Mr. Speaker, Kenneth Kidd, professor emeritus at Trent University, died recently.

He was born in 1906 and educated in Toronto and Chicago. He was a pioneer of modern archaeology in Canada. His work included excavating the famous Ste. Marie Among the Hurons site near Midland, Ontario and a project at the Cartier-Brebeuf site in Quebec City. He was an early student of petroglyphs in Canada.

He moved from the Royal Ontario Museum to Trent as founding chair of the department of anthropology.

In 1969 he founded the first university native studies program in Canada at Trent. This was a seed well planted as there are now upwards of 40 such programs across the country.

Ken Kidd and his wife Martha, both distinguished and productive citizens of Peterborough, received honorary degrees from Trent in 1990.

I am sure that my colleagues in this House join me in extending our condolences to Mrs. Kidd.

\* \* \*

**THE RANKIN FAMILY**

**Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso):** Mr. Speaker, five sons and daughters of Mabou, Nova Scotia made their family and their community proud at last Sunday's Juno Awards in Toronto.

The Rankin Family brought home four Junos including entertainer of the year, group of the year, country group of the year and single of the year.

Combining beautiful harmonies and energetic step dancing, the Rankins have gained international acclaim performing their unique brand of Celtic music across Canada and around the world. They are part of the thriving musical culture in eastern Nova Scotia that has its roots in Canada's Scottish heritage.

We in eastern Nova Scotia are proud to share this rich cultural heritage with the rest of Canada. We could have no better ambassadors than the Rankin Family.

[Translation]

**HUMAN RIGHTS**

**Mr. Réal Ménard (Hochelaga—Maisonneuve):** Mr. Speaker, the Prime minister, the Minister of Foreign Affairs and the Minister of International Trade have told us: "Human rights are no longer tied to trade" and business sense.

The Liberals had promised a more "we'll go it alone" Canadian foreign policy, one more in line with Lester B. Pearson's vision. Let the naïve think again! The Liberal government is sending the way of the trash heap a long-standing tradition of defending human rights, reducing Canada to the condition of petty trading nation without any vision, or heart or soul.

One Liberal minister after another will visit China over the next few months, but the Canadian ministers will not bring up the legitimate concerns of Quebecers and Canadians about human rights issues.

I hope that Canada will come round. There is nothing worse than a nation losing its soul.

\* \* \*

(1410)

[English]

**CANADIAN ALUMINUM INDUSTRY**

**Mr. Mike Scott (Skeena):** Mr. Speaker, I rise on behalf of people employed in the aluminum industry in Canada, in both British Columbia and Quebec, to express outrage and contempt for a policy which will provide a \$60 million export credit to help finance a new aluminum smelter in South Africa.

This deal is tantamount to providing Canadian taxpayer assistance to construct fish packing plants in Spain or pulp and paper mills in Brazil. It demonstrates an arrogant and elite attitude with respect to taxpayers' funds which we on this side of the House believe should be regarded as funds held in trust.

I am convinced beyond a shadow of a doubt the vast majority of Canadians would never support this loan guarantee and this leads me to believe that this government does not much concern itself with how Canadians want their affairs managed.

\* \* \*

**KITCHENER PRISON FOR WOMEN**

**Mr. Janko Peric (Cambridge):** Mr. Speaker, on Thursday, March 17 approximately 700 residents of my Cambridge riding had an opportunity to air their views about the controversial site for the Kitchener prison for women.

Much of the controversy stemmed from the fact that the previous Conservative government did not seek input from residents of Kitchener's Doon-Pioneer Park prior to site selection. This Liberal government has made a serious effort to correct the wrongdoings of our predecessor.

The hon. Solicitor General of Canada reopened the file into the Kitchener prison project shortly after the election. He provided the residents of Kitchener with an opportunity to voice their concerns at Thursday's meeting, something that my constituents have been asking for since the site was announced.

The residents of Doon-Pioneer Park and I would like to thank the minister for taking the time to listen. We all hope that his final decision will be a reflection of what was said at Thursday's meeting.

\* \* \*

#### WORLD SPEED SKATING CHAMPIONSHIPS

**Ms. Albina Guarnieri (Mississauga East):** Mr. Speaker, the world short-track speed skating team championships were held this past weekend in Cambridge, Ontario.

Félicitations à Nathalie Lambert, Sylvie Daigle, Isabelle Charest, Christine Boudrias and Angela Cutrone whose performances assured Canada the women's team title.

[Translation]

On the men's side, the Canadian team made up of Frédéric Blackburn, Mark Gagnon, Derrick Campbell, Denis Mouraux and Stephen Gough came in second, behind the South Korean team. Congratulations!

This was the last competition in Canada for Sylvie Daigle and Nathalie Lambert, two of the Canadian short track speed skating team's stars.

[English]

Sylvie and Nathalie have both had exceptional careers and are to be commended for their dedication to their sport.

\* \* \*

#### THE ECONOMY

**Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville):** Mr. Speaker, due to very difficult economic times in Canada many Canadians have been forced to practise fiscal restraint and responsibility.

Canadians from all regions of this country have responded by tightening their belts and going without many necessities they could otherwise have. They have done this even though many others have continued to live high on the hog.

There are many examples of where fiscal restraint has not been practised to the same degree. One such example is the

#### Oral Questions

recent lavish farewell functions to honour the outgoing Governor of the Bank of Canada. Almost \$30,000 was spent to bid farewell to John Crow. It is outrageous that Canadians are expected to foot the bill for this lavish spending.

Mr. Crow spent many years preaching restraint but when it comes time to depart it seems like one does not practise what one preaches.

\* \* \*

#### THE BUDGET

**Mr. Nelson Riis (Kamloops):** Mr. Speaker, today a splash of ice cold reality was flung into the government's face with the abrupt increase in interest rates which will inevitably send a shudder through the investment and consumer communities.

The international money lenders have sent an early warning signal to the federal government by increasing interest rates and placing pressure on the Canadian dollar. The budget confidence appears to have lasted only two months.

Did the government address the issue of unemployment in this budget? No. Did the government make a realistic revenue estimate in the budget? No. Did the government build higher interest rates into its estimates of government costs next year? No.

When rates jump and the dollar falls, the federal deficit will jump and interest rates will be forced up. As a Chinese proverb says, unless we change directions we will likely end up where we are headed.

---

### ORAL QUESTION PERIOD

(1415)

[Translation]

#### HUMAN RIGHTS

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

Without waiting for the results of its foreign policy review, the government has already made its decision. It has made a 180 degree turn and set a course that is guided by strictly commercial interests, thereby turning its back on protecting human rights.

I want to ask the Prime Minister whether he would confirm that his government intends to promote Canada's trading relations at the expense of human rights. I also want to ask him whether on his trip in China, he will allude to the oppressive policies of this dictatorial regime only in very polite terms and in private, on the weak-kneed advice of his Minister of Foreign Affairs.



*Oral Questions*

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, whenever we have a chance, we raise the issue of human rights throughout the world, and that includes when we discuss politics with the Chinese. We also discuss the problem when it is time to make decisions on distributing envelopes for development assistance.

However, we realize that we must maintain normal trading relations with China as with other countries. We also believe, as has been the case in the Soviet Union, that these countries become more open as a result of economic growth and trade with democratic countries, and that when they experience the benefits of market economies and democratic freedoms, obviously attitudes change.

When I go to China, I intend to raise the issue of human rights, but at the same time, I would like to maintain normal trading relations with that country. I think this is the best way for Canada to protect our commercial interests and at the same time be present so that we can raise the issue of human rights with the authorities of that country.

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, does the Prime Minister realize that by letting commercial interests prevail over human rights, Canada is relinquishing its historic responsibility, since the Prime Minister knows perfectly well that polite comments behind closed doors will have no impact on foreign leaders who systematically violate human rights? I would like to ask him whether that is why Canada did not express public support for U.S. protests against China on the issue of human rights.

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, we always raise this issue, and we did. We have an international policy that is different and does not depend on the position of the United States, and I think Canadians want Canada to take an independent position in this respect. For instance, we were the first country, well before the United States, to recognize China. It was not until after Canada recognized China that the United States did so.

I think Canada has always raised the issue of human rights and has always traded with China. Under the Diefenbaker government, we were already selling wheat to China. We have had trading relations with the Soviet Union, and we always raised the issue of human rights. We did not change our priorities, but we know, and we say this quite frankly, that it is no use being holier than thou. If I told the President of China, who represents 1.2 billion people, that the Prime Minister of Canada was telling him what to do, he would laugh in my face. I think the best way to accomplish something is to help this country develop its potential, and once they have had many exchanges with the Western world, they will understand the benefits of democracy and respect for human rights and economic progress in a market economy.

**Hon. Lucien Bouchard (Leader of the Opposition):** The Chinese leaders are not going to be impressed by our dollars. What they will respect is an international conscience which Canada has always brought to bear throughout the world and on which its present prestige in the world is based.

There is a clear lack of continuity between the great international accomplishments that are largely the work of the Liberal Party, and its heirs here in the House today, who are frittering away that legacy.

I would like to ask the Prime Minister whether this means that on his trip to Mexico, he will not raise the issue of human rights violations in the province of Chiapas with the Mexican President, although as a trading partner, he will be in a position to do so.

(1420)

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, as soon as we were informed of the problems in Chiapas, we sent a note of protest to the Mexican government. If you read the notes that came from Mexico, you would see that we were one of the first countries to do so and one of the countries that protested most vigorously.

Nevertheless, we believe that it is normal to have trading relations with Mexico. I am surprised to hear the Leader of the Opposition say we should not have trading relations with Mexico and China because we do not like the way they govern their countries.

We have always had trading relations, and it would be hypocrisy to claim that we can cut off our trading relations with countries with whom we disagree on the issue of human rights. We have always traded with China, the Soviet Union and Mexico. We intend to continue and to raise the issue of fundamental freedoms at the same time.

\* \* \*

**GOVERNMENT'S CREDIT RATING**

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, as expected, the Dominion Bond Rating Service of Toronto lowered the federal government's credit rating yesterday, justifying its move by the government's inability to put its fiscal house in order. This lower rating, which will translate into hundreds of thousands of dollars in costs to the taxpayers of Quebec and Canada, revives the spectre of major hikes in interest rates, a scenario which occurred before under the Liberals in the early 1980s.

Does the Minister of Finance not agree that this lower rating is tantamount to an unequivocal condemnation of Canada by the financial community, signalling the failure of his budget with regard to public spending control?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, in lowering this rating, the

*Oral Questions*

DBRS was following the lead taken by another agency last year, that is to say before our budget. So, no connection can possibly be made between our budget and what has just happened.

Second, this rating relates to only 2 per cent of our debt, namely foreign currency. As for the budget, it is very unequivocal. Our goal is to bring the deficit down to 3 per cent of the gross domestic product within three years. We will achieve our goal and ultimately eliminate the deficit. That is our goal and we will achieve it.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, the Dominion Bond Rating Service quotes explicitly the budget as the reason for lowering the credit rating.

Does the Minister of Finance not recognize that failing to take seriously our proposal, the Bloc Québécois proposal, to review and cut the fat in federal government expenditures was a bad move and that such an irresponsible move could end up costing the people of Quebec and Canada hundreds of thousands of dollars, while at the same time causing job losses and allowing interest rates to skyrocket?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, I have not heard the Bloc Québécois propose any cuts. All I heard was: "Do not touch military bases. Do not touch unemployment insurance. No reform. No restructuring. Do not do a single thing." That is the Bloc's position. So, we have no lesson to take from them.

[English]

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, last week we asked the Prime Minister if he would respond to the falling dollar and rising interest rates by making a stronger commitment to deficit reduction.

The Prime Minister refused to do so and now just yesterday, as has been mentioned, the Dominion Bond Rating Service downgraded its credit rating on the federal government foreign currency debt.

The DBRS said in making its downgrading that the federal government policies are not stringent enough to get the government out of the debt trap and if it wants a better rating it will have to include some meaningful spending reductions in the 1995 budget.

Is the Prime Minister now prepared to direct the finance minister to bring forward a stronger deficit reduction program before the government's credit rating is further downgraded?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, what the DBRS said was that we have a

high level of foreign debt at the federal-provincial level, that is the corporate level. That is true. That is the situation. We as a country are heavily indebted at the federal and provincial levels and it is going to require co-operation with the provinces which we have already begun, and that is true.

(1425)

The Dominion Bond Rating Service said that our productivity is up, our inflation rates are down and there is great room for strength within this economy. It also said that it was putting the downgrade on but 2 per cent of our foreign debt and it maintained the triple-A level on our Canadian debt.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, I have a supplementary question.

Surely the finance minister is not suggesting that this downgrading was done lightly or frivolously. Surely members across the way know that the eyes of investors and borrowers are on the frontbenches of government, looking for signs as they are worried about the government's fiscal situation.

Is not the minister concerned that this downgrading could be the beginning of a trend and what steps is he taking to prevent downgrading of all of Canada's outstanding debt?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, first of all our budget was well received by the majority of the rating agencies.

Second, we very clearly set out that in the first stage of our budget that we were going to arrive in three years at a deficit target of 3 per cent of GDP and it will be the first time in the last 15 to 20 years that that has been attained.

Furthermore, we said this is the first stage of a two-stage budget. We also said that cutting at the margins and nibbling at the edges does not apply. Fundamental reform to unemployment insurance, to defence, and the way the government operates is what is required and that is what this government is going to do.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, it is not how members of this House, either on this side or that side, react to the government's signals. It is how the money markets react and that reaction has been negative.

Increasing scepticism that the federal government is not really prepared to come to grips with the deficit problem is now leading to concerns that the government may attempt to inflate its way out of a portion of its debt and cause interest rates to rise, the bank rate today rising from 4.25 per cent to 5 per cent.

Will the minister assure the House that the government will resort to deeper spending cuts before it will allow inflation rates to rise above present levels?

*Oral Questions*

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, the only inflation I hear about in this House is that party that wants to inflate the number of members of Parliament who are in this House.

Let us be very clear. Prior to Christmas the Government of Canada and the Governor of the Bank of Canada arrived at a set of monetary targets which we did within the first month of taking office, something that it took the previous government two and a half years to arrive at. Those monetary targets are among the most stringent of any industrial country in the world and we are very proud of them.

This is a low inflation country. We have paid a great penalty to get there. We are not going to lose the benefit. We are going to remain a low inflation country.

\* \* \*

[Translation]

**PUBLISHING INDUSTRY**

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Mr. Speaker, my question is for the Minister of Canadian Heritage.

Yesterday the minister encouraged us to continue reading the *Toronto Star*. Well, this morning I took him at his word. I learned that at least five Canadian publishing houses had already expressed an interest in acquiring control of Ginn Publishing.

How does the minister explain the fact that the CDIC has not responded to Canadian publishers interested in purchasing Ginn Publishing? Furthermore, will the minister recognize the need to conduct an inquiry into the actions of the CDIC, which has systematically rejected all efforts made by Canadian publishers to buy Ginn Publishing?

(1430)

**Hon. Michel Dupuy (Minister of Canadian Heritage):** Mr. Speaker, yesterday we were fortunate to have a few documents tabled. They clearly indicated that certain Canadian publishers were interested in buying Ginn. However, I did not see a specific purchase offer in these documents.

We are not so much concerned about events which took place nearly 10 years ago as we are about what has happened since this government took office. And I have seen no direct offer to purchase Ginn since this government has been at the helm.

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Mr. Speaker, it is surprising, nonetheless, that no purchase offer has been made. The CDIC had promised to issue a monthly prospectus and it has not done so. Therefore, the minister must admit today that while no offer has been made, some interest has been

expressed nevertheless. An offer can be made if there is a prospectus. But this government never issued one.

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

**Mrs. Tremblay (Rimouski—Témiscouata):** How can the Minister of Canadian Heritage seriously continue to claim that the CDIC was determined to sell Ginn to Canadian interests, but received no serious offer, when the evidence he has points to the contrary? Will he not agree that he is losing all personal credibility as far as this matter is concerned?

**Hon. Michel Dupuy (Minister of Canadian Heritage):** Mr. Speaker, I am not the manager of the CDIC. I do not have the financial skills to take on that job. Moreover, I do not think it is up to the Minister of Heritage to start doing some advertising outside his field.

My area of responsibility is Canadian cultural policy. Regarding this matter, I have stated clearly on several occasions that I consider Ginn to be an exception. While admittedly this may not have been a particularly fortunate transaction, the policy itself is sound. It calls for supporting and protecting the Canadian cultural industry, including the publishing industry.

\* \* \*

[English]

**ALUMINIUM INDUSTRY**

**Mr. Mike Scott (Skeena):** Mr. Speaker, my question is for the Minister for International Trade.

I wrote to the minister several weeks ago expressing objection to his announcement of a \$60 million U.S. credit arrangement to finance a new South African aluminium smelter.

In his response the minister stated that several Canadian companies either received or retained business contracts as a direct result of this export credit.

Officials from the South African embassy informed my staff that only one Canadian company, SNC-Lavalin, is directly contracted on this project, that they secured their contract almost two years ago and were well under way prior to the federal government's credit deal.

Will the minister be forthright and tell the House precisely what motivated the government's decision to extend almost a \$100 million Canadian credit for this South African smelter project?

**Hon. Roy MacLaren (Minister for International Trade):** Mr. Speaker, when I spoke on a previous occasion about the number of companies participating it was under the umbrella of SNC-Lavalin in Montreal which has the contract for the design of the plant.

The other companies that are gaining the benefit are suppliers to and associates of the principal contractor.

*Oral Questions*

**Mr. Mike Scott (Skeena):** Mr. Speaker, I have a supplementary question. Does the minister not acknowledge that the use of Canadian taxpayers' funds to assist in the construction of aluminium smelters in South Africa is extremely unfair to the British Columbians and Quebecers employed in the aluminium industry who pay those taxes?

**Hon. Roy MacLaren (Minister for International Trade):** No, Mr. Speaker. It is our expectation that any excess supplies on world markets will disappear by the time the proposed refinery comes into full operation. We do not believe it will have any adverse impact on the Canadian aluminium industry.

\* \* \*

[Translation]

**PUBLISHING INDUSTRY**

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, the Minister of Canadian Heritage decided to allow the sale of Ginn Publishing to Paramount only for fear of being sued by Paramount.

(1435)

The *Star* quoted Paramount's lawyer, Mr. Grover, who yesterday ruled out the possibility of Paramount suing the minister if only the minister had stood up to them.

My question is for the Minister of Canadian Heritage. Now that I have reassured the minister that he no longer has any reason to fear being sued, will he do what he should have done from the beginning in the Ginn Publishing case and cancel the sale to Paramount?

**Hon. Michel Dupuy (Minister of Canadian Heritage):** Mr. Speaker, I am surprised to discover that our colleague's advisors are Americans. Mine are Canadians and I believe what they tell me.

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, for the minister's information, it is the Toronto lawyer of Paramount who made that statement. Toronto is still in Canada, Mr. Speaker. Tell the minister that! It is not very far from Kingston either.

Not only do we read English-language newspapers but we usually read a contract before we sign it. Since Paramount's lawyer himself expresses serious doubts about his client suing the Canadian government, it would be rather surprising if the government's lawyers had produced a legal opinion without any reservations that would have prevented the minister from going back on the deal.

Does the minister, who has failed miserably in his first test as defender of Canada's cultural heritage, not believe that he should table the legal opinion to show that he is really above reproach on this?

**Hon. Michel Dupuy (Minister of Canadian Heritage):** Mr. Speaker, I am very happy to know that the lawyers in question are Canadians but I believe that they serve an American master.

As for the legal opinion, I am pleased to be asked this question in this House after being asked the same question outside the House, as this opinion contains quotations from Cabinet documents which, according to the settlement negotiated between a previous government and this one, cannot be presented in this House. I abide by this rule.

\* \* \*

**ALUMINIUM INDUSTRY**

**Mr. Bob Ringma (Nanaimo—Cowichan):** Mr. Speaker, my question is for the Minister for International Trade.

On February 14, I asked the minister why he had approved a \$60 million credit for the construction of a new aluminium smelter in South Africa, when this plant will be competing directly against Canadian producers.

The aluminium industry is very important for Canada, especially British Columbia and Quebec, since almost 10,000 people are employed in our ten smelters. These plants are located in Shawinigan and in nine other ridings represented by members of the Official Opposition. In recent years, hundreds of Quebecers—

**The Speaker:** Order. Would the hon. member please put his question.

**Mr. Ringma:** Does the minister admit that this new aluminium smelter in South Africa poses a direct threat to the job security of thousands of workers in Quebec and British Columbia?

[English]

**Hon. Roy MacLaren (Minister for International Trade):** No, Mr. Speaker, the smelter in South Africa will not come on stream until late 1996. I do not believe at that time there will be any adverse impact on the prospects of Canadian aluminium companies and workers.

(1440)

[Translation]

**Mr. Bob Ringma (Nanaimo—Cowichan):** Mr. Speaker, I want to ask a supplementary question. Does the minister not agree that the markets normally control excess production through spending cuts or plant closures? Is the minister implying, by predicting a better balance between supply and demand, that we can expect more cuts and layoffs in the Canadian aluminium industry?

*Oral Questions**[English]*

**Hon. Roy MacLaren (Minister for International Trade):** Mr. Speaker, the current difficulties in the aluminium industry basically arise from the supply excess from Russia.

I believe the glut that is now on the international market will resolve itself through the more orderly marketing of Russian excess production and in the near future we will see a return to more normal circumstances in the world aluminium trade.

\* \* \*

*[Translation]***HYUNDAI PLANT IN BROMONT**

**Mr. Gaston Péloquin (Brome—Missisquoi):** Mr. Speaker, my question is for the Minister of Finance, who is also responsible for regional development in Quebec. In answer to a question on the future of the Hyundai plant in Bromont, the Minister of Finance confirmed yesterday that he had begun discussions with the Quebec government and with Hyundai, in order to find an alternative proposal. Today, we learned that none of the big three American automakers showed any interest.

Given the refusal of GM, Ford and Chrysler to take over the Bromont facility, can the minister tell us what alternatives are being considered by the federal government?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, this Friday, officials from the Quebec Government, the Federal Office of Regional Development and Hyundai will meet, and we hope that the company will propose a recovery plan or some options. Following this meeting, senior officials from both governments will meet with us, that is myself as minister responsible for the Federal Office, the federal Minister of Industry, and Quebec government's officials, at which time appropriate decisions can be made.

**Mr. Gaston Péloquin (Brome—Missisquoi):** Mr. Speaker, I hope that Hyundai will give these people a better reception than this morning, when it refused to meet with the mayors. Given that Hyundai did not respect the commitments it had made to get government grants, does the minister intend to recoup the \$26 million paid by the federal to the company, and will he pledge to reinvest that money to develop sub-contracting activities in Quebec's auto industry, so as to alleviate the impact of the closure of Hyundai's plant, until the facility reopens?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, the money provided, that is \$23 million by the federal but \$46 million in total by the two levels of government, is guaranteed. It is protected. What we will do

really depends on the outcome of the discussions which will be initiated on Friday with the company.

\* \* \*

*[English]***HEALTH CARE**

**Mr. Roger Gallaway (Sarnia—Lambton):** Mr. Speaker, my question is for the Minister of Health.

The Ontario government is embarking on a new system of long term health care reform for seniors which will favour the not for profit home care providers, eliminating the commercial provider agencies. As well 20,000 health care workers are employed in Ontario by the private sector agencies.

What does the minister intend to do to ensure that the federal tax dollars transferred to the Ontario government are spent in a cost effective manner?

**Hon. Diane Marleau (Minister of Health):** Mr. Speaker, the Government of Canada transfers a great deal of money to the provinces to provide extended health services for home care, residential care and nursing home care. Approximately \$550 million goes to Ontario alone.

I must add that the Canada Health Act does not dictate how these dollars should be spent other than to say that they are for extended health care. We believe they are being spent in this manner.

(1445)

The exercise of how the dollars are spent and how they organize extended health care is under provincial jurisdiction.

I would emphasize however that I believe they should seriously consider continuing private enterprise in terms of jobs in that sector as it is a cost effective manner of delivering the services within some non-profit agencies.

\* \* \*

**AGRICULTURE**

**Mr. Leon E. Benoit (Vegreville):** Mr. Speaker, my question is for the minister of agriculture.

Many Canadian farmers say they would like to choose between marketing their product through the Canadian Wheat Board, other grain companies or directly with buyers in the United States or other countries.

What steps is the minister taking to give farmers the choice they want and allow farmers and others to compete with the Canadian Wheat Board?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food):** Mr. Speaker, a variety of representations have been received by me on this particular point. The representations go both ways. Some farmers and farm organizations are

*Oral Questions*

strongly advocating support for the Canadian Wheat Board and its traditional strength as a marketing agency on behalf of Canadian farmers. Others are taking a different point of view and supporting the argument that is contained in the question that has just been asked.

As I say, I am receiving a large number of these representations. Some of them propose the notion of a plebiscite as a method of resolving this controversy on the prairies with respect to grain marketing systems.

To those who have proposed the notion of a plebiscite I have responded with a number of technical questions that I think they ought to address and think carefully about before rushing to embrace that particular form of solution.

At this moment in time, to my knowledge, I have not received any replies to those questions but I anticipate I will. That will be a part of the input that the government will take into account as we consider this question.

**Mr. Leon E. Benoit (Vegreville):** Mr. Speaker, I have a supplementary question for the minister.

Canadian grain farmers have been demanding for years that the wheat board be democratized and that the board monopoly be brought to an end.

In a recent poll only 29 per cent of grain farmers want the wheat board to remain the sole marketer of barley to the United States.

When will the government stop resisting farmers' requests for more choices in marketing their barley and hold a plebiscite on this issue?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food):** Mr. Speaker, in response to the first question, I indicated there were a number of serious issues that those who advocate the notion of a plebiscite might want to consider very carefully, one being the legal basis on which a plebiscite might be held.

Those who recall the previous government might remember that government was ensnared in some rather serious legal difficulties because it acted without the proper legal authority, according to the Federal Court of Canada.

There are a whole range of other questions having to do with the structure, the voting list, the wording of the question and the kind of majority required to carry the question. There are eight or nine technical and logistical questions that need to be answered very seriously before one would rush to embrace this particular proposal.

I have put those questions very seriously and sincerely to those who advocate the notion of a plebiscite. I await, with a great deal of interest, their response to those questions.

[*Translation*]

**WORKER ADJUSTMENT PROGRAMS**

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, my question is for the Prime Minister. Yesterday the Minister of Human Resources Development stated that the federal government had no plans to introduce specific adjustment programs to help workers who lose their jobs because of recent international trade agreements. Once again, the Liberal government is doing an about-face on a major economic issue. Before the election, the Liberal Party stressed in particular the need for free trade adjustment measures.

My question is as follows: Can the Prime Minister confirm that his government does not intend to introduce specific adjustment programs for workers displaced by NAFTA, considering that this was a sine qua non condition for his supporting NAFTA?

(1450)

[*English*]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, in response to the hon. member I would like to point out that in addition to the NAFTA agreement we have also just signed a major agreement on the General Agreement on Tariffs and Trade. A number of other major changes are taking place internationally.

When I answered the question I said we are not providing specific adjustment for one event; we are providing adjustment for all workers affected by major changes internationally and we will continue to do that.

I would simply say to the hon. member she could be far more helpful if she participated in the development of those adjustment programs rather than opposing them as she has for the last several months.

[*Translation*]

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, if the minister believes that the recent reform of the unemployment insurance program is the way to help workers affected by NAFTA and GATT, I would like to suggest some very enlightening reading material to him.

The red book will soon be a source of embarrassment for the Liberals. It states the following and I quote: "Governments must assist individuals and firms to deal with the restructuring that is occurring as a result of trade liberalization. Such assistance is critical to building acceptance of structural reforms in the Canadian economy".

After criticizing the Conservative government so harshly, the Liberals are taking exactly the same attitude. Why are you reneging on your party's commitments?

*Oral Questions*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, first let me say how pleased I am that the hon. member has finally read the red book.

Worker adjustment is a very important concern of this government. That is why we have introduced a number of training and adjustment initiatives as well as program changes and made counselling available. The purpose of job training and social security program renewal initiatives is to help Canadian workers grappling with the problem of change in the business world and with changing working conditions in Canada.

Our government is deeply committed to helping all Canadian workers, not just a small select group.

\* \* \*

[English]

**VANCOUVER PORT CORPORATION**

**Mr. Jay Hill (Prince George—Peace River):** Mr. Speaker, last week the Minister of Transport was asked a question regarding the approval of a casino on the Vancouver waterfront by the Vancouver Port Corporation. He responded that the government has nothing to do with this decision, stating that an independent board is responsible for deciding these matters.

Could the minister explain to the House how this board is appointed and what criteria is used in determining who receives these appointments?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, just to clarify a part of the questioner's premise in respect to the decision, I want to make it clear that the definition of what will be acceptable in any province with respect to gambling or casinos is within the purview of the provincial jurisdiction and that is what I meant in answer to that question earlier from the hon. member.

With respect to the criteria used in making nominations to any boards for which the government will be responsible, the primary consideration of course is competence.

**Mr. Jay Hill (Prince George—Peace River):** I have a supplementary question, Mr. Speaker.

Both the unions and the shipping companies recommended the reappointment of Patrick Reid, the past chairman of the Vancouver Port Corporation. They all agreed he was doing a great job.

Despite this unusual show of solidarity the Prime Minister and cabinet approved the appointment of Mr. Ron Longstaffe to this \$65,000 part time position.

(1455)

The former campaign manager for the hon. member for Vancouver Centre has been quoted as saying that he has been a supporter of the Prime Minister for 10 years and that is all part of the political—

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

**The Speaker:** The question.

**Mr. Hill (Prince George—Peace River):** The question is does the minister still maintain that the decisions reached by this board are independent and not influenced by his government?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, once the hon. member is a member of a party that develops a bit of history, he also will be able to refer to people who have supported his party for a long time. It is certainly not something that any of us are looking forward to.

With respect to the decisions that are made by port authorities in various parts of the country, it is the intention of the government that local autonomy be an important part of any decision making process.

Beyond that, and I want to make it very clear, at the port of Vancouver, the port of Montreal or any other of the facilities under the jurisdiction of the Government of Canada we always insist on people being appointed who have a national vision of their responsibilities.

\* \* \*

**GRAIN TRANSPORTATION**

**Mr. Joe Comuzzi (Thunder Bay—Nipigon):** Mr. Speaker, my question is also for the Minister of Transport.

The Grain Transportation Agency announced last week that to fill the grain sales of committed grain and the grain that we will be selling until the end of July, the railways need an additional 5,000 hopper cars.

Without these additional cars, grain sales will suffer and the ports of Vancouver, Prince Rupert and Thunder Bay will suffer serious slowdowns. We know the 5,000 cars are neither affordable nor available.

Will the minister order today that all hopper cars be used exclusively within Canada and forbid the use of hopper cars east of the port of Thunder Bay? Will he continue to order under section 17(4) of the Grain Transportation Act the use of truck transportation where feasible so that this grain can get to market?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, I want to thank the hon. member for his question.

We have gone through this before. As the hon. member knows, it was partly in response to his request that we were able to enter into a special arrangement that allowed for trucks to convey some of the grain.

The hon. member will know that the experiment was not terribly successful but we would want to look at any options that will allow for the efficient transportation of grain to market. We certainly will take the hon. member's comments into consideration and come to a decision.

\* \* \*

[Translation]

### LA FRANCOPHONIE

**Mr. Louis Plamondon (Richelieu):** Mr. Speaker, my question is for the Minister of Canadian Heritage. We are in the middle of Francophonie Week and the government keeps making high-sounding statements about the importance of the French fact and its place in the world, but in reality its policies in support of Canada's French-speaking people are much less generous.

In view of some discrepancies between his own statements and those of his senior officials, can the minister confirm that funding for the Federation of Acadian and Francophone Communities in Canada will not be cut by 5 per cent?

**Hon. Michel Dupuy (Minister of Canadian Heritage):** Mr. Speaker, I am pleased to say that we have managed to spare communities such as the one he just mentioned from existing cuts in my department.

\* \* \*

[English]

### JUSTICE

**Ms. Val Meredith (Surrey—White Rock—South Langley):** Mr. Speaker, my question is for the Minister of Justice.

Last week the media in British Columbia reported two instances of a disturbing trend in the drug trade. In Nanaimo, an undercover RCMP officer went to a residence to make a drug buy. While the suspect was not home, the transaction was completed by her eight-year old daughter. Likewise in another undercover buy in Vancouver, the drug dealer used his six-year old son to carry the drugs.

What steps is the minister prepared to take to protect children from this criminal exploitation?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the hon. member has touched on a subject of grave concern to members of the government. I saw those reports last week and was horrified by them as I am sure the hon. member was.

As I said on January 27 when I spoke in the debate on the speech from the throne and outlined the initiatives we have in mind for both strengthening the criminal law of the country and focusing on crime prevention, we will not tolerate conduct that induces children into the commission of crimes.

### Supply

(1500)

I said at that time that there are sections now in the Criminal Code that make it a criminal offence to use children in the commission of crimes and I called upon the provincial authorities to enforce those provisions vigilantly. I intend to continue in that effort. Beginning tonight, I am meeting for two and a half days with my provincial and territorial counterparts.

This among many other important justice issues is on the agenda. I can assure the hon. member we will take all reasonable steps to ensure that this does not happen again.

**The Speaker:** It being 3 p.m., I have a point of order from the hon. Minister of Transport.

\* \* \*

### POINTS OF ORDER

#### VEHICLE SAFETY

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, I want to rise on a point of order to respect an undertaking I made in this House on March 11.

On that date in responding to a question from an hon. member I expressed the concern many of us had about the safety of minivans as a result of some reports in the press. I indicated I would have my department look into the matter because it was a serious question.

I am now able to report my officials have informed me that testing results and accident data indicate that minivans offer a level of passenger safety comparable to that of other passenger vehicles.

I would point out for the benefit of members that there is no requirement for minivans to be equipped with bumpers because it has not been demonstrated they would improve the safety of vehicle occupants.

Mr. Speaker, I thank you for permitting me to respect the undertaking I made in the House several days ago.

**The Speaker:** I am sure the hon. minister recognizes that there could have been other venues but I am glad he shared the information with this House.

---

## GOVERNMENT ORDERS

[English]

### SUPPLY

#### ALLOTTED DAY—JOB CREATION

The House resumed consideration of the motion.

**Mr. Ted White (North Vancouver):** Mr. Speaker, the motion before us today as proposed by the Bloc Quebecois reads that this House deplores the absence of vision and concrete measures from the government with regard to policies directed toward job creation.



*Supply*

It seems to me that actually this House should be saddened by the absence of vision of this government in terms of job creation.

It certainly saddens me that the leaders on the government side have been in politics for so long that they really have no idea any more of how jobs are created in the private sector.

During the 1993 election campaign the now Prime Minister took the position that the economy simply needed a kick-start and that the infrastructure program proposed by the government would be that kick-start.

At the time the leader of the Reform Party stated that trying to start the Canadian economy with a \$6 billion infrastructure program was like trying to start a 747 with a flashlight battery.

Six billion dollars represents such a tiny portion of the gross domestic product that any effects of it are probably impossible to measure. If I were grading the performance of the Prime Minister I would have to say that he earned a *D* for believing it was possible to kick-start the economy with a \$6 billion infrastructure program. If he were playing a game with the public vote I would have to award him an *A+* for his ability to convince the public that this would actually work.

Just how much of a kick-start to the economy is this program? Statistics Canada puts the gross domestic product for Canada for 1992, that is, the sum of all the goods and services produced, at \$688.5 billion. The \$6 billion job creation scheme at \$3 billion per year for two years represents just .44 per cent of the gross domestic product. That is less than half a per cent of the gross domestic product. How could anyone seriously think that could kick-start the economy?

(1505)

To put things in perspective, it is a little bit like a family with a gross income of \$60,000 per year winning \$264 in Lotto 649. What difference would it make to its living standards? It would not even pay for the kick-starter on a motor bike.

I have to wonder whether the members on the government side ever bothered to do the calculations or whether they just took the red book at face value. If they just accepted the red book proposal without doing the calculations then every single one of them should be ashamed for failing to show leadership, for failing to do the basic research that is essential if we are to be leaders.

On the other hand, if they did the calculation and came to the obvious conclusion, realized the implications and still failed to tell their constituents then they should be ashamed for deceiving the voters. There is no way out for the government members. They must admit to lack of research ability or they must admit to deception.

Reluctantly I must give them all a *D* for deception or an *F* for failure.

Think about who is paying the price for this boondoggle. The federal government is putting up one third, the provinces are putting up one third and the municipalities are putting up one third. There is only one taxpayer. Clearly this money has to come from the taxpayers and since the federal and provincial governments are running deficits, obviously it has to be borrowed. At the municipal level at which they are not permitted to run deficits it will obviously increase property taxes.

The whole program is a disgrace. We may benefit in the short run but it will be our children and grandchildren who carry the mortgage into the future.

I know that government members are itching to say: "Will you take the share of the infrastructure program in your riding?" I know they think they can paint me into a corner on that. The people of North Vancouver have to carry their share of the debt burden for this program so it is only just that they take their share of it as well.

Nobody wants to pay interest on somebody else's loan for infrastructure and neither do the taxpayers of North Vancouver want to pay interest on somebody else's infrastructure program in Canada. We will take our share but it does not mean that we agree with the program.

Prior to being elected I was in business for 13 years. I owned and managed a successful communications company with a staff of 10 until 1990 when I sold that business to start a leasing company. That company specializes in leasing to the small business sector, particularly home based businesses. Many of my friends are business people employing staff in the range of 10 to 15. I understand small business and I know what helps create jobs. I know what it is like to meet a payroll. I also know the job killing effects of excess taxation.

This is something that many of the government members do not know because they have always worked in the public sector, they have always been aldermen, they have always been politicians. How could they know what it is like? Their pay cheques arrive in their bank accounts each month and they have always done so. It is easy for them to broaden the tax base because they do not have to foot the bill.

However, let me explain what is like to be in a small business in which everything is so competitive that one does not get the choice of raising the prices the same way that the government can raise taxes.

On the sale of a fax machine for \$600, a typical dealer in that industry will make about \$75. That is the gross profit. In B.C. the combined GST and PST comes to \$84. The two levels of government get \$9 more than the dealer does for the sale of that product. Out of the \$75 the business has to pay all the overhead, the salaries and the commissions and, if there is anything left over, 25 per cent tax on what remains.

In any particular month a business may have to remit income taxes, employee deductions, GST, PST, municipal taxes, workers compensation and property taxes. It is very disheartening for small business people to be remitting two or three times as much tax as they make for the companies and themselves. This is the single biggest disincentive to job creation. It causes business owners to avoid expansion. It causes them to avoid staff hiring because of the support costs. It encourages an underground economy full of cash only deals. Excessive taxation is killing jobs and forcing honest people into a tax revolt.

(1510)

Compare this situation with a place like Hong Kong where the tax rate for corporations is only around 15 per cent and the unemployment rate is only 1 per cent. Nobody minds paying their taxes when they get to keep 85 per cent of what they earn.

It is time that this government admitted it has a spending problem, not a revenue problem, and began taking steps to drastically reduce government spending. If it would do this the business sector would realize that something is finally being done about government spending, confidence would be restored and there would be a promise of tax relief in the future. This would encourage business expansion and the creation of new jobs.

I know this is true because I am from the small business sector, which is more than many of the government members can say for themselves. The light at the end of the tunnel would turn back on again and companies would begin reinvesting in new jobs and expansion.

We need to move the emphasis away from the public sector. We need to move it away from the public sector to the private sector if we are ever going to again experience a strong and healthy Canadian economy with the potential for adequate new job creation.

This House should be saddened by the lack of vision of the government side and I urge the government to take a real look at the situation. It is not magic, it just common sense. If we could get our corporate tax level down there would be a rush of all those businesses that have relocated into the United States back into Canada to create jobs for the people who need to live and work here.

**Mr. Alex Shepherd (Durham):** Madam Speaker, I would like to thank my hon. colleague for his speech and assure him that I come from the small business sector as well. I am a chartered accountant and worked many years with small businesses and I even have two or three of my own small businesses still in operation. Much to his chagrin, that is just not the case on the government side of this House.

### *Supply*

The hon. member made a comparison between Hong Kong and Canada. That is very easy to do. He talks about a 15 per cent income tax rate, but he did not really tell us about whether Hong Kong has a medicare system or whether it has other kinds of social welfare systems that the people of Canada have learned to expect and live with.

I wonder if the hon. member could mention some of those points.

**Mr. White (North Vancouver):** Madam Speaker, I thank the hon. member for his two questions.

I am pleased to know that he has been involved in the small business sector. As a chartered accountant, which he says he is, he would know the tax difficulties that small businesses face. An accountant spends most of his time trying to help small businesses with their tax problems. Everybody knows that the taxes are too high.

I would also thank the member for bringing up the situation of Hong Kong. I put it into my speech exactly to elicit that sort of question.

Obviously Hong Kong is at the other extreme from Canada at which there are no social programs but everybody is working because they absolutely have to.

I would not suggest that we turn Canada into that sort of situation. I do believe that there is a position somewhere between where we are now and the situation that is represented by Hong Kong that would be a much better place for Canada to be today.

**Mr. Julian Reed (Halton—Peel):** Madam Speaker, in listening to my friend in the Reform Party talk about the \$6 billion as representing such an infinitesimal part of the gross domestic product, it makes me wonder if he has ever been a farmer or ever been a gardener and planted a seed. When one plants a seed it grows and it bathes in the sunlight and takes nutrients from the soil and multiplies. That is exactly what this infrastructure program is intended to do. It is the seed that we have planted.

(1515)

In the great riding of Halton—Peel I have had reports from the municipalities which say that the choices they have made for infrastructure renewal will have a spin-off effect in those municipalities for the next 10 to 15 years. Therefore, I would say to the hon. member that when he is thinking about this investment in infrastructure this is not just a two-year wonder that will employ a few people and then end. If the projects are well chosen, I can assure him that it will help greatly with economic renewal in this country.

**Mr. White (North Vancouver):** Madam Speaker, I thank the member for mentioning the \$6 billion job creation program again. The B.C. share represents only .33 per cent of the spending on infrastructure for this year. It is very tiny.

*Supply*

The member raised the comparison with a seed. Before getting into this position I used to grow my own vegetables so I know how a tiny seed can grow into a very large plant. In this case, although the government may have the intention of planting a seed and having it grow, we all know in our hearts that it is not going to work. There may be the occasional good program that comes out of this but there are plenty of examples already. I made a statement in this House about this a few days ago. There are already many examples of where this infrastructure program is being used for political rewards: private boxes in stadiums and things that do not contribute to the overall benefit of society.

**Mr. John Harvard (Winnipeg St. James):** Madam Speaker, I have a couple of comments and a question for the hon. member from Vancouver.

I do not think we Liberals need to take any lessons from the Reform Party when it comes to small business. We realize how important small and medium sized businesses are to the economy. It has been said many times and I will repeat it here. Small and medium sized companies have produced about 85 per cent of the new jobs in this country in the past few years. They are an important segment of the economy.

I would warn the hon. member from Vancouver to be careful in his simplicity about reducing taxation. I know that taxation is sensitive and one can take taxation too far with respect to business. In many cases we have taken it too far. When he uses the Hong Kong example, I can come back with the example of the United States of America which has an unemployment rate of about 6.5 per cent. It sounds good at the surface but there is an enormous price to pay for that because of their inability to distribute wealth in any reasonable way. The United States of America has an enormous problem when it comes to poverty. Poverty turns into disaster. There is the matter of crime in the United States. It is directly attributable to poverty.

When the hon. member talks about taxation he should also be very mindful about distribution of wealth or does he not care about the distribution of wealth? Would he just leave it to the marketplace and all of its inherent injustices?

**Mr. White (North Vancouver):** Madam Speaker, since I have to be brief I will only make a comment on the distribution of wealth.

It is well known that if one took 100 per cent of the income from all of the people who earn more than \$100,000 a year and gave it all to the poor, they would get a couple of hundred dollars each. What use is it taking money off people with high taxes on this pretext of redistributing wealth? It does not work.

(1520)

**Hon. Roger Simmons (Burin—St. George's):** Good afternoon, Madam Speaker. I extend my congratulations on your

Speakership. This is my first opportunity when Madam Speaker was in the chair to say that and I wanted to very much.

Now I want to do some other things. My good friend from Mercier brings before this House a resolution. Let me say something else, Madam Speaker, that as long winded as I love to be, I am going to be all of 10 minutes because my good friend from Durham is going to follow me for the second 10 minutes of our 20 minute period.

My friend from Mercier would have the House deplore the government's lack of vision and lack of concrete measures relating to job creation policies.

I say to her that is a marvellous resolution. It is certainly grammatically correct. All the words are in the right place. It is procedurally correct. It is in the correct form for the House. It is certainly politically correct. That is what an opposition normally does. It says that it is not good enough, we want more.

Procedural, political and grammatical are three of the four litmus tests that one must always apply to any resolution before this Chamber. The fourth is whether the motion is substantively correct. Is it correct in substance?

My friend from North Vancouver as always is in the Chamber. He is nodding so vociferously I have a feeling he has something going with the member for Mercier. He must have written the resolution. He is pleased with the wording in the resolution and annoyed at me for suggesting it might not be absolutely letter perfect.

How gracious do you want me to be? I have already conceded that it is at least three parts correct, so we are 75 per cent of the way there.

Let us look at the other 25 per cent. Is it correct in substance? By analogy I say to her you can lament the poverty of a rich man, but that does not render him poor. You can cry in your beer about the low alcoholic content of your beverage, it will dilute the beer, but otherwise will not prove your overall thesis.

The smart thing to do, I say to the member, before rushing out to deplore, to lament or to cry in your beer is to analyse the beer, find out what it is you are about to deplore, and satisfy yourself that you know what you are talking about before you begin deploring it, let alone talk about it.

What are some of the cold hard facts? There are several, but there is a word in this motion, I love it, vision. Vision connotes something down the road. It suggests that somebody back there had some perception of what ought to be or what might be and so you say to yourself: "Who's the author of this resolution". Ostensibly it is the member for Mercier, my good friend, but just possibly it is her House leader.

*Supply*

(1525)

Just possibly it is her leader. Just possibly it is a committee project. Perhaps all 54 had a hand in this. I do not see too many taking credit, but let us give her credit. She is at least the author of record and she uses the word vision. Let us look at the vision of the author because it is very insightful.

Could it be the same author who wrote a document called "A New Party for the Turning Point" last May? Could it be the author of a document that was circulated widely during the election of last fall in Quebec? Could it be the document that talked extensively about the separation of Quebec? I understand that because it is a publicly stated part of the party's platform. I have no difficulty as a matter of principle with that being in the document. It would be deceptive on the part of the party if that were not in the document. I do not decry that. However, since this is a party that decries the lack of vision of others then the implicit question is this: How about its vision on this same subject?

We go to the document. They had a fair amount of hindsight on page 7 of the document, the first reference on employment. It says that naturally there has been a considerable increase in unemployment. That is not exactly vision. It is not a bad observation but it is based on past experience, not on what might be.

Then we slave through the document, which makes for some pretty good reading actually, and wind up on page 22. On page 22 there is a table which again, for the second time now in 22 pages, refers to job creation by name or by inference.

There it says that in 1988-89 the federal government spent \$2.7 billion on job creation exclusive of transfer payments. That is not bad but it is also hindsight. It is also what has been. There is not one solitary sentence about what the vision of the member for Mercier would be on the subject she now deplores.

What are the cold hard facts? I suppose a not too cold but certainly hard fact is: "66,000 lost jobs returned", a story a week ago in the *Financial Post*. Another not too cold but certainly hard fact: "New jobs jump in February" in the *Toronto Star* a week ago. These are some of the hard facts, not particularly cold.

"Job rate drops to 11.1 in February". My good friend from Calgary Centre enters the debate. I am so glad to see him. His favourite paper, the *Globe and Mail*, says that the job rate dropped to 11.1 in February. These are just a few of the cold hard facts.

I see my time is quickly running out. Let me come to one more issue. The issue is Chicken Little, the sky is falling. The easiest thing in the world is to say that everything is wrong with the world. The easiest thing to say is that the sky is falling. Unless

members have some information for me to say how they are going to prop it up, I do not want to hear it. If I am going fast, I would like to go without knowing.

It is true whether on the issue of separation from Canada or on the issue of job creation that my good friend from Lac-Saint-Jean, the Leader of the Opposition, had a Damascus road experience, no question about it. The day he left the Tory cabinet, he had a true Damascus road experience.

For those members who are not as biblically correct as I pretend to be, Paul on the road to Damascus did a 180 degree turn and saw a light. The member for Lac-Saint-Jean did a 360. He did a turn on the road, but when he finished turning he was still going in the same direction, away from the light.

I stick to the issue of job creation. He realizes that the party he aided and abetted for a number of years was on the wrong track economically, with regard to national unity and a number of other issues.

(1530)

I respect his decision to see the light. What I lament about with his behaviour is that he did not just do a turn, he twirled. He turned not only into the light but back away from it and in the process missed a great opportunity to not only to help build a great country but to get more young people, more people of all ages, back to work. That is what I lament over.

That is why the deploring in this motion is about all the wrong things. The basic premise of the resolution does not bear scrutiny. I appeal to the members of this House to treat the motion for what it is worth, a politically correct motion that the Official Opposition was obliged to move. We respect its adherence to political correctness. We appeal to the House to do the right thing and stick by the government which has a program for youth, an apprenticeship program, that I could go into. I have pages. I have not even started my several page speech here.

There are so many things we are beginning to do. Have we done it all in four months? Not quite, but we are working on it.

*[Translation]*

**Mr. Gilbert Fillion (Chicoutimi):** Madam Speaker, I listened carefully to the hon. member's parody. I think he should immediately sign up, in fact I strongly recommend that he sign up with the Quebec national theatre school. There, he will find an appropriate forum to put his great public speaking skills to the service of Quebecers first and Canadians second. As far as I am concerned, his approach with respect to the people of Canada and Quebec is unacceptable. He has tried to play on the word "vision" and make a joke of it. However, we must admit in this House that the Liberal government has indeed lacked vision in all the projects it has proposed so far.

*Supply*

I will simply remind my hon. colleague that 400,000 jobs are presently vacant with no one to fill them for lack of training, of adequate training that is. I will also remind him that we have 1,500,000 unemployed people in this country. So, can he make a serious commitment to put everything having to do with manpower training, duplication and overlap in the hands of the provinces so to speak, to allow surpluses to be made and millions of dollars to be set aside to help our young people to create, to be creators instead of mere welfare recipients? Is he prepared to admit or submit to his government that job training should come under provincial jurisdiction?

**Mr. Simmons:** Madam Speaker, I thank my colleague and friend from Chicoutimi, a man of great vision and foresight, the first person to recognize my skills and qualifications for the Quebec national theatre.

[*English*]

Despite the member's opening remarks about my parity and so on, I am sure what I was doing did not escape him at all. In effect I was saying practice what you preach and preach what you practice.

(1535)

In the opposition's document of last fall there were only two fleeting references to unemployment and both related to past or current events. Neither gave any indication nor any inkling as to what the Parti Québécois would like to see done insofar as the issue is concerned. It is difficult to preach to others if one does not have the solution. That was the thesis of what I was attempting to say. If I said it badly I apologize to my good friend from Chicoutimi.

**Mr. Ian McClelland (Edmonton Southwest):** Madam Speaker, as always the hon. member for Burin—St. George's said what he wished to say eloquently. It is absolutely amazing how he is able to say so little but so well. I applaud the hon. member.

As this is such an exceptionally serious topic that we are debating today and the hon. member knows so well that his home province, of all the provinces, suffers the most from unemployment, could he say something about having the portability of labour across the country that includes Quebec so that people from all parts of this country can go wherever they want to find employment?

**Mr. Simmons:** Madam Speaker, I thank my friend and colleague from Edmonton Southwest.

Let me first address his concern about my style of speaking. Newfoundlanders in the foyer at a funeral tell jokes. That does not mean they are glad the guy is dead. That means they have a very particular way of dealing with an issue. If we can get a message across with a bit of humour or relieve a situation with humour we do it. Whether it works is for others to judge.

However, the subject is deadly serious. I can give the member an example that we have chafed under for a long time in Newfoundland. If the member knows the border between Labrador and Quebec he will know that there are two communities, one called Labrador City just east of the border and one called Fermont, Quebec just to the west, 12 miles from Labrador City. The person who lives in Fermont can drive down and work in the drug store or the shop in Labrador City, as she does and has for many years, but the son of the guy who owns that store cannot get a job in Fermont, Quebec. That has gone on there for many years. That is wrong.

The lack of labour mobility across this country is wrong and discriminatory. It has caused a fight between Ontario and Quebec recently. I concur completely with my colleague that—

**The Acting Speaker (Mrs. Maheu):** Resuming debate, The hon. member for Durham.

**Mr. Alex Shepherd (Durham):** Madam Speaker, it is always a great delight to follow my hon. colleague, the member for Burin—St. George's.

Concerning this motion brought forward by the hon. member for Mercier, lack of vision and lack of concrete measures relating to jobs, I have to speak against it.

I want to talk about unemployment. Unemployment in this House has been regarded as something bad, something unfortunate, something systemic of our capitalist society and something that is wrong about where we are going in our life.

I would like to give a little history lesson, going back to the 17th century when people did not understand the concept of unemployment, when people worked seven days a week and basically dropped dead from work. There was no such thing as unemployment. They had to survive by working day in and day out.

By the 19th century we were into the industrial revolution. Things were not necessarily any better but there was a better standard of living. People started to live longer. By the time we got to the 20th century and the Second World War we discovered that we had developed all kinds of new technologies, all kinds of things that made our businesses and our lifestyles more liveable. We discovered that we did not have to work the long hours we did in the past.

(1540)

Around that same time the labour force participation rate in Canada went up. In other words, more people, mainly females, joined the workforce. We had a huge increase in the supply of labour, all at the same time that our technologies were becoming innovative.

Now we are abreast with the 21st century. This is a knowledge based society. New technology has come to the fore: computers, computer graphics, laser technology, all kinds of new innovations that have made this the knowledge based society.

*Supply*

What has this done? This has created even further unemployment. I wonder if people could put their eyes on the concept that unemployment is merely a factor between needed productive hours and productive capacity. By that I mean we need  $x$  number of labour hours to produce our output. The reality is that these relationships have been changing over time. As we become a more technological society, we suddenly discover we need less labour input.

I question whether this is a failure of our system or whether it is something to be proud of. Are we evolving into a society in which we have to work fewer hours?

I can remember when I was very young my parents working six days a week. During my working years we have all worked five days a week. The question is do we need to work as many hours as we do and why are we working as many hours as we do? Maybe we are chasing a materialistic society. Maybe we are chasing all kinds of things that we do not really need.

The reality is unemployment has continued to go up from the 17th century right up until today. We can look at a number of features if we want to focus on the unemployed; those 1.559 million people currently out of work in Canada, plus a certain number of those on welfare, who could be gainfully employed.

As a consequence we have a huge mass of people not working. At the same time we have people in our workforce who are working 60 hours and 70 hours a week. Clearly the problem with unemployment is not that it exists but that it is concentrated in a small group of people. Unfortunately it is getting larger.

What is the solution to this problem? The problem is that unemployment is concentrated in the youth, the unskilled and in those who have watched their skills change. This is probably a growing sector of our unemployment. Those people possibly in their forties who started off in the job market believing that they had a job for life have found that structural unemployment has caught up with them and put them out of a job.

How are we going to change our unemployment rate? Our unemployment rate, as I mentioned, is merely a factor of required labour hours. Either we increase the number of labour hours by increasing our business activity or we change the labour hours to some extent. I will leave the debate about changing labour hours for another day.

Basically our other orientation is to increase the number of required labour hours by increasing productivity. Within that parameter of increased labour hours we also have to look back at the pool of the unemployed, the people who are unskilled, those people who have structural change in their lives where their skills have disappeared and the youth who possibly have dropped out of school at a very early age and similarly are unskilled. How could we address increasing the number of

labour hours? We can do it in two ways. We can increase our productivity.

(1545)

The government has enacted legislation regarding a reduction in payroll taxes. It would reduce the costs of businesses to employ people. It would create an incentive for businesses to employ more people and to expand in our society. It would create a demand for more labour hours. This is something our government has done, and I go back to the original motion, in terms of concrete measures.

We have implemented an infrastructure spending program to create assets, to create productive resources. One municipality in my riding has agreed to increase the size of its arena. It has an employment policy to employ local workers. People who are unemployed will be working. There is a promise of work. The infrastructure spending program is what I call seed capital because it has a tendency to grow. If a job is created for one person working on the arena, he goes downtown and buys more products. He consumes more. He creates more jobs. It is a way to increase productivity.

We have addressed to some extent the need of small and medium sized businesses to have access to better capital. We have done it in a number of ways. We have talked about implementing a code of ethics with the banks to allow small businesses better access to capital markets. We will also implement other programs to deal with access to equity capital markets. Once again it will give business an incentive to create new jobs.

Another initiative of ours is the information highway. It is another aspect of 21st century technology; it brings Canada into the 21st century. It is the second stage of our technological revolution.

Finally, we have to increase the opportunity for wages and employment. We have to look at the pool of unemployed people. Do not mistake what I have said. I did not say it was good that all these people are unemployed. I am saying that unemployment may be with us for a long time. It may be an asset if we handle it properly.

To effect skills so that people who are unemployed today have better access to the job market when expansion occurs we have the youth corps. It will teach some skills to young people who are currently unemployed and have dropped out of the high school system. We have implemented an apprenticeship program to give young people and others job experience. It will give better skills to those people whose skills have shifted over the years.

The original motion refers to lack of vision and lack of concrete measures. That is not so.

*Supply**[Translation]*

**Mr. Gilbert Fillion (Chicoutimi):** Madam Speaker, again, in his speech the hon. member referred to this famous infrastructure program. Let me tell you that this program which, according to government members, should solve the unemployment problem in Canada, is in my opinion simply a way to shift the deficit burden to the provinces.

(1550)

The deficit burden is and will continue to be off loaded on the municipalities since—and I have the figure to prove it—several municipalities in my riding, before they can participate in this infrastructure program, will have to invest an amount about equal to their federal subsidies.

Let me also point out that municipalities willing to participate in this infrastructure program but unable to afford it will have to increase their debt load. Who will pay for this? It is always the same taxpayer who must pay, whether the money comes from the federal, provincial, or municipal government.

I would like to hear his opinion on the money that Canadian taxpayers will have to spend on the infrastructure program, without solving the unemployment problem in Canada and Quebec.

*[English]*

**Mr. Shepherd:** Madam Speaker, I thank the hon. member for his question. Basically he is quite right. There is only one taxpayer in Canada. The question is how to best utilize our economic resources so that we create employment. The infrastructure spending program, as I just mentioned, has an expansionary effect. In other words as people go back to work they start paying taxes and reducing the deficit. Clearly we cannot continue with such high levels of unemployment. The real way to reduce our debt is to get a lot of people back to work.

I am always amazed hon. members to my left invariably talk about the federal deficit as if it were some kind of unusual phenomenon of the Canadian federalist system. The province of Quebec has a debt. The province of Ontario has a debt. France has a debt. The United Kingdom has a debt. There is nothing unique about the federal government deficit. They all have debt. The problem is that we have to deal with it.

Trying to turn this whole system on its head and blaming the federal government for the fact that we have to pay interest on our federal debt is not a realistic argument.

**Mr. Jim Gouk (Kootenay West—Revelstoke):** Madam Speaker, with regard to the debt and the infrastructure program, has the hon. member considered the whole concept of the amount of our debt and what we should do with regard to it?

Unemployment is a direct result of overtaxation. Canadian consumers have less disposable income and consequently companies have more expensive products with fewer people trying to buy them. The infrastructure program should be dealt with as an infrastructure program and nothing else. It does not create any permanent jobs. It increases government debt.

**Mr. Shepherd:** Madam Speaker, I will give the hon. member a brief example. The erection of a building will create technological innovation for my riding. I do not believe once the building goes up the function that goes on there will suddenly not have an ongoing factor. It is just the reverse. I believe infrastructure spending will continue.

By the way, why do we not talk about Japan? Japan has a surplus and it still has unemployment.

*[Translation]*

**Mrs. Monique Guay (Laurentides):** Madam Speaker, I am always keenly interested in taking part in a debate when the subject is job creation. The subject becomes all the more stimulating when we tack on the words “concrete measure” and the mandatory “urgent”. Concrete and urgent action. That is what hundreds of thousands of unemployed people are expecting. It is absolutely essential that these words be reflected in the government’s day-to-day initiatives. The ministers who have the means to improve the horrendous job situation quickly and efficiently have to realize that when the will to introduce concrete and urgent measures is lacking, the government is condemning hundreds of thousands of unemployed people to harsh, intolerable living conditions.

(1555)

The extent of the unemployment situation has harmful consequences and deeply affects our social fabric. Unemployed persons, along with their families and children, quickly find themselves living in hellish conditions, without adequate financial resources. Day-to-day survival becomes a problem. Tensions mount and the pressure increases as the unemployed scramble to meet basic needs. Many households experience crises, dramas and break-ups.

Intolerable living conditions brought on by unemployment affect the mental and physical health of those involved. In the long term, significant social costs are incurred and it is we who ultimately must pick up the tab. These things are happening in every one of our ridings and the situation is deteriorating. Our social fabric is unravelling and the public’s anger is simmering. The Prime Minister can say what he likes but the way he was welcomed last week is proof that the public is fed up with pious wishes and nice speeches.

The people no longer believe in promises. They want action to get them back into the labour force quickly. If the members opposite fail to understand the message and to respond quickly

*Supply*

to the demand for jobs, they will expose our society to more serious problems very soon.

If the government does not pay enough attention to the repeated warnings heard in recent days, I sincerely believe we are moving towards a dark future. Our children will pay for this inertia. For some such as the well-off, including some of the members opposite, the daily problems of the jobless may appear trivial, not very important, since their own current assets allow them to secure their descendants' future. If I were in their shoes, I would worry and start asking myself serious questions.

We have seen great empires melt away because of crises caused by serious socio-economic problems. In my riding the situation is alarming: over 30 per cent of the labour force are out of work. Worse still, these people see no light at the end of the tunnel. Signs of employment recovery are non-existent. The members opposite promised us job-creation measures. They said over and over it was their priority with a capital "P". Where are these measures? Where is this well-publicized job-creation plan?

The people in my riding are now seeing the Liberals' lack of imagination and unwillingness to create jobs. The government is falling back on its infrastructure program, which is clearly insufficient to put people back to work. What a crock! It is not a project creating or maintaining 45,000 temporary jobs that will restore confidence to the 1,559,000 Canadians and 428,000 Quebecers without jobs.

For workers, it is disappointing to see this government take an almost passive attitude in the face of the unemployment crisis. It throws out a few crumbs and then sits and waits for the expected economic recovery to turn the situation around. However, economists agree that this recovery will not bring a miraculous increase in the number of jobs. Miracles do not happen in this world, as the members opposite know full well. So what are they waiting for to take action? What are they waiting for to innovate, introduce new programs, stimulate the economy wisely?

(1600)

Nice speeches are not concrete and urgent measures to create jobs. In my riding, the infrastructure program will create or maintain only a few hundred temporary jobs. It is not very convincing from a party that proclaimed itself, before October 25, of course, the saviour of the economy and the great creator of lasting jobs. It already admits that these measures will only have a minor effect on unemployment, since the budget forecasts that the unemployment rate will remain around 11 per cent in 1995.

The government always says it cannot do more given the current financial situation. The lack of money has become the favourite tune of the members opposite whenever the Canadian people ask them to invest more money. This tune is unacceptable. In its last budget the government decided not to trim fat or

eliminate waste. Had it listened to us and shown the will to thoroughly examine all these programs, it would have had enough financial leeway to foster and invest in job creation. But it has made its bed and must now lie in it.

In the March 21 issue of *La Presse*, we read that 1,000 Canadian entrepreneurs will participate in the Expo 1994 trade fair in Mexico. This is not a bad thing. These business people will test the ground and look at the opportunities offered by that country's 86.5 million people. This is all well and good but when these entrepreneurs need help to penetrate that market, what kind of support can they expect from a government that decided to maintain waste and fat instead of giving itself greater flexibility? Fat and waste are not concrete and urgent job-creation measures.

The same applies to small and medium-sized businesses. They must be supported in their development and their plans for the future. Where is the Liberal government's flexibility? It does not have any, just crumbs that do not allow for real development. Our economy is based on regional small and medium-sized businesses. We must stimulate, even favour their creation. The government must get out of its rut and support dynamic environments such as universities, polytechnic schools and engineering departments; it must go there to find new ideas and people able to start new small and medium-sized businesses.

If the members opposite just sit and wait for an economic recovery, do you really think the economy will pick up? So far, the Liberals have not shown any vigour, any new idea in their job-creation strategy. Roads, aqueducts, sewers, viaducts and bridges are all they came up with. They will create or maintain small, precarious jobs, spend some \$2 billion without, in the end, investing anything in new medium and long-term projects, when such projects could create jobs in addition to stabilizing and strengthening our economy.

Madam Speaker, I would now like to draw your attention to an issue I deeply care about, which I have often raised with the ministers opposite. It is the construction of new social housing units and co-ops throughout the country. As we know, the Liberals have maintained the Conservatives' decisions in this area. Low-cost, co-op and non-profit housing programs were abolished on January 1st; from now on, not one cent will be spent on providing decent accommodation for the 1,200,000 Canadians in urgent need of housing.

Yet, these programs aimed at helping the poorly housed also created many jobs.

(1605)

Statistics indicate that building 1,000 new housing units generates 2,000 jobs in the construction sector. That is a lot of jobs. We kill two birds with one stone: Employment is stimulated and living conditions are improved. I am convinced that



*Supply*

many contractors and construction workers in my constituency would be very pleased if several hundred social housing units were to be built in our riding. This would be a concrete social measure which would be beneficial from a socio-economic point of view. Unfortunately, members opposite decided otherwise. They chose to leave poor families in slums and instead go for fat and waste. This, for me, will always remain a shameful decision.

When we talk about employment, we must necessarily deal with professional training. In that regard, we are all aware that a significant amount of public money is wasted because of program duplication and the federal government's interference and desire to control and centralize.

For a long time now, there has been a consensus in Quebec to the effect that the federal must delegate all powers to the province regarding this field of jurisdiction.

It has been clearly demonstrated that the vocational training system in place is more and more obsolete. In Quebec alone, \$250 million could be saved every year by eliminating overlapping. The system shows obvious flaws under the pressures of new technologies and new forms of work organization. In fact, the system does not allow individuals to quickly and adequately meet market needs. It is too burdensome, slow, complex and costly. The federal government interference in this field is certainly not conducive to promoting an efficient training system. It is individuals who pay the price for this interference. The system simply does not work. Individuals and labour markets are both adversely affected. We, Bloc Quebecois members, are asking the federal government to completely withdraw from this sector. However, as long as Quebec remains part of Canada and keeps paying taxes, the federal government will have to transfer to the province its fair share of public money. This patriation will finally allow Quebec to train efficiently and quickly its manpower, based on the needs of the labour market.

This is another concrete measure which will help develop the ability to work of the unemployed, and consequently reduce the unemployment rate.

In conclusion, I ask members opposite to take a close look at reality. Good horse-sense should tell them it is time to shape up and have a vision. Look beyond the immediate future. Try to see what the next few years hold; try to see what will happen with labour and consumer markets, services and products of the future, as well as new technologies. Look at all this and try to find initiatives which will make us ready. If you do not undertake this exercise and come up with a vision now, in ten years we will still be building roads to support our economy. I am very aware that this technique was once very profitable for old

parties, but individual workers want more than just using a pick and a shovel for a short while to earn a living.

Our workers are intelligent and they want to be considered as such. University students work very hard for three or even five years to earn their degree. And then what do they find on the job market? Nothing. Absolutely nothing. Yet these people represent our future: they have all the skills and knowledge necessary to rebuild the economy.

I ask the government to open its eyes wide and invest in real employment, as opposed to short-lived programs, so that all these young people can have a future.

(1610)

**Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services):** Madam Speaker, I have some esteem for the hon. member and I was a little disappointed—I understand that she belongs to the Official Opposition—when she made comments like “cut the fat” that feed into people's fears, this dishonesty propagated by members of the Reform Party.

As a former deputy minister, I saw how much fat there was, and there was not so much because we have been cutting the fat for years. This does not mean that we cannot review what is going on to see if we could do better. But I find the suggestion exaggerated, not to say dishonest—that would be unparliamentary. It gives the impression that we could wipe out the debt, the deficit and everything else. I have so much esteem for my colleague that her statement surprises me. If I misunderstood her, she can correct me.

This proposal before us today lacks a certain credibility. It is incredibly gloomy and pessimistic. I would never believe that my colleagues in the Bloc are so pessimistic and gloomy. Frankly, it pains me; I think that I will throw a little party to try to cheer them up a bit.

When they talk about housing, they talk about a certain kind of people and they use what is going on in an attempt to give a very wrong impression. They do not talk about the \$100 million to be spent over two years to repair houses across the country. They do not talk about the \$2.1 million to be used to maintain 650,000 existing homes. They do not talk about the \$170 million in savings. And the hon. member does not know if there might be some social housing initiatives. How pessimistic: everything is dying or falling apart.

What really bothered me is that they do not understand. Do they not listen to what is going on? They talk about the infrastructure program as if it were only about spades and shovels, but she did not study the programs, because there are very few spades and shovels. We are talking about a training network across the country. Is that spades and shovels? We talk about setting up high-tech companies. Is that spades and shovels? Yes, you have to break the ground with spades and shovels

*Supply*

to build the building so that we can have information networks, but their view is very narrow. They do not see beyond spades and shovels. I find that very disturbing.

When we talk about small and medium-sized businesses, for example, we have known for a long time that more than 85 per cent of jobs come from such businesses. We know that these businesses need capital. We know that they need to invest in research. We know that they need to group together and that is what we are doing. It is too bad that my colleagues in the Bloc do not understand that it is happening.

Why did they not talk about summer jobs that will increase by 20 per cent? Did they not know? Are they badly informed? Do they not have a research office? Do they not talk about it? What is going on? Did they talk about the Youth Service Corps? No, they did not! Did they talk about the apprenticeship program? No, they did not! There are so many good things that could have been mentioned, but no, all they see is doom and gloom. What a pity!

Maybe the hon. member would like to react to what I said. If I misunderstood, I will gladly apologize with a big smile.

**Mrs. Guay:** Madam Speaker, our dear parliamentary secretary certainly has acting talents. He sings even while talking to us.

About the fat, he may not like that term, but it refers to tax shelters, to family trusts and that sort of thing. It is not mentioned explicitly but that is what it is about.

(1615)

That is where cuts should be made to be able to invest, to invest in jobs, in social housing, in social housing construction projects. We have been given the same old song and dance about social housing since the beginning by this Parliament. No investment has been made in new social housing units. From one year to the next, CMHC is allotted exactly the same \$2 billion budget to administer. A \$100 million amount is earmarked over two years for RRAP, the residential rehabilitation assistance program for home buyers. We know our programs, Madam Speaker. There is no need to tell us what we already know. We know.

Our research services work very well. They are really very efficient. All I have to say is that certain projects, some section 25 projects, these DEPs we all use in our committees—

**An hon. member:** Are you going to cut them?

**Mrs. Guay:** They intend to cut even the DEP program. Liberal members will have nothing left to give their voters. Of course, there are summer job programs, but that is not enough. These programs do not create permanent jobs. Summer jobs are only temporary.

Steady jobs must be created, high-tech jobs, in areas where there are vacancies right now and no one to fill them. Above all, we have to create these jobs through manpower training, our own program, the one already in place in Quebec and that we are fighting to keep.

**Mr. Raymond Lavigne (Verdun—Saint-Paul):** I hear my hon. colleague opposite say that she is familiar with section 25 programs and with direct employment programs and that she uses them. Well, I use them too and I am a Liberal. I am a French Canadian and I use both of these initiatives, direct employment programs and section 25 programs. Since I was elected, 38 permanent jobs have been created in two small and medium-sized businesses in my riding. I would be curious to know how many jobs the hon. member opposite has created in her riding since taking office?

**Mrs. Guay:** I am not sure I understand the hon. member's question, but I will say what is being done in my riding to boost employment. Direct employment programs and section 25 programs are temporary measures. They are designed to help certain unemployment insurance and welfare recipients get back into the labour force.

In my view, which I believe is shared by several of my colleagues, these programs do not create long-term jobs. They were introduced to help people for a certain period of time, perhaps six months. Some programs have lasted one year, but there are no guarantees that the employer will ask an employee to stay on.

People often benefit from a section 25 initiative and then go back on unemployment for six months or a year. These are not effective programs. They do exist and we do use them because people need food to eat and a roof over their heads. Of course we will use these programs for as long as they exist. After all, they are paid for with our tax dollars, yours and mine.

[English]

**Mrs. Jean Payne (St. John's West):** Madam Speaker, I am not sure if it has been 10 minutes or 20 minutes that has been allotted to me. If it is 20 minutes, I would like to split the time and give the last 10 minutes to the member for Vancouver East.

It is a pleasure for me to speak this afternoon to the motion put forward by the Bloc Québécois on job creation. If we are to listen to my colleagues in the Bloc, it would be our belief that the opposition believes that this government has no plan for job creation. Nothing could be further from the truth.

The entire Liberal platform as outlined in the red book is about job creation. I and every other Liberal member of Parliament campaigned for 47 days about job creation with a concrete plan of action. No government in Canadian history has moved as quickly as this government has to create jobs. For over two years the government has advocated a \$6 billion cost shared program to improve public infrastructure in Canada. Just two months

*Supply*

after the election the Prime Minister received the agreement of 10 premiers to implement this program.

(1620)

If the members of the opposition want to see a concrete plan to create jobs, they should wait for a few more weeks until the construction season starts. Canadians will then see real concrete being poured across this country creating real jobs, and it will not be only with picks and shovels.

In the next two years tens of thousands of jobs will be created in the construction industry alone, building projects under the infrastructure program. If that is not vision then I do not know what is.

The government's job creation policies do not stop at the infrastructure program. The budget paper called *For Growing Small Businesses* provides a litany of government proposals and initiatives to help small businesses grow and create jobs. The decision of the government to reduce unemployment insurance premiums next year will reduce payroll costs to businesses and free up money to hire new employees.

This government is actually reducing taxes to create employment. The Canada investment fund will provide capital assistance to businesses. Capital funding is essential if new technologies are to be properly developed and marketed. This will directly lead to the creation of highly skilled jobs in all parts of this country.

The government will sponsor the creation of business networks. These networks will allow smaller companies to pool their resources and realize some of the benefits that only large companies now enjoy.

This government also realizes that such networks can only work if they are controlled by the private sector. However, we will be providing matching grants to make the networks as broad ranging as possible. These networks will allow small businesses to expand their operations and hire new employees.

The information highway will also help job creation. Most experts believe that information industries will become dominant in the coming years. With the advent of the information highway companies in all parts of this country, in towns large and small, will be able to access, process and sell information. As telecommunications networks improve it will not matter where you or your business is located. All you will need basically is a computer and a telephone line and you can be in business.

As we rebuild resource based industries like the fishery for the small communities in my district, information based compa-

nies may be the provider of jobs. The highway will reduce communication costs for existing businesses and allow information based businesses to set up shop almost anywhere in the country, including my riding of St. John's West.

The restoration of the RRAP will also help low and middle income families renovate their homes and live more comfortably. On top of this, the money supplied by the federal government for this program will be spent in small building supply companies, many of which my riding consists of, and will be used to hire skilled trades people like carpenters and electricians. Restoring the RRAP will create jobs in communities large and small across Newfoundland and Canada.

The apprenticeship program will help our young people learn valuable work skills and increase their opportunities for employment. We are all well aware that there are shortages of skilled labour in some parts of Canada. The apprenticeship program will train young people to perform some of these jobs, thus providing employment to a generation faced with staggering unemployment and a pessimistic outlook to the future.

The apprenticeship program will also help break the vicious cycle of no job without experience and no experience without a job. When they graduate from their programs, young people will have the skills and experience to fill the job.

For the Reform Party any investment by the federal government to create jobs is too much. They would rather see the government cut untold billions from the budget and set every unemployed worker adrift. The Reform policy is a do nothing policy. This government was elected with a strong mandate to do something and that is what we intend to do.

For the Bloc, its main interest is to prove that the federal government does not work and cannot do anything to solve the problems of Quebecers or other Canadians. If the government spent \$100 billion in Quebec the Bloc would complain that there is one worker in Montreal who does not have a job, and therefore Canada does not work.

For those few Tories left in the country, they say that our policies are exactly the same as theirs. This is not true. The Tories put together half measures and hoped that the problems would disappear. In the election we saw that the only thing that disappeared was the Conservative Party. The truth is that we have prepared a balanced approach to job creation.

(1625)

Government can no longer do it all when it comes to job creation. There is not a bottomless pit of money to throw at the problem. This government is using its scarce resources to stimulate the economy and prod businesses to create jobs.

*Supply*

No one person or group of persons has all the answers and we do not claim to. However, this government is prepared to work with business, labour and individuals to provide real job creation opportunities.

With goodwill and a sense of determination from all parties we will recover from the recession and provide lasting employment to Canadians in all regions including Newfoundland, including St. John's West.

[*Translation*]

**Mr. René Canuel (Matapédia—Matane):** Madam Speaker, I listened with great interest to the hon. member. I am from Quebec and she is from another province. Being the Official Opposition critic for natural resources, I get phone calls from the Maritimes, especially from New Brunswick. People in forestry, in farming say: "You must help us".

If the Liberal Party agenda was that good, I would probably get a lot less phone calls. These people tell me and I quote: "They cut back in social services, in programs, cut back in unemployment insurance, cut back in health care and especially in forestry and farming". Very few things for small business.

Of course, what the hon. member is saying repeatedly, and rightly so, is that there is nevertheless an effort made with regard to the infrastructure and that must be recognized, and I do. But we are saying and I cannot repeat it 20 times: this spring, this summer or this fall, that program will work and I thank the government for it, but after that, what will the future hold for federal youth programs? What will the future hold for small business? What will the future hold for farmers and people in forestry? I put the question to the hon. member and I would like her to answer me. What will the future hold for all these people?

[*English*]

**Mrs. Payne:** Madam Speaker, I thank the hon. member for his question. I am not sure if the hon. member is aware of the fact that I am from Newfoundland and not from New Brunswick. As the hon. member realizes, in Newfoundland we have more of a fisheries crisis than we do of anything else.

The problems that the hon. member spoke about in forestry and in farming certainly to a lesser degree are experienced in Newfoundland.

I want to say again to the hon. member that the infrastructure program that was announced by this government was very welcome in my riding. As I said in my remarks earlier we in St. John's West cannot wait for that program to come into place. In my riding we have a very high unemployment rate because of the fisheries crisis and for other reasons.

We certainly look forward to these programs being put into place in order to create even the short term employment which at

this point in time will be very welcome. However, this program was not meant to create short term employment solely. It is also a means to kick-start the economy so that other businesses will in turn create long term jobs.

[*Translation*]

**Mr. Benoît Sauvageau (Terrebonne):** Madam Speaker, I would like to start by quoting from the speech of my colleague. She said: "Government cannot do it all when it comes to job creation". This is very nicely put, and we agree with that. However, we feel that the government should not be doing nothing, which is precisely what it is doing right now.

The reliance on an infrastructure program takes us back to the Trudeau era, and maybe even earlier than that. This recipe for restructuring the economy dates back to the 1930s, at the time of the great depression, when an infrastructure program was put in place. I believe that times have changed. The economy has also changed and I just hope that the Liberals have kept pace with those changes.

(1630)

The way this infrastructure program will work is dreadful, and I will give you an example. I do not know whether the people in my riding have come to the same conclusion, but here it is. In a small town of my riding, Repentigny, the council had to borrow \$6 million in order to get its share of money from the infrastructure program. After it has borrowed the \$6 million—and I am not talking about Montreal here, I am talking about a town of 50,000 inhabitants—the town will receive the same amount from the federal government. How much is this going to cost in interest payments? How much more taxes will the residents have to pay? And how long will the program last?

I regret, Madam Speaker, but I must say that it is disgrace for the government to come up with such a program, claiming it is going to create jobs, and nothing else.

[*English*]

**Mrs. Payne:** Madam Speaker, I am not sure that the hon. member asked a question. I think it was more a comment than a question. However, I do understand the hon. member's problem there. I suspect that there probably are some communities that will not be able to take advantage of this infrastructure program.

However, I have talked to all of the municipal people from every community in my riding over the past couple of weeks. We have worked out a plan whereby almost every community will be able to take advantage.

I do not say that there are not some exceptions. There certainly are. However, I believe that with some ingenuity and some imagination almost every community in my riding will be able to take advantage of this program in one way or another.

*Supply*

[Translation]

**Mrs. Anna Terrana (Vancouver East):** Madam Speaker, I welcome this opportunity to rise in this House to participate in this debate on job creation because I believe the government's proposal is full of vision.

The Minister of Industry recently made at a G-7 meeting in Detroit a speech in which he stressed the need to maintain a stable economic environment to stimulate job creation.

The economic challenges facing Canadians are well known. Unemployment is too high and budget deficits undermine governments' capability to take remedial action.

All G-7 nations are facing similar problems. Within most large economies, consumer confidence has generally remained low, reflecting unemployment rates which are high and still rising as well as continued uncertainty with regard to employment. We cannot take a piecemeal approach to these problems. A comprehensive approach is required.

The government recognizes that the task at hand is as simple and at the same time as difficult as setting the economy back on the road to growth, because the solution to our problems is just that, growth.

[English]

The government has begun the work of implementing a long term growth strategy for a durable recovery and job creation. It has three elements. The first is reducing the deficit. Canada is committed to reducing its deficit to GDP ratio 6.4 per cent in the fiscal year 1993-94 to 3 per cent by 1996-97. This is a realistic plan based on cutting \$5 in expenditures for each \$1 in new revenue raised.

Second, it will reduce the impediments to growth by ensuring the right framework for business expansion in the three areas of trade, training and infrastructure. The signing of the GATT and NAFTA agreements will be a major boost to our exports and will lead to many jobs and opportunities in Canada. We are also increasingly focusing on the Asia-Pacific region and was in which Canadian companies can participate.

The Minister of Human Resources Development's initiatives to ensure that Canada's labour force is ready to tackle the new opportunities will be a major determinant of our success. Social security reform will create jobs for Canadians.

Further, the government's infrastructure program is helping the economy to get moving again. This is a short term job creation program that recognizes the impact that smart investments in infrastructure can have on long term job creation.

Third, the government will provide leadership for Canada's transition to the new economy. Growing companies take risks and use science and technology to the fullest. They are, in a

word, innovative. There is much that can be done to promote innovation but this was perhaps the area of greatest neglect by Canadian governments in the 1980s. It is the area of greatest potential for restoring growth in the economy in the 1990s.

(1635)

[Translation]

To provide adequate leadership for transition to this new economy, we must promote the development and use of new, innovative technologies by the private sector; examine the needs of small businesses and the opportunities coming their way, particularly in the case of extremely innovative businesses; co-operate with the private sector to put in place the infrastructure required by the new economy.

[English]

The approach to job creation that the government is following relies on the ability of technology, whether newly created through R and D or adopted and more effectively diffused to a greater number of companies to create jobs.

Technology and innovation are central to the solution of the unemployment crisis. Higher productivity brought about through the application of new technology and innovation leads to higher income and to more and better jobs.

A recent study by the Department of Finance found that technology intensive industries produced 47.7 per cent of the new jobs created between 1984 and 1991. Industries that were both high tech and high knowledge users contributed 46 per cent of new jobs, although they accounted for only about one-third of total employment.

In the recent budget we began the process of implementing a new agenda through which technology plays a central role in our approach to job creation.

[Translation]

Another driving force of our economic growth is small business. Not only do the vast majority of existing businesses fall into that category, but they are also our main source of job creation. In fact, during the 1980s, 87 per cent of all new jobs were created in that area. In 1991, 53 per cent of all Canadians in the private sector were either self-employed or working for businesses with fewer than 100 employees. Technology, combined with horizontal management structures and flexibility, can help small businesses adjust quickly to respond to changing consumer needs.

According to a recent government study on the growth of some 2,000 small businesses, companies that make use of technology, develop their own innovative technologies or concentrate on technology diffusion or adoption achieve better results in terms of growth.

[English]

Although small businesses create jobs they can face serious impediments such as restricted access to capital, inadequate management skills, a lack of skilled employees, limited technological sophistication and underdeveloped marketing abilities, especially abroad.

We must work on removing the impediments they face. We must also encourage small businesses to become aggressive innovators. Therefore, the government is committed to improving the business environment for small business and reshaping government policies and programs in support of small business.

In summary, the government has outlined its agenda for small business which underlines the government's determination to work closely with all the stakeholders to ensure that this vital sector continues to provide economic growth and create even more jobs.

Another important hallmark of the new economy is the world of telecommunications. In its plans for the future, the government will focus on the development of the information highway as a necessary infrastructure for the new economy. The information highway links the major elements of the new economy: users, content, technology and networks.

Well planned spending on this new type of infrastructure offers the potential for immediate job creation in the short term, while it is being built. As well, there will be a payoff in the longer term through the support of higher levels of economic activity when it is operational.

[Translation]

To conclude, the Government of Canada has carefully examined the international situation with regard to growth and job creation. While high unemployment and the increasing number of low-paying jobs may have many causes, they are basically due to the inability of economies to innovate and adjust to technological progress as well as changes in the international trade structure.

The Canadian program to promote innovation in all economic sectors and invest in people is on track.

(1640)

**Mr. Réal Ménard (Hochelaga—Maisonneuve):** Madam Speaker, first I would like to thank the hon. member for Vancouver East for her always very heartfelt, very moderate remarks, and I would like to make two or three comments that will take the form of questions. As you can appreciate, today's opposition motion does not mean in any way that we believe jobs can be created by waving a magic wand. It simply says that this government does not offer us hope for the future, an overall vision regarding job creation. On a more fundamental level,

*Supply*

beyond this lack of vision, we see structural obstacles in the presence of two governments that have clearly not found a balance in terms of job creation.

For us, the best government is not the one that intervenes the least. The best thing that could happen to Quebecers is to have one less government. So much for the general framework.

In the meantime, since we must continue to work within that system, I would like to ask the hon. member for Vancouver East this: Does she agree with me that, at the national level, the sectors that will create jobs, where workers will be needed in coming years, surprisingly enough and contrary to conventional wisdom, are often sectors with strong community involvement? I am thinking in particular of the whole issue of support services for seniors. The hon. member knows that the number of senior citizens will double in Quebec and Canada. That is something we have in common.

As an eminent economist from the Université du Québec à Montréal, Ruth Rose, pointed out, there is also the child-care sector. We live in a society where people work split shifts. It is not like in the old days when people got up at eight o'clock in the morning and worked until five in the afternoon before going home. People now work irregular hours and governments will have to invest very heavily in a national network of child-care centres.

In closing, I will talk about the recreation sector, especially for handicapped people. We are fortunate to have in this House a member such as the hon. member for Mercier, whose keen intelligence and talent is well known and who has always said, like most members of the Bloc Québécois believe, that economic growth and job development must go hand in hand with community network development.

I therefore ask the hon. member if she believes we can, within her government's job proposal, emphasize community networks. Can we rely on her dynamism and her sense of involvement; will she become her government's social conscience if it ever decides to cut job-creation programs?

**Mrs. Terrana:** Do you want me to join the Bloc Québécois?

**Mr. Ménard:** No, that is not necessary.

**Mrs. Terrana:** Thank you. I have a great social conscience because I come from a riding that needs to have a social conscience. I also see the need to find other sources.

I believe that we must redefine the question of work now. Work is no longer what we knew. Now we talk about technology and support. You are right. We also talked about child care, for which, as you know, the Liberal Party and the government promised to create 50,000 spaces when economic growth in Canada allows.

*Supply*

I believe that we must work together. For example, the private sector should support us in all this, the other governments too, as you said, and I believe that if all governments worked together, it would be easier.

Finally, there are all the consultations to find out what we really need. Of course I would like the situation to be otherwise but I also know that it is not possible.

[English]

**Mr. Mike Scott (Skeena):** Madam Speaker, first I would like to apologize for missing my rotation and I am grateful for having the opportunity to come back on. I would like to begin by saying that I probably would agree with the intent of the motion of the Bloc Québécois although we are probably going to come at it from a different angle.

(1645)

I come at it from the angle that government does not create jobs. Every time I hear this term job creation by somebody in government it is almost like running a fingernail down a chalkboard as far as I am concerned. Government does not create jobs. What government can do however is facilitate the creation of jobs.

I have lived in the northwest of British Columbia for all my life and for many years I was the partner in a construction business in northwestern British Columbia. It was a successful business. We started in 1981–82 with five employees and when we sold the business in 1990 we were employing up to 200 people at various times of the year.

We did this without any government grants, any handouts, any subsidies. As a matter of fact, and I say this with all sincerity, we did it in spite of government, not with any government help.

I have also been involved in the business community in Kitimat for many years with the Chamber of Commerce and many of my good friends and acquaintances come from the business community. Of course as a community we often associate and we talk about the various problems we face in our businesses and the various things that hinder or help us.

I can assure everyone that virtually all of the business contacts I have do not look at government as being some kind of boon to their existence. As a matter of fact they share the feelings I have that if government would only get off their backs and leave them alone they would have a lot better opportunity to create jobs or expand their businesses, to be profitable, to grow and to prosper.

I have some examples of the failure of government policies, some anecdotal evidence, that maybe some of the members here would be interested in.

Back in the early 1980s we contracted on the construction of a road that the federal government had put out for tender. In the contracting business when you submit a tender you are locked in. Your price is fixed. If your price is accepted then you are obligated to complete that job or project for the price you tendered.

At the time we were bidding the job there was no federal sales tax on explosives. Historically it had not been included. For whatever reason it had never been a part of the federal sales tax regime.

We bid the job. We got prices for explosives because it was a major component of the job and subsequent to submitting our tender and being awarded the job, but before we even got started on the project, the finance minister of the day came along and imposed a federal sales tax on explosives. We immediately went back and said to the minister that we were working for him, the government. We fixed the price to do this job, and after we fixed our price he had come along and increased our costs by \$50,000 and we thought we ought to be able to get that back.

Do you think the government would do it? This was a Liberal government I might add. It was not the Conservative government. We never had any success.

These are the kinds of problems businesses come up against. Let me give you some more examples of government intervention in the marketplace.

For many years there was a successful ready-mix business operated in my community and that ready-mix business as part of its operation had a small block plant. On rainy days when there was nothing else to do the employees, rather than being sent home, would manufacture masonry blocks.

There was a fellow in a neighbouring community who got the bright idea that he should be in the block business. He secured a \$700,000 loan or a loan guarantee from the federal government to put his business into operation, to create a huge block plant that could not possibly ever sustain itself for the market area it was trying to service. He drove the fellow in Kitimat out of business. His block plant had to close down. The employees lost the benefit of employment on rainy days when there was nothing left to do. In the end the new business failed simply because it was not a good business idea in the first place. If it had been a good business idea I suggest that he would not have had the problem in coming up with the funds.

Any time the government gets involved with funding these kinds of operations it is generally because it is a bad business idea. It is generally destined to fail. Not only are the taxpayers hurt but usually the competitors of that business are hurt. They are the ones that are contributing to the tax base. In effect their tax dollars are being used to support these businesses that are built up to compete against them.

*Supply*

(1650)

These are the kinds of federal policies that we have had to live with in the business community in the past. When I hear about job creation it just does not ring true with me.

Let me give a most recent example. In the House today we were talking about a subsidy on the part of the government for a new aluminium smelter in South Africa, a \$60 million U.S. dollar or close to a \$100 million Canadian export credit to a new South African aluminium smelter. If the government is talking about job creation they must be interested in creating jobs in South Africa but certainly not here.

We have 10,000 people in Quebec who are employed directly in the primary production of aluminium and 2,000 people employed in British Columbia in my riding at Kitimat in one of Alcan's largest smelters anywhere. These people are paying their taxes and contributing to Canadian society and they see their taxes being used to support the construction of a new aluminium smelter in South Africa. How are we creating jobs in Canada by that measure? Where is the consistency in government? I just do not see it.

Some of the irritants and costly policies that government follow are that small businesses in Canada are acting as the agent of the government in collecting taxes, UIC premiums, CPP premiums and personal employment data. As well as being an unpaid job, the fact is they are liable for any mistakes they might make. They are liable for doing the government's work for them. In addition to acting as an agent they have to make payroll deductions and remit that money on a regular basis. In the case of my business it was on the 15th of each month. In the past we had to have our cheques postmarked by the 15th of the month so that we would avoid penalties and interest.

Now the government that talks about aiding small business wants to have electronic transfers of those funds on the 15th of the month. If you do not get your electronic transfer done in time you are going to be faced with a 10 per cent penalty right off the bat let alone the interest charges. Now I ask, how is that assisting or helping small business?

This policy is tantamount to paying taxes in advance. When I was in business we had to meet our payroll and pay our expenses often long in advance of receiving the revenues that were attached to those expenses. I do not think the government fundamentally recognizes just how difficult it is.

It is one thing to talk about job creation and how we are going to assist small business, but it is quite another thing to sit there on a Thursday afternoon and try to make sure you are going to be able to cover your payroll on Friday. That is something that small business right across Canada has to face all the time and it

is something that we in government—and I include myself now because I have become part of the guilty as it were—all too often fail to recognize. It is an extremely difficult existence out there for small business.

A small business person does not get a pension plan. They can maybe make use of the registered retirement savings plan but they do not have their own pension plan. They are not entitled to unemployment insurance benefits if their business fails. Often-times they are putting in 60, 70 or 80 hours a week and not receiving benefits. Many people who are working in regular jobs would be surprised. I think a lot of times people expect that entrepreneurs in small and medium sized businesses are very wealthy. The case is really that very few people actually become fabulously wealthy and successful. Most people just make a living at it and as a government we have to recognize that.

I have seen no evidence to this point that the government is taking any steps to rectify the problems that business faces. Taxation rules for example, are becoming more complex rather than simpler. I recall that when I was in business I looked at the tax act on a couple of occasions and neither myself, my accountant or my lawyer could not figure out what it meant.

(1655)

How can we expect small business to be able to prosper when it has to deal with ambiguous tax laws? When you are trying to make a business decision on the best way to acquire a new asset or to open a new business, you have to spend all your time trying to figure out the best way to do it taxwise rather than getting on with the job and letting your entrepreneurial talents run toward creating the business and making it work. That is the kind of thing that government can do for small businesses, make it easier for them to exist.

Diversification funding, regional development funding and all the things I talked about earlier are still very much alive and it is still very much the attitude of members opposite that this is the way we are going to help business and industry. It is not.

As long as government prevails with this attitude, we are going to have a continual drain on tax dollars, we are going to have continual failures in the individual areas where these moneys are invested and it is going to hinder rather than help small business. While the Bloc is talking about no vision for the future, my vision is to get government out of these things and let small business prosper on its own.

I am going to conclude my remarks by saying that there is an opportunity right now for government to show leadership, to change some of the policies it has been following, to recognize that government does not create jobs, government does not create wealth. It certainly has the ability to expropriate wealth and it does that with remarkable ability.



*Supply*

The only jobs that government ever creates are jobs that are created as a result of the expropriation of somebody else's wealth in the first place. We have to recognize that. When government does recognize that—

**The Acting Speaker (Mrs. Mahu):** I am sorry to interrupt the hon. member. It is almost five o'clock.

[*Translation*]

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 Hochelaga—Maisonneuve—Canada Labour Code; the hon. member for Mégantic—Compton—Stanstead—Federal Deficit.

[*English*]

**Mr. Scott (Skeena):** Madam Speaker, in concluding my remarks I was saying that there is an opportunity for government to show some leadership, to change policies and develop a vision for business and industry in Canada by being partners in the sense that we get out of the way and allow small business the opportunity to do what it can do very well if given the opportunity.

**Mr. John Bryden (Hamilton—Wentworth):** Madam Speaker, I really did appreciate the remarks of the hon. member for Skeena, particularly the matter of direct grants to business.

A lot of us would agree that often this does not work very effectively but I wish he would give credit to this budget where credit is due. I point out to him that the government has cancelled the \$608 million KAON accelerator project which is a classic example of the type of thing that he is talking about.

I would like him to comment on that and tell me whether he agrees that the government was wise to cancel KAON.

**Mr. Scott (Skeena):** Madam Speaker, I thank the hon. member for his intervention.

I would remind him that KAON was not a regional development initiative. It was a science initiative. Having said that, the member asked to give credit where credit is due in the budget.

We have subsequent to the new government being elected not only development incentives and grants taking place within Canada but it was only recently announced that the federal government was going to provide a \$100 million Canadian export credit to a new aluminum smelter in South Africa. That tells the whole story. The government has not yet accepted the fact that you cannot do it that way.

(1700)

**Mr. John Harvard (Winnipeg St. James):** Madam Speaker, the hon. member for Skeena talked about small business in a way as though Liberals in the country had never heard of small business. I can assure the gentleman that thousands of Liberals

are business people and that thousands of businesses support the Liberal Party.

We know some of the problems faced by small business. If the gentleman from Skeena would have read the budget a little more closely, he would have noticed that small business plays a big part in the budget. We are attempting to do many things to make its life a little easier.

For example, we will be developing what we call a lending code for banks, because small businesses have been complaining vociferously for years about the way they are treated by banks. We will be establishing a venture capital fund. We are expanding information centres across the country because we know how important information is to small businesses that are not wealthy, as he pointed out, and do not have the resources to get information on their own hook.

We will be expanding the technology network because technology is important to small business. We will be expanding the parameters of the Export Development Corporation because exports are important to the country and important to small business. Small business can do a lot more in the way of exports. Right now only 8 per cent of our business community exports.

We have recognized some of the problems facing the small business community. It is recognized in the budget. I think the Reform Party does not do a service to this institution when it, it appears, deliberately ignores what was stated in the budget.

**Mr. Scott (Skeena):** Madam Speaker, I point out that we live in a democracy. Those business people who support Liberals are allowed to be wrong.

I touch on what the hon. member said about the expansion of the Export Development Corporation. This is exactly what I am talking about. The Export Development Corporation announced the \$100 million Canadian loan credit to build the new South African aluminium smelter. If this is what the hon. member is talking about, I rest my case.

**Mr. Ronald J. Duhamel (St. Boniface):** Madam Speaker, I want to ask a very brief question. In his initial remarks, if I heard them correctly, my colleague indicated that governments do not make jobs. I think I understand what he was getting at. Normally there are conditions under which businesses operate. If they do well their profits create jobs for Canadians or wherever they happen to be.

I would like my colleague's reaction to the following. While I accept that—and I am assuming I have interpreted his comments correctly—would he not agree that government involvement, for example in student employment as will be occurring this summer and as has occurred during the last few summers particularly during periods of study, is a noble and supportive enterprise on the part of government?

*Supply*

Would my colleague agree, for example, that the program we want to initiate, the youth corps, is a noble and worthy initiative that should be supported by all parties?

What about the apprenticeship program the government wants under way, particularly in areas of high tech and where jobs will be required in future growth areas?

What about those kinds of initiatives? Is the Reform Party's policy against those kinds of initiatives? I understand the basic philosophy is that if we reduce taxes more jobs will be created. However does that exclude those kinds of initiatives for youth, the new apprenticeship programs and the like that I have mentioned?

(1705)

**Mr. Scott (Skeena):** Madam Speaker, in the area of educational assistance such as apprenticeship programs, provided there is a cost benefit and the benefit outweighs the cost, certainly our party is in favour of it. We believe we have to make a stronger effort to educate and train our people so that they are ready to go into the workforce.

As far as the youth corps and the youth development program are concerned and as far as I am personally concerned, we are really looking at a handout. We are not looking at a hand up. We are not looking at preparing people and getting people into positions where they will be entering the workforce. What we are really doing is handing out taxpayers' assistance to youth.

I am sure the hon. member disagrees with me, but that is the way I see it.

\* \* \*

[Translation]

**COMMITTEES OF THE HOUSE**

FISHERIES AND OCEANS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Madam Speaker, I believe you will find there is unanimous consent for the following motion:

That, pursuant to Standing Order 108(2) concerning the replacement programs for the Northern Cod Adjustment and Recovery Program and the Atlantic Ground Fish Adjustment Program, the House authorize the required personnel of the Standing Committee on Fisheries and Oceans to travel from place to place for the purpose of preparing and holding video-teleconference Committee sittings during the week of March 28-31, 1994, in the following cities: Rimouski, Sydney, Yarmouth, Moncton and St. John's, Newfoundland.

(Motion moved and agreed to.)

[English]

**BUSINESS OF THE HOUSE**

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Madam Speaker, I would also propose the following motion:

That, at the conclusion of the time allotted for the consideration of government business on Wednesday, March 23, 1994, the Speaker shall put all questions necessary to dispose of the third reading stage of Bill C-14, an act to provide borrowing authority.

(Motion moved and agreed to.)

\* \* \*

[Translation]

**SUPPLY**

ALLOTTED DAY—JOB CREATION

The House resumed consideration of the motion.

**Mr. Paul Mercier (Blainville—Deux-Montagnes):** Madam Speaker, how much time do I have remaining?

**The Acting Speaker (Mrs. Maheu):** You have until 5.15 p.m.

**Mr. Mercier:** Madam Speaker, to emerge from its economic doldrums, our country needs a large-scale collective project, one which will generate our enthusiasm and mobilize us. Such a project exists, but an act of government good will is needed to get it off the ground. I am referring to the project to build a high-speed train to service the Quebec City-Montreal-Laval-Ottawa-Toronto-Windsor corridor. Several studies have already concluded that this project would be economically viable.

The minister is waiting for a new report to be released this summer. However, based on the information he already has, he should be able today to say, without jeopardizing the terms of the venture: "Yes, we will proceed with the high-speed rail project". If the minister were to make this statement now, he would not be hurting the authors of the expected report in any way.

This kind of statement would pleasantly surprise us and would show that our government can at least boast of the three things that my hon. colleague for Laurentides criticized it earlier for not having, namely vision, vision and more vision to create "jobs, jobs, jobs", as promised in the red book.

(1710)

There are so many reasons to support what could become the major project of this decade that I hardly know where to start, or should I say, I hardly know what I should leave out, to finish my speech on time. In any case, first of all, studies have shown that the market is large enough to ensure the project's economic viability. According to information released by Bombardier, the

*Supply*

company's pre-feasibility study has shown that this railway service would serve a population of eight million and attract nearly 5,300,000 travellers annually, an increase of 3,700,000 over the current ridership.

We now have information that emphasizes the benefits of HST connections for travellers in terms of security, travelling time and cost. According to the study, travelling time from station to station, calculated with a top operating speed of 300 kilometres per hour, would be 1 hour and 35 minutes between Quebec City and Montreal, 1 hour and 5 minutes between Montreal and Ottawa, and so forth. The time saved, even compared with flying, is considerable.

Furthermore, as is the case in Lyon, the HST could provide a very efficient way to solve the problem of transportation to and from Mirabel and Dorval and could also provide a quick connection between these airports by adding a loop where the train would run only at certain times.

Another reason to support the HST is, of course, the environment. Per passenger, the HST consumes half as much energy as the automobile and one-quarter as much as a jet aircraft.

If the line could be fully electrified, as is the case all over Europe, there would be even less impact on the environment, because there would be no emissions and the train would consume energy that is abundant in Ontario as well as Quebec, a province that is trying to export surplus energy.

I will now discuss job creation, since that is the purpose of this debate. The HST would create a total of nearly 120,000 jobs annually. This initiative would reduce government spending under the Unemployment Insurance Program. I say this in connection with the expected loss of hundreds of jobs as a result of the merger between CN and CP. Ideally, the HST would absorb these workers.

Without a plan for the future, Quebec's railway industry is doomed. The HST would give VIA Rail a second lease on life and a chance to finance railway lines operating at a loss, as the SNCF does in France.

The cost, and I have not had much of time to discuss this aspect, is evaluated at \$7.5 billion, but there would be revenues—

[*English*]

**The Acting Speaker (Mrs. Maheu):** It being 5.15 p.m., pursuant to Standing Order 81(17), the proceedings on the motion have expired.

Accordingly it is my duty to put forthwith every question necessary to dispose of the business of supply now before the House.

## SUPPLEMENTARY ESTIMATES (B)

**Hon. Arthur C. Eggleton (President of the Treasury Board)** moved:

That Supplementary Estimates (B), 1993-94, laid upon the table Tuesday, March 8, 1994, be concurred in.

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

**Some hon. members:** Agreed.

**Some hon. members:** On division.

(Motion agreed to.)

(1715)

**Mr. Eggleton** moved that the Bill C-19, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1994, be read the first time.

(Motion deemed adopted and bill read the first time.)

**Mr. Eggleton** moved that the bill be read the second time and referred to committee of the whole.

(Motion agreed to, bill read the second time and the House went into committee thereon, Mrs. Maheu in the chair.)

(Clauses 2 to 7 inclusive agreed to.)

(Schedule agreed to.)

(Clause 1 agreed to.)

(Preamble agreed to.)

(Title agreed to.)

[*Translation*]

**Mr. Michel Gauthier (Roberval):** On a point of order, Madam Speaker.

**The Deputy Speaker:** The hon. member for Roberval on a point of order.

**Mr. Gauthier (Roberval):** Madam Speaker, since I am not familiar with these proceedings, I was wondering whether the President of the Treasury Board could give this House the assurance that the content of the bill before us is presented in the usual format.

[*English*]

**Mr. Eggleton:** Madam Chairman, this bill is in the same form as passed in previous years.

(Bill reported.)

**Mr. Eggleton** moved that the bill be concurred in.

(Motion agreed to.)

**The Acting Speaker (Mrs. Maheu):** When shall the bill be read the third time? By leave, now?

**Some hon. members:** Agreed.

(1720)

**Mr. Eggleton** moved that the bill be read the third time and passed.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

**Some hon. members:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Acting Speaker (Mrs. Maheu):** In my opinion the yeas have it.

*And more than five members having risen:*

**The Acting Speaker (Mrs. Maheu):** Call in the members.

The House divided on the motion which was agreed to on the following division:

*(Division No. 16)*

**YEAS**

Members

Adams  
Anderson  
Assad  
Augustine  
Bakopanos  
Beaumier  
Berger  
Bertrand  
Bevilacqua  
Blondin—Andrew  
Bonin  
Brown (Oakville—Milton)  
Bryden  
Caccia  
Campbell  
Catterall  
Chrétien (Saint—Maurice)  
Cohen  
Collins  
Crawford  
Dhaliwal  
Discepola  
Duhamel  
Easter  
English  
Finestone  
Fontana  
Gagliano  
Gauthier (Ottawa—Vanier)  
Goodale  
Gray (Windsor West)  
Guarnieri  
Harper (Churchill)  
Hickey  
Ianno  
Irwin  
Jordan  
Kirkby  
Kraft Sloan  
LeBlanc (Cape Breton Highlands—Canso)  
MacAulay  
MacLaren (Etobicoke North)  
Maheu  
Maloney

Alcock  
Arseneault  
Assadourian  
Axworthy (Winnipeg South Centre)  
Barnes  
Bellemare  
Bernier (Beauce)  
Bethel  
Bhaduria  
Bodnar  
Boudria  
Brushett  
Bélair  
Calder  
Cannis  
Chamberlain  
Clancy  
Collenette  
Cowling  
Culbert  
Dingwall  
Dromisky  
Dupuy  
Eggleton  
Fewchuk  
Finlay  
Gaffney  
Galloway  
Godfrey  
Graham  
Grose  
Harb  
Harvard  
Hubbard  
Iftody  
Jackson  
Keyes  
Knutson  
Lavigne (Verdun—Saint—Paul)  
Lee  
MacDonald  
MacLellan (Cape Breton—The Sydneys)  
Malhi  
Marleau

Martin (LaSalle—Énard)  
McCormick  
McTeague  
Mifflin  
Minna  
Murphy  
Nault  
O'Reilly  
Pagtakhan  
Peric  
Peterson  
Pickard (Essex—Kent)  
Proud  
Regan  
Rideout  
Robichaud  
Rompkey  
Serré  
Sheridan  
Skoke  
St. Denis  
Stewart (Brant)  
Szabo  
Terrana  
Valeri  
Verran  
Wappel  
Whelan  
Young

*Supply*

Massé  
McKinnon  
McWhinney  
Milliken  
Mitchell  
Murray  
Nunziata  
Ouellet  
Payne  
Peters  
Phinney  
Pillitteri  
Reed  
Richardson  
Ringuette—Maltais  
Rock  
Scott (Fredericton—York Sunbury)  
Shepherd  
Simmons  
Speller  
Steckle  
Stewart (Northumberland)  
Telegdi  
Ur  
Vanclief  
Walker  
Wells  
Wood  
Zed—146

**NAYS**

Members

Ablonczy  
Asselin  
Bellehumeur  
Bergeron  
Bernier (Mégantic—Compton—Stanstead)  
Bouchard  
Brown (Calgary Southeast)  
Canuel  
Chatters  
Crête  
Daviault  
de Jong  
Deshaies  
Duncan  
Fillion  
Frazer  
Gauthier (Roberval)  
Gouk  
Grubel  
Guimond  
Hanrahan  
Harper (Simcoe Centre)  
Hart  
Hermanson  
Hoepfner  
Jennings  
Landry  
Laurin  
Lebel  
Lefebvre  
Manning  
Martin (Esquimalt—Juan de Fuca)  
Mercier  
Mills (Red Deer)  
Ménard  
Picard (Drummond)  
Péloquin  
Riis  
Rocheleau  
Schmidt  
Silye  
Solomon  
Strahl  
Tremblay (Rimouski—Témiscouata)  
Venne  
White (North Vancouver)

Althouse  
Bachand  
Benoit  
Bernier (Gaspé)  
Blaisie  
Brien  
Bélisle  
Charest  
Chrétien (Frontenac)  
Cummins  
Debien  
de Savoye  
Duceppe  
Epp  
Forseath  
Gagnon (Québec)  
Godin  
Grey (Beaver River)  
Guay  
Hanger  
Harper (Calgary West)  
Harris  
Hayes  
Hill (Prince George—Peace River)  
Jacob  
Lalonde  
Langlois  
Lavigne (Beauharnois—Salaberry)  
Leblanc (Longueuil)  
Leroux (Shefford)  
Marchand  
McClelland (Edmonton Southwest)  
Meredith  
Morrison  
Paré  
Pomerleau  
Ramsay  
Ringma  
Sauvageau  
Scott (Skeena)  
Solberg  
Speaker  
Taylor  
Tremblay (Rosemont)  
White (Fraser Valley West)  
Williams—92

*Supply*

## PAIRED—MEMBERS

## Members

Allmand	Caron
Cauchon	Copps
Dalphond—Guiral	DeVillers
Dubé	Dumas
Leroux (Richmond—Wolfe)	Loubier
McGuire	Nunez
O'Brien	Parrish
Patry	St-Laurent

(1750)

**The Speaker:** I declare the motion carried.

(Bill read the third time and passed.)

[*Translation*]

**Mr. Plamondon:** I came in late, Mr. Speaker, so I did not get to vote. I just wanted to say that I would have voted along with the representatives of the loyal opposition. If ever results were to be applied in reverse, I would like to be counted in.

\* \* \*

[*English*]

## INTERIM SUPPLY

**Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure):** moved:

That this House do concur in Interim Supply as follows:

That a sum not exceeding \$13,753,845,366.08 being composed of:

(1) three-twelfths (\$9,553,789,266.75) of the total of the amounts of the items set forth in the Main Estimates for the fiscal year ending March 31, 1995, which were laid upon the Table on Thursday, February 24, 1994, and except for those items below:

(2) eleven-twelfths of the total of the amount of Transport Vote 40 (Schedule A) of the said Estimates, \$2,725,250.00;

(3) nine-twelfths of the total of the amount of Treasury Board Vote 5 (Schedule B) of the said Estimates, \$337,500,000.00;

(4) eight-twelfths of the total of the amounts of Canadian Heritage Vote 100, and Fisheries and Oceans Vote 10 (Schedule C) of the said Estimates, \$59,154,666.67;

(5) seven-twelfths of the total of the amount of Human Resources Development Vote 45 (Schedule D) of the said Estimates, \$1,414,583.33;

(6) six-twelfths of the total of the amounts of Foreign Affairs and International Trade Vote 15, and Human Resources Development Vote 5, and Indian Affairs and Northern Development Vote 10, and Industry Vote 45, and Justice Vote 5 (Schedule E) of the said Estimates, \$72,580,000.00;

(7) five-twelfths of the total of the amounts of Canadian Heritage Vote 80, and Human Resources Development Vote 20, and Indian Affairs and Northern Development Votes 15 and 45, and Industry Vote 40, and Transport Vote 1 (Schedule F) of the said Estimates, \$2,235,520,833.33;

(8) four-twelfths of the total of the amounts of Canadian Heritage Votes 45, 50, 65, 75 and 95, and Citizenship and Immigration Vote 15, and Health Vote 10, and Human Resources Development Vote 10, and Indian Affairs and Northern Development Votes L25, 30 and 35, and Industry Vote 100, and Justice Votes 1, 10 and 30, and Parliament Vote 1, and Public Works and Government Services Votes

20, 25 and 30, and Solicitor General Vote 5 (Schedule G) of the said Estimates, \$1,491,160,766.00;

be granted to Her Majesty on account of the fiscal year ending March 31, 1995.

**Mr. Gagliano:** Mr. Speaker, I believe that you will find unanimous consent to apply the vote that we just took to the division on all other questions necessary to dispose of the business of supply and the bill based thereon.

**The Speaker:** Is it agreed?

**Some hon. members:** Agreed.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 17*)

## YEAS

## Members

Adams	Alcock
Anderson	Arseneault
Assad	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Bakopanos	Barnes
Beaumier	Bellemare
Berger	Bernier (Beauce)
Bertrand	Bethel
Bevilacqua	Bhaduria
Blondin—Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Caccia	Calder
Campbell	Cannis
Catterall	Chamberlain
Chrétien (Saint—Maurice)	Clancy
Cohen	Collenette
Collins	Cowling
Crawford	Culbert
Dhaliwal	Dingwall
Discepolo	Dromisky
Duhamel	Dupuy
Easter	Eggleton
English	Fewchuk
Finestone	Finlay
Fontana	Gaffney
Gagliano	Galloway
Gauthier (Ottawa—Vanier)	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Harb
Harper (Churchill)	Harvard
Hickey	Hubbard
Ianno	Iftody
Irwin	Jackson
Jordan	Keyes
Kirkby	Knutson
Kraft Sloan	Lavigne (Verdun—Saint—Paul)
LeBlanc (Cape Breton Highlands—Canso)	Lee
MacAulay	MacDonald
MacLaren (Etobicoke North)	MacLellan (Cape Breton—The Sydneys)
Maheu	Malhi
Maloney	Marleau
Martin (LaSalle—Émard)	Massé
McCormick	McKinnon
McTeague	McWhinney
Miffiin	Milliken
Minna	Mitchell
Murphy	Murray
Nault	Nunziata

*Supply*

**Mr. Eggleton** moved that Bill C-20, an act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 1995, be read the first time.

(Motion deemed adopted and bill read the first time.)

**Mr. Eggleton** moved that the bill be read the second time and referred to committee of the whole.

The House divided on the motion, which was agreed to on the following division:

O'Reilly  
Pagtakhan  
Peric  
Peterson  
Pickard (Essex—Kent)  
Proud  
Regan  
Rideout  
Robichaud  
Rompkey  
Serré  
Sheridan  
Skoke  
St. Denis  
Stewart (Brant)  
Szabo  
Terrana  
Valeri  
Verran  
Wappel  
Whelan  
Young

Ouellet  
Payne  
Peters  
Phinney  
Pillitteri  
Reed  
Richardson  
Ringuette—Maltais  
Rock  
Scott (Fredericton—York Sunbury)  
Shepherd  
Simmons  
Speller  
Steckle  
Stewart (Northumberland)  
Telegdi  
Ur  
Vanclief  
Walker  
Wells  
Wood  
Zed—146

**NAYS**

Members

Ablonczy  
Asselin  
Bellehumeur  
Bergeron  
Bernier (Mégantic—Compton—Stanstead)  
Bouchard  
Brown (Calgary Southeast)  
Canuel  
Chatters  
Crête  
Davialt  
de Jong  
Deshaies  
Duncan  
Fillion  
Frazer  
Gauthier (Roberval)  
Gouk  
Grubel  
Guimond  
Hanrahan  
Harper (Simcoe Centre)  
Hart  
Hermanson  
Hoeppner  
Jennings  
Landry  
Laurin  
Lebel  
Lefebvre  
Manning  
Martin (Esquimalt—Juan de Fuca)  
Mercier  
Mills (Red Deer)  
Ménard  
Picard (Drummond)  
Pomerleau  
Ramsay  
Ringma  
Sauvageau  
Scott (Skeena)  
Solberg  
Speaker  
Taylor  
Tremblay (Rosemont)  
White (Fraser Valley West)  
Williams—93

Althouse  
Bachand  
Benoit  
Bernier (Gaspé)  
Blaikie  
Brien  
Bélisle  
Charest  
Chrétien (Frontenac)  
Cummins  
Debien  
de Savoye  
Duceppe  
Epp  
Forseth  
Gagnon (Québec)  
Godin  
Grey (Beaver River)  
Guay  
Hanger  
Harper (Calgary West)  
Harris  
Hayes  
Hill (Prince George—Peace River)  
Jacob  
Lalonde  
Langlois  
Lavigne (Beauharnois—Salaberry)  
Leblanc (Longueuil)  
Leroux (Sheffield)  
Marchand  
McClelland (Edmonton Southwest)  
Meredith  
Morrison  
Paré  
Plamondon  
Péloquin  
Riis  
Rocheleau  
Schmidt  
Silye  
Solomon  
Strahl  
Tremblay (Rimouski—Témiscouata)  
Venne  
White (North Vancouver)

**PAIRED—MEMBERS**

Members

Allmand  
Cauchon  
Dalphond—Guiral  
Dubé  
Leroux (Richmond—Wolfe)  
McGuire  
O'Brien  
Patry

Caron  
Copp  
DeVillers  
Dumas  
Loubier  
Nunez  
Parrish  
St-Laurent

*(Division No. 18)*

**YEAS**

Members

Adams  
Anderson  
Assad  
Augustine  
Bakopanos  
Beaumier  
Berger  
Bertrand  
Bevilacqua  
Blondin—Andrew  
Bonin  
Brown (Oakville—Milton)  
Bryden  
Caccia  
Campbell  
Catterall  
Chrétien (Saint-Maurice)  
Cohen  
Collins  
Crawford  
Dhaliwal  
Discepola  
Duhamel  
Easter  
English  
Finestone  
Fontana  
Gagliano  
Gauthier (Ottawa—Vanier)  
Goodale  
Gray (Windsor West)  
Guarnieri  
Harper (Churchill)  
Hickey  
Ianno  
Irwin  
Jordan  
Kirkby  
Kraft Sloan  
LeBlanc (Cape Breton Highlands—Canso)  
MacAulay  
MacLaren (Etobicoke North)  
Maheu  
Maloney  
Martin (LaSalle—Émard)  
McCormick  
McTeague  
Mifflin  
Minna  
Murphy  
Nault  
O'Reilly  
Pagtakhan  
Peric  
Peterson

Alcock  
Arseneault  
Assadourian  
Axworthy (Winnipeg South Centre)  
Barnes  
Bellemare  
Bernier (Beauce)  
Bethel  
Bhaduria  
Bodnar  
Boudria  
Brushett  
Bélair  
Calder  
Cannis  
Chamberlain  
Clancy  
Collenette  
Cowling  
Culbert  
Dingwall  
Dromisky  
Dupuy  
Eggleton  
Fewchuk  
Finlay  
Gaffney  
Galloway  
Godfrey  
Graham  
Grose  
Harb  
Harvard  
Hubbard  
Iftody  
Jackson  
Keyes  
Knutson  
Lavigne (Verdun—Saint-Paul)  
Lee  
MacDonald  
MacLellan (Cape Breton—The Sydneys)  
Malhi  
Marleau  
Massé  
McKinnon  
McWhinney  
Milliken  
Mitchell  
Murray  
Nunziata  
Ouellet  
Payne  
Peters  
Phinney

*Supply*

Pickard (Essex—Kent)	Pillitteri
Proud	Reed
Regan	Richardson
Rideout	Ringuette—Maltais
Robichaud	Rock
Rompkey	Scott (Fredericton—York Sunbury)
Serré	Shepherd
Sheridan	Simmons
Skoke	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Terrana	Ur
Valeri	Vanclief
Verran	Walker
Wappel	Wells
Whelan	Wood
Young	Zed—146

## NAYS

## Members

Ablonczy	Althouse
Asselin	Bachand
Bellehumeur	Benoit
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Blaikie
Bouchard	Brien
Brown (Calgary Southeast)	Bélisle
Canuel	Charest
Chatters	Chrétien (Frontenac)
Crête	Cummins
Daviault	Debien
de Jong	de Savoye
Deshaies	Duceppe
Duncan	Epp
Fillion	Forseth
Frazier	Gagnon (Québec)
Gauthier (Roberval)	Godin
Gouk	Grey (Beaver River)
Grubel	Guay
Guimond	Hanger
Hanrahan	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hart	Hayes
Hermanson	Hill (Prince George—Peace River)
Hoeppner	Jacob
Jennings	Lalonde
Landry	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Lebel	Leblanc (Longueuil)
Lefebvre	Leroux (Shefford)
Manning	Marchand
Martin (Esquimalt—Juan de Fuca)	McClelland (Edmonton Southwest)
Mercier	Meredith
Mills (Red Deer)	Morrison
Ménard	Paré
Picard (Drummond)	Plamondon
Pomerleau	Péloquin
Ramsay	Riis
Ringma	Rocheleau
Sauvageau	Schmidt
Scott (Skeena)	Silye
Solberg	Solomon
Speaker	Strahl
Taylor	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	Venne
White (Fraser Valley West)	White (North Vancouver)
Williams—93	

## PAIRED—MEMBERS

## Members

Allmand	Caron
Cauchon	Copps
Dalphond—Guiral	De Villers
Dubé	Dumas
Leroux (Richmond—Wolfe)	Loubier
McGuire	Nunez
O'Brien	Parrish
Patry	St—Laurent

(Bill deemed read the second time.)

(Bill deemed considered in committee.)

(Clauses 2 to 5 inclusive agreed to.)

(Schedule A agreed to.)

(Schedule B agreed to.)

(Schedule C agreed to.)

(Schedule D agreed to.)

(Schedule E agreed to.)

(Schedule F agreed to.)

(Schedule G agreed to.)

(Clause 1 agreed to.)

(Preamble agreed to.)

(Title agreed to.)

(Bill deemed reported.)

**Mr. Eggleton** moved that the bill be concurred in.

The House divided on the motion, which was agreed to on the following division:

*(Division No. 19)*

## YEAS

## Members

Adams	Alcock
Anderson	Arseneault
Assad	Assadourian
Augustine	Axworthy (Winnipeg South Centre)
Bakopanos	Barnes
Beaumier	Bellemare
Berger	Bernier (Beauce)
Bertrand	Bethel
Bevilacqua	Bhaduria
Blondin—Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Caccia	Calder
Campbell	Cannis
Catterall	Chamberlain
Chrétien (Saint—Maurice)	Clancy
Cohen	Collenette
Collins	Cowling
Crawford	Culbert
Dhaliwal	Dingwall
Discepola	Dromisky
Duhamel	Dupuy
Easter	Eggleton
English	Fewchuk
Finestone	Finlay
Fontana	Gaffney
Gagliano	Galloway
Gauthier (Ottawa—Vanier)	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Harb
Harper (Churchill)	Harvard

Hickey  
Ianno  
Irwin  
Jordan  
Kirkby  
Kraft Sloan  
LeBlanc (Cape Breton Highlands—Canso)  
MacAulay  
MacLaren (Etobicoke North)  
Maheu  
Maloney  
Martin (LaSalle—Émard)  
McCormick  
McTeague  
Mifflin  
Minna  
Murphy  
Nault  
O'Reilly  
Pagtakhan  
Peric  
Peterson  
Pickard (Essex—Kent)  
Proud  
Regan  
Rideout  
Robichaud  
Rompkey  
Serré  
Sheridan  
Skoke  
St. Denis  
Stewart (Brant)  
Szabo  
Terrana  
Valeri  
Verran  
Wappel  
Whelan  
Young

Hubbard  
Ifody  
Jackson  
Keyes  
Knutson  
Lavigne (Verdun—Saint-Paul)  
Lee  
MacDonald  
MacLellan (Cape Breton—The Sydneys)  
Malhi  
Marleau  
Massé  
McKinnon  
McWhinney  
Milliken  
Mitchell  
Murray  
Nunziata  
Ouellet  
Payne  
Peters  
Phinney  
Pillitteri  
Reed  
Richardson  
Ringuette—Maltais  
Rock  
Scott (Fredericton—York Sunbury)  
Shepherd  
Simmons  
Speller  
Steckle  
Stewart (Northumberland)  
Telegdi  
Ur  
Vanclief  
Walker  
Wells  
Wood  
Zed—146

**NAYS**

**Members**

Ablonczy  
Asselin  
Bellehumeur  
Bergeron  
Bernier (Mégantic—Compton—Stanstead)  
Bouchard  
Brown (Calgary Southeast)  
Canuel  
Chatters  
Crête  
Davialt  
de Jong  
Deshaias  
Duncan  
Fillion  
Frazer  
Gauthier (Roberval)  
Gouk  
Grubel  
Guimond  
Hanrahan  
Harper (Simcoe Centre)  
Hart  
Hermanson  
Hoepfner  
Jennings  
Landry  
Laurin  
Lebel  
Lefebvre  
Manning  
Martin (Esquimalt—Juan de Fuca)  
Mercier  
Mills (Red Deer)

Althouse  
Bachand  
Benoit  
Bernier (Gaspé)  
Blaikie  
Brien  
Bélisle  
Charest  
Chrétien (Frontenac)  
Cummins  
Debien  
de Savoye  
Duceppe  
Epp  
Forseth  
Gagnon (Québec)  
Godin  
Grey (Beaver River)  
Guay  
Hanger  
Harper (Calgary West)  
Harris  
Hayes  
Hill (Prince George—Peace River)  
Jacob  
Lalonde  
Langlois  
Lavigne (Beauharnois—Salaberry)  
Leblanc (Longueuil)  
Leroux (Shefford)  
Marchand  
McClelland (Edmonton Southwest)  
Meredith  
Morrison

*Supply*

Ménard  
Picard (Drummond)  
Pomerleau  
Ramsay  
Ringma  
Sauvageau  
Scott (Skeena)  
Solberg  
Speaker  
Taylor  
Tremblay (Rosemont)  
White (Fraser Valley West)  
Williams—93

Paré  
Plamondon  
Péloquin  
Riis  
Rocheleau  
Schmidt  
Silye  
Solomon  
Strahl  
Tremblay (Rimouski—Témiscouata)  
Venne  
White (North Vancouver)

**PAIRED—MEMBERS**

**Members**

Allmand  
Cauchon  
Dalphond—Guiral  
Dubé  
Leroux (Richmond—Wolfe)  
McGuire  
O'Brien  
Patry

Caron  
Coppes  
DeVillers  
Dumas  
Loubier  
Nunez  
Parrish  
St-Laurent

**Mr. Eggleton** moved that the bill be read the third time and passed.

The House divided on the motion, which was agreed to on the following division:

*(Division No. 20)*

**YEAS**

**Members**

Adams  
Anderson  
Assad  
Augustine  
Bakopanos  
Beaumier  
Berger  
Bertrand  
Bevilacqua  
Blondin—Andrew  
Bonin  
Brown (Oakville—Milton)  
Bryden  
Caccia  
Campbell  
Catterall  
Chrétien (Saint-Maurice)  
Cohen  
Collins  
Crawford  
Dhaliwal  
Discepola  
Duhamel  
Easter  
English  
Finestone  
Fontana  
Gagliano  
Gauthier (Ottawa—Vanier)  
Goodale  
Gray (Windsor West)  
Guamieri  
Harper (Churchill)  
Hickey  
Ianno  
Irwin  
Jordan  
Kirkby  
Kraft Sloan  
LeBlanc (Cape Breton Highlands—Canso)  
MacAulay  
MacLaren (Etobicoke North)  
Maheu  
Maloney

Alcock  
Arseneault  
Assadourian  
Axworthy (Winnipeg South Centre)  
Barnes  
Bellemare  
Bernier (Beauce)  
Bethel  
Bhaduria  
Bodnar  
Boudria  
Brushett  
Bélair  
Calder  
Cannis  
Chamberlain  
Clancy  
Collenette  
Cowling  
Culbert  
Dingwall  
Dromisky  
Dupuy  
Eggleton  
Fewchuk  
Finlay  
Gaffney  
Galloway  
Godfrey  
Graham  
Grose  
Harb  
Harvard  
Hubbard  
Ifody  
Jackson  
Keyes  
Knutson  
Lavigne (Verdun—Saint-Paul)  
Lee  
MacDonald  
MacLellan (Cape Breton—The Sydneys)  
Malhi  
Marleau



*Private Members' Business*

Martin (LaSalle—Émard)	Massé
McCormick	McKinnon
McTeague	McWhinney
Mifflin	Milliken
Minna	Mitchell
Murphy	Murray
Nault	Nunziata
O'Reilly	Ouellet
Pagtakhan	Payne
Peric	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Reed
Regan	Richardson
Rideout	Ringuette—Maltais
Robichaud	Rock
Rompkey	Scott (Fredericton—York Sunbury)
Serré	Shepherd
Sheridan	Simmons
Skoke	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Terrana	Ur
Valeri	Vanclief
Verran	Walker
Wappel	Wells
Whelan	Wood
Young	Zed—146

## NAYS

## Members

Ablonczy	Althouse
Asselin	Bachand
Bellehumeur	Benoit
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Blaikie
Bouchard	Brien
Brown (Calgary Southeast)	Bélisle
Canuel	Charest
Chatters	Chrétien (Frontenac)
Crête	Cummins
Daviault	Debien
de Jong	de Savoye
Deshaies	Duceppe
Duncan	Epp
Fillion	Forseth
Frazier	Gagnon (Québec)
Gauthier (Roberval)	Godin
Gouk	Grey (Beaver River)
Grubel	Guay
Guimond	Hanger
Hanrahan	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hart	Hayes
Hermanson	Hill (Prince George—Peace River)
Hoepfner	Jacob
Jennings	Lalonde
Landry	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Lebel	Leblanc (Longueuil)
Lefebvre	Leroux (Shefford)
Manning	Marchand
Martin (Esquimalt—Juan de Fuca)	McClelland (Edmonton Southwest)
Mercier	Meredith
Mills (Red Deer)	Morrison
Ménard	Paré
Picard (Drummond)	Plamondon
Pomerleau	Péloquin
Ramsay	Riis
Ringma	Rocheleau
Sauvageau	Schmidt
Scott (Skeena)	Silye
Solberg	Solomon
Speaker	Strahl
Taylor	Tremblay (Rimouski—Témiscouata)
Tremblay (Rosemont)	Venne
White (Fraser Valley West)	White (North Vancouver)
Williams—93	

## PAIRED—MEMBERS

## Members

Allmand	Caron
Cauchon	Copps
Dalphond—Guiral	DeVillers
Dubé	Dumas
Leroux (Richmond—Wolfe)	Loubier
McGuire	Nunez
O'Brien	Parrish
Patry	St-Laurent

**The Speaker:** Order, please. My colleagues, I want you to know that I was prepared to take all of these votes this afternoon. I practised for two hours before coming in. Too bad we cannot take all the votes. Until the next time.

It being 17.55 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

## PRIVATE MEMBERS' BUSINESS

[Translation]

**Mr. Gaston Péloquin (Brome—Missisquoi):** Madam Speaker, there have been discussions among parties and I now seek unanimous consent for the motion standing in my name, motion M-172, presently in ninth place on the order of priority of Private Members' Business, to be withdrawn. This motion is no longer relevant in light of recent developments in the business community.

**The Acting Speaker (Mrs. Maheu):** The House has heard the hon. member's request. Is there unanimous consent?

**Some hon. members:** Agreed.

(Motion withdrawn.)

[English]

**Mr. Arseneault:** Madam Speaker, seeing that under Private Members' Business one of the bills on the order of priority has been withdrawn and there normally are ten, I was wondering if I could seek unanimous consent of the House to allow my bill to take that spot on the priority list.

**The Acting Speaker (Mrs. Maheu):** The House has heard the request. Do we have unanimous consent?

**Some hon. members:** Agreed.

**An hon. member:** No.

**The Acting Speaker (Mrs. Maheu):** We do not have unanimous consent.

## INCOME TAX ACT

**Mrs. Beryl Gaffney (Nepean)** moved:

That, in the opinion of this House, the government should amend the Income Tax Act so that child support payments are no longer considered taxable income for their recipients.

*Private Members' Business*

She said: Madam Speaker, I am very pleased to stand in the House this evening to speak to the following motion:

That, in the opinion of this House, the government should amend the Income Tax Act so that child support payments are no longer considered taxable income for their recipients.

This motion holds a great deal of interest throughout the country.

In 1942 Canada introduced a taxation policy on child support payments which allowed the payers to deduct the full amount of the payment from their income while the recipients must include the full amount in their income calculations. The policy has been criticized as discriminatory to women because it places an unfair tax burden on the custodial parent, usually the mother. Evidence shows in theory and in practice that this criticism is valid. This situation can be partially explained by historical changes, more specifically in patterns of the lives of men and women in Canada over the last 50 years.

When the policy was introduced in the 1940s it was designed to provide relief to the taxpayer burdened with both a wartime increase in taxes and the obligation of spousal and child support. The father was typically the only income earner and therefore the sole taxpayer in the separated family. It was logical at that time that tax relief be awarded to him. It was assumed the mother would still pay no tax.

Today, most single mothers have earned income and pay taxes on this income whether or not they receive support. What are the changes that have occurred in our society since this tax policy was implemented in the 1940s? First there have been demographic changes. The phenomenon of lone parenthood affects many more people today than in the past. Due to divorce and remarriage, lone parenthood is not always a lifetime, permanent situation. Rather is a phase of life of varying duration experienced by many parents. While lone parenthood itself may not be a permanent situation, the consequences have a lasting impact on women and children, particularly where the period of lone parenthood is lengthy and income is subsequently inadequate.

(1800)

As well, the practical support networks of extended family and community which usually provided financial and other forms of support have shrunk due to urban development and increased mobility.

Second, there has been a number of social changes. Today violence against women is being recognized as a societal problem that takes many forms and influences many aspects of women's daily life.

When negotiating a separation or divorce agreement many women are left in a very vulnerable position. Often they simply wish to get out of their relationship and to get on with their lives.

This often creates pressure to capitulate to inequitable settlements in order to end confrontation and avoid long drawn out custody battles. Returning to court later to seek a variance of child support is usually economically prohibitive for women and can carry many of the same dangers as the initial negotiation.

The report by the Royal Commission on the Status of Women in 1970 was the first study to examine the economic and social disadvantage of women in Canada. Since then many other studies have overwhelmingly identified and described the feminization of poverty and its direct relationship to the unpaid work involved in raising children and other tasks related to human maintenance.

Third, policy changes over the years have had a significant impact on the situation of women, families with children and in particular lone parent families. There has been decreasing support for families with children through the tax transfer system over the past two decades. The value of deductions and credits for children as a proportion of income has been steadily reduced. The reduction of the number of tax brackets from 10 to 3 today has also had an impact on families and on the tax treatment of child support.

Often after a divorce it is very difficult to find work with adequate pay to meet the needs of the children in the household. Therefore, mothers are forced to rely on social assistance. Social assistance policies in Canada however are not designed to take into consideration child support. Dollar for dollar of child support payments are deducted from the mother's social assistance cheques leaving her in a disadvantaged position of having little money for her children.

Fourth, there have been a number of economic changes in our society which impact on the taxation of child support. Perhaps the most significant change is the steady increase in the number of women, including those with children, participating in the labour force. However, they are still paid at the lower end of the pay scale.

After divorce family resources are often inadequate to continue to meet children's needs, yet it is the single mother who continues to be solely or primarily responsible for the financial needs of children because of the extremely high rate of default and child support awards.

The evidence is overwhelming. Given the number of changes that have occurred over the last 50 years it is paramount that we revisit the 1940s policy of the tax treatment of child support payments. We must ask ourselves if this policy is still, or for that matter, whether it has ever met its original goal of providing tax relief to the tax burden and encourage the payment of child support.

*Private Members' Business*

The rationale that the deduction for child support payers automatically requires inclusion as income by the recipient does not hold water. While they were married the father's support of the children was not income to the mother. While they were married the father's support of the children was not deductible. Likewise, now that they are divorced the custodial mother does not get to deduct what she spends on the children. The parents have now gone their separate ways. Why should the father's support of his children now become taxable income to the mother?

Child support payments were not income to the custodial mother prior to the 1940s because they did not fit the income tax concept of income. The Oxford Dictionary defines income as money received during a certain period as wages or salary. Child support in the custodial mother's hands is not new wealth from the production of labour or capital. It is simply the father's payment for his share of his children's expenses.

(1805)

The most important rationale for the reduction-inclusion treatment is that it will encourage higher support payments by shifting income from a higher tax paying parent to a lower tax paying parent. This is expected to cause a surplus tax saving available to increase child support payments.

The policy expects that the father's tax savings will always be greater than the mother's tax liability. Because of this the non-custodial parent should be able to pay the custodial parent's increased taxes through what is commonly referred to as a tax gross-up added to the child support payment. Then the policy assumes there will still be an additional surplus tax saving which can also be used to increase child support.

However, as we all know, theory and reality do not always produce the same end results and this is definitely the case with the deduction-inclusion policy.

First, although the father's tax saving may be greater than the mother's tax liability, neither the Income Tax Act or family law legislation requires the father to pay the mother increased tax liability. The report of the federal-provincial-territorial family law committee of May 1992 entitled "The Financial Implications of Child Support Guidelines" noted that while tax consequences should be an element of every child support determination, there is evidence to suggest that these calculations are not routinely made. If the father does not use his tax savings to pay the mother's tax liability, the consequences are very serious.

Let us use another example. A support order has determined that the father's fair share of the children's expense is \$10,000 for the year. Under family law principles, this determination is based on both parents sharing the cost of raising the children. The mother is also independently contributing to the children's support.

This \$10,000 child support award should be grossed up by about \$2,600 to reflect the mother's increased federal and provincial taxes. The grossed-up award then to the father should be \$12,600 for the year. The father can pay the extra \$2,600 because he has a tax savings from the deduction. The custodial mother needs the extra \$2,600 to cover her tax increase from having to include the support in her income.

Let us consider what will happen if the gross-up is not added to the award. The mother still must pay the \$2,600 in taxes. She will now be left with only \$7,400 from the father's support payment. There will be a shortfall from the original \$10,000 that the judge has awarded her. The onus for this shortfall is on the custodial mother and this causes hardship for the children. The father, on the other hand, still gets the benefit of the full tax savings.

A further flaw in the deduction-inclusion policy is the use of tax bracket differentials to deliver overall tax savings. This perspective is examined in great detail in a report entitled "Child Support Policy: Income Tax Treatment and Child Support Guidelines" by Ellen Zweibel and Richard Shillington.

Zweibel and Shillington note that there is an overall tax saving only when the non-custodial father's tax savings on support exceed the custodial mother's liability on support. The Zweibel and Shillington report found that a tax saving only occurs in 51 per cent of the cases and no saving occurs in 49 per cent. Furthermore, when a saving was realized, that saving was minimal.

The study revealed another troubling effect of the deduction-inclusion provisions. So far in this discussion we have been assuming that the non-custodial parent's tax savings will be greater than the custodial parent's tax liability thus creating a surplus tax saving. What happens if this is not the case?

If the mother's increased tax liability is greater than the father's tax savings, the system works against the separated family. The father can no longer pay the mother's increased tax liability from his tax savings.

In the Zweibel and Shillington report, 20 per cent of the cases fell into this category. Not only did the system fail to produce the possibility of a higher award, the system actually worked against them to decrease their already scarce resources.

The final rationale holds that the savings that occurs through the deduction-inclusion gross-up policy is supposed to benefit the children by generating further revenues for their support. Again reality must step in. Even when the saving is realized, the money sits in the hands of the father parent and there is nothing to say that he will forward that money to his ex-wife for the children.

This policy ignores that child support is a very contentious issue and that non-custodial fathers seeking to minimize their

*Private Members' Business*

payments may not readily agree to either a gross-up or to a further sharing of any tax saving above the gross-up.

(1810)

This is not just a tax issue but one of wider social injustice which affects the well-being of Canada's children and subsequently Canada's future. Article 2 of the United Nations Declaration on the Rights of the Child states:

The child shall enjoy special protection and shall be given opportunities and facilities, by law and other means, to enable him or her to develop physically, mentally, morally, spiritually, and socially in a healthy and normal manner and in conditions of freedom and dignity. In the enactment of laws for this purpose the best interest of the child shall be the paramount consideration.

It is our children who now bear the immediate consequences because the current system is not providing the effects it was intended to produce. If the current policy is not changed it is the children who will go on paying the consequences every day, not just in some cases and not by accident, but deliberately by our failure to redesign an outdated tax mechanism.

The causes of child poverty have been linked to family breakdown, at least in part, in many areas of the world including Canada. Average family incomes for single parent families headed by women are significantly lower than those of two parent families. When parents separate the cause of maintaining two households will mean that at least some members of the family will suffer from reduced income.

Unfortunately the predominant pattern is that women, who are the vast majority of custodial parents, and their children experience a marked decrease in standard of living while men who no longer live with their families experience an improvement in their material circumstances.

The Divorce Act sets out to maintain a similar standard of living for both parents after separation or divorce. Yet the standard of living for custodial parents and their children tends to decline as much as 73 per cent, whereas the non-custodial parents rises as much as 42 per cent.

When a father makes a child support payment he is transferring money he has earned toward the care and maintenance of his children. There is no difference between a parent living with their spouse and providing them with grocery money, paying for piano lessons or shoe laces than there is for a parent living separate from the their spouse or a parent of their children and making the same financial contribution.

There is no similar tax exemption for married persons or persons living common law whereby one or both of the spouses provides financially for the family. If the children were living with anyone other than the parent and those caretakers were receiving financial support, they would not be obliged to claim

it as personal income and be taxed accordingly and that is happening in this country all the time.

I have demonstrated to the House this evening the failings of the Income Tax Act on child support payments. I will run through six predominant areas.

First, I have demonstrated how Canadian society has changed demographically, socially, politically and economically. The deduction-inclusion policy on child support payments has been in existence since 1942. It is time that it be revisited and revamped to fit today's Canada.

Second, the taxation principle which holds that where a deduction has been claimed there must be an inclusion is false, absolutely false.

Third, tax subsidies from the deduction-inclusion principle only exist in some cases and it is often very minimal. Furthermore, there is no provision to ensure that where a savings exists that money is forwarded to the children to improve their standard of living.

Fourth, history has demonstrated that the availability of a tax deduction for the non-custodial parent has not proven to be an incentive for the support payer to make payments in full and on time. I believe that was one of the reasons that they instituted that in the first place.

Fifth, the standard of living for custodial parents and their children tends to decline while the non-custodial parents tends to rise. Taxing support payments works contrary to any efforts to raise these households out of poverty.

Finally, child support payments should be seen for what they are, a continuation of the non-custodial parent's obligation to the raising of their children.

Canada's tax policy taxes child support payments, unlike what we see in the United States, Australia, Britain, Sweden and in many other countries. While the average child support order covers less than half the minimum cost of raising a child, the government deems it fair to take up to one-third or more of support payments that are meant to feed and cloth children. It is time that we as legislators in the House of Commons, in the Parliament of Canada stood up and put a stop to this and bring justice and fairness into our tax system, particularly as it relates to the future of our children.

(1815)

[Translation]

**Mr. Gilbert Fillion (Chicoutimi):** Thank you, Madam Speaker, for giving me the opportunity to speak on this motion which I care about on the tax treatment of child support payments.

*Private Members' Business*

First, I must relate some important facts which justify my speaking in this House and which I think are extremely significant, on the economic situation of women who are single parents.

In Canada, 10.7 per cent of all families are headed by a single mother. A brief from the Canadian Advisory Council on the Status of Women presented to the federal-provincial-territorial committee on family law in December 1992 gives us the following picture: 82 per cent of one-parent families are headed by women; in 1986, 56 per cent of single mothers had an income below the poverty line; the percentage of poor children raised in single-parent families headed by women more than doubled between 1979 and 1988, from 17.9 per cent to 39.1 per cent. That is frightening! Seventeen per cent of children are poor; 35.5 per cent of them live in single-parent families headed by a woman.

I am not telling you anything new when I say that in most cases child custody is given to women and their income is less. This issue of pay inequity has been and continues to be a subject of debate. Clearly, the inequality of women in our society in general is felt even more strongly by women who must raise their children alone.

Studies on child support payments show that they do not cover even half of the actual expenses incurred and that usually the spouse with custody of the children must make up the difference. We cannot close our eyes to such a situation and therefore we must turn towards legal mechanisms to ensure the viability of families.

The United Nations has declared 1994 the International Year of the Family. Celebrating the family also means being aware of changes in it and ensuring that every member of the family can live in dignity if the family is separated or breaks up.

Family law has undergone major reforms over the years. This is not pure coincidence. The family is evolving, it is changing and rules of law must be adjusted to the new reality.

The Constitution splits legislative powers in these fields between the federal and provincial governments. Divorce and corollary measures such as custody and support are regulated by the Divorce Act of 1985.

From a tax point of view, the Income Tax Act provides that, in calculating his income for a taxation year, a taxpayer must include any amount received during that year in the form of allowance or support payments. Conversely, a taxpayer can deduct any amount paid as allowance or support. This is the deduction-inclusion rule.

Many requirements must be met before the amount can be paid or received, and before it can be deductible or taxable. In fact, there are six of them.

(1820)

The amount must be paid or received as support payment or other type of allowance. It must be paid or received in compliance with a decision from a court of competent jurisdiction, or in compliance with a written agreement. It must be paid or received to support the needs of the recipient, of the children of the marriage, or both. The alimony or allowance must be payable regularly; the spouses or former spouses must be separated by virtue of a divorce, legal separation or written separation agreement. The spouses must live separately at the time the payment is made or received and also the rest of the year.

As you can see, many requirements have to be met before a payment can be made. Once all these conditions are fulfilled, the deduction-inclusion rule comes into play. This tax policy is also based on four principles which the Minister of Finance explained in the report of the federal-provincial-territorial committee on family law.

It is a tax principle that when a deduction is claimed by a taxpayer regarding an expense, the recipient must pay tax on the amount. Recipients of alimony payments must be taxed the same as other taxpayers receiving the same income from other sources. The tax deduction granted to the payer makes the idea of providing support more palatable. Finally, this tax treatment is a form of subsidy which benefits children, since it is an incentive for the payer to provide more support.

Let us go back to each of these points. First, let us look at the deduction-inclusion rule. One approach points to a variety of approaches. For instance, Australia treats support payments as a debt or a non-deductible obligation. In the United States, however, a distinction is made between child support and spousal support. The non-custodial parent pays income tax on child support payments but spousal support is deductible.

These examples indicate the range of variations in terms of tax policy. The deduction-inclusion principle benefits only families where the support payer is in a higher tax bracket than the recipient. Is tax policy fair when it is based on income disparity? Should we not focus our support on low-income single parent families?

Canadian society has changed tremendously since 1942, when the first tax provisions on support payments were introduced. The number of tax brackets has been considerably reduced, and creditors and debtors may be subject to the same tax rates, although one may have a higher income than the other. Finally, if the non-custodial parent has a lower tax rate than the custodial parent, the total amount of taxes paid will be higher.

The tax deduction granted the support payer, which was thought to be an incentive for people to pay support payments, did not have that effect. Support mechanisms had to be put into place when women experienced problems collecting these

payments. In 1974, the Law Reform Commission estimated that in as many as 75 per cent of all cases, people defaulted on their payments.

It is obvious that single parent women—and I am aware my time is running out—are particularly vulnerable economically, and we can turn this situation around to some extent by providing for a tax scheme that would meet their needs.

(1825)

The government could give this question serious thought and do so quickly. It should revise concepts that are very damaging to the economic security of women who are single parents.

The Bloc Québécois is therefore in favour of amending the Income Tax Act so that child support payments are no longer considered taxable income for their recipients.

[English]

**Mr. Jim Silye (Calgary Centre):** Madam Speaker, the motion we are debating today, that in the opinion of the House the government should amend the Income Tax Act so that child support payments are no longer considered taxable income for the recipients, serves one major and very useful purpose. It draws attention to one of the major problems of single parents, mainly women, and the high cost of raising children.

This issue should be discussed in the House and all its related problems and solutions pointed out. This I will do further on in my speech.

This motion implies that somehow the current income tax laws on alimony and maintenance payments are unfair, contribute to the problem and therefore should be amended. On this point I disagree as do the majority of my colleagues in the Reform Party.

The logic is that since the money is paid to a parent in support of raising children, by taxing this income governments are taxing our children.

This particular logic is fundamentally flawed and the alternatives suggested by this motion may result in children being even worse off.

Under the current Income Tax Act, section 60(b) and (c), the supporting parent is permitted to receive a tax deduction for alimony and maintenance payments while the receiving parent is required, under section 56(1)(b) and (c), to include the receipt of such payments as income if the amount was received under an order or decree made by a competent tribunal in accordance with the laws of a province.

Therefore we are assured that tax is being paid by one parent and the income is not double taxed.

In addition, the receiving parent is given a child tax credit similar to any other parent raising children.

### *Private Members' Business*

Therefore the alternative in this motion, which suggests a complete overhaul of sections 60 and 56 of the Income Tax Act, may result in less moneys going to the recipient.

Revenue Canada argues that it gives tax breaks to parents who make support payments to compensate them for the loss of dependent deductions lost after a divorce.

In other words, the support recipient now receives the child tax credit and the personal tax exemption which was being deducted by the supporting parent.

This confirms an important accounting principle that is the very basis of the Income Tax Act that where a taxpayer claims a deduction in respect of an expense, the recipient should pay the tax on it.

Herein lies the major problem to the motion before us today. Who will pay the tax on the child support payment if it is no longer considered taxable income for the recipient?

As alluded to before, it is logical to argue that if it were non-taxable for the recipient then Revenue Canada would make it non-taxable for the parent making the payment.

Then my question would be would this result in lower maintenance payments by the supporting parent?

Would this motion, if adopted, generate less revenue to the recipient than the status quo?

The rationale for the current system is simple and sensible. First, the spouse who claims the child tax deduction should also be the one responsible for claiming the income associated with raising the child.

Second, if this money were not to be taxed at all it would create a situation in which separated families are given preferential treatment under the Income Tax Act to that granted to complete families, especially if the receiving spouse is also allowed the child tax credit.

Third, the tax deduction makes the payment of child support more attractive and enticing for the supporting parent to make despite the statistics mentioned by the former member of the Bloc Québécois. This is a major concession on the part of Revenue Canada because there are no limits to the amount. All that is needed is an agreement.

(1830)

Fourth, the current arrangement can have an income splitting effect whereby between the two parties less tax is paid overall and more money is available for the child.

Fifth, good, bad or indifferent, whatever the point of view, the current system maximizes the support payment for maintenance.

Having stated why the current system is probably as good as can be expected, I would like to address some of the problems that the motion tries to correct.

*Private Members' Business*

First, the real problem is that support recipients spend the money without paying taxes.

Second, as of March 1, 1992 approximately 75 per cent of non-custodial divorced parents who had been ordered to make child support payments were in arrears.

Third, this forces support recipients to turn to social assistance, costing taxpayers money that otherwise should have been paid by the non-custodial parent.

Fourth, insufficient funds either to pay the taxes or care for the child creates stress and extra concern for the custodial parent.

Fifth, in many instances supporting spouses leave the province in order to avoid paying child support. Since it is a provincial responsibility to administer the child support and alimony system authorities are virtually helpless. The result is an increase in welfare costs to the provinces.

What are some of the solutions? We argue against the motion but what can we contribute in the House to help solve this very important problem?

We could leave the current system in place and encourage the courts to recognize better the financial needs of the recipients and the high cost of raising children. We could change the federal-provincial laws to allow interprovincial tracking of non-payers. We could initiate a campaign of shame on those parents who wilfully avoid payments to support their children and reminders to support recipients to remit some taxes periodically throughout the year to reduce the lump sum requirement at tax time. We could lower the tax rate for everyone by lowering government spending. That could be a tough sell in the House.

Unless there is an agreement between the two parents the non-custodial parent does not get the maintenance deduction. Therefore both parties when in divorce court should be made aware of the tax consequences before final agreement is reached. The support recipient should seek more equity through the support system itself and not through the tax system.

In the 1992 federal budget a new child tax benefit was created. It was designed to aid in the fight against child poverty by targeting federal moneys to those families in financial need. The motion helps point out a problem in society but the Income Tax Act did not cause the problem. It was caused by human error on the part of parents for whatever reason. The solution lies in public awareness and education for divorcing couples so that they do not make deals at the kitchen table or, if they make deals at the kitchen table, they are cognizant of the impact of their decisions.

The reality is taxable support payments are better than no support payments. Income tax is far too complicated and too

intrusive when involved in dictating through tax preferences our social behaviour. Our entire taxation system should be reviewed, reformed and simplified.

In conclusion, a flat tax for Canada would help solve our social program funding with higher personal exemptions, improve the tax system through simplification, and, for members across the way, create more jobs because taxpayers would have more disposable income.

**Mr. John Murphy (Annapolis Valley—Hants):** Madam Speaker, I am pleased to have the opportunity to speak today on this important motion. I would like to take the opportunity to congratulate the hon. member for Nepean for bringing forward this issue to the House of Commons.

(1835)

The motion before us addresses the changing social and economic nature of Canadian society, namely the increasing number of single parent families and the difficulty these parents face in providing for their children. I support the motion because I believe that by addressing the issue of child support payments we are also addressing the broader fundamental problem of child poverty.

Our government has made a commitment to invest in people and to create opportunities for all Canadians. All our economic and social policies have aimed to achieve this objective. I believe the motion before us is consistent with that goal. It gives us the opportunity to ensure that children of lone parent families are provided with the resources necessary to live successful and productive lives.

The level of child poverty in Canada is unacceptably high. Recent statistics show us that 1.2 million children in our country are living in poverty. Canada's poor children live extremely disadvantaged lives. These children often live in poor housing conditions. They have a greater likelihood of experiencing unemployment in their families and have far less access to quality child care.

Further, according to Campaign 2000 of the Child Poverty Organization with which I met this morning, poor children can expect to have a shorter life span, suffer from illness, require an increasing amount of emergency food assistance and are more likely to drop out of school.

The rate of child poverty in single parent families in 1991 was about 61 per cent. In other words, three of every five children living in a single parent family lived in poverty. On average poor single parent families need an extra \$9,000 a year just to reach the poverty line. These figures are particularly true for female custodial parents. After divorce, custodial mothers experience a dramatic increase in the economic burdens and income earning limitations linked to child rearing responsibilities.

*Private Members' Business*

Close to about 60 per cent of all female lone parents live in poverty. Although this group represents only 3 per cent of all Canadian households they bear 17 per cent of Canada's total poverty burden. This problem must be addressed by all members of the House.

In my riding of Annapolis Valley—Hants there are approximately 2,300 female lone parent households. I have had the opportunity to speak with many of these parents. They have raised many of the same arguments placed before the House today. It has become increasingly difficult over time for single parents to provide adequately for their children. For custodial parents, a single portion of the support payment is lost to taxes. As a result support payments often do not meet the needs of children the payments are intended to assist.

In light of these statistics we must ensure that children of lone parent families do not suffer the consequences of inadequate levels of child support. Unless we address the problem the same children will continue to suffer the consequences of a system that is not providing the effects it was designed to produce.

When the inclusion-exclusion tax policy was developed in 1942 its purpose was to ensure that as much money as possible was going to children of single parent families. By taxing the custodial parent who is generally in a lower tax bracket rather than the child support payer, more money was left over in those times to meet the needs of the children.

However much has changed since 1942. We must ensure that our laws reflect these new social and economic realities. There are more single parent families now than we had in the past. The majority of these single parents are women who after divorce suffer a decline in their standard of living.

(1840)

Presently there are only three tax brackets as opposed to ten in 1942 as we heard earlier. There is a greater likelihood therefore that both parents earn the same tax bracket. This negates any tax savings that would have been generated in the earlier years.

Upon divorce, family resources are often inadequate to continue to meet the needs of the children or the two households that must be maintained. Therefore by taxing already low child support payments we are in effect taking money away from the families and the children who need it the most.

As the motion indicates child support payments should not be taxed. Instead these payments should be seen simply as a continuation of the obligation of support payers toward their children. By adopting the motion we could help ensure that single parents and their children are not unfairly targeted by a system that is no longer working as it should.

In 1989 an all-party resolution was unanimously adopted calling for the elimination of child poverty by the year 2000. While many faces in the House may have changed since then we must continue to support this commitment. I believe the motion offers all members of the House an opportunity to renew our fight against child poverty.

In closing the motion alone will not bring an end to child poverty, but I believe that by supporting the proposed change we can take concrete steps to ensure more money is being directed to those children who need it the most.

[*Translation*]

**Mr. Pierre de Savoye (Portneuf):** Madam Speaker, I will be brief and to the point. First of all, I would like to congratulate the hon. member for Nepean for her marvellous initiative. This issue has been talked about for a number of years by heads of single parent families but today, finally, a motion is introduced in this House. I hope it will lead to a rapid solution to this problem.

I was already familiar with this issue, but the hon. member for Nepean brought us facts and findings which have made me even more aware of the perverse impact of the taxation of alimony payments for the custodial parent.

I believe that the materials she quoted and the facts she presented, which clearly demonstrated that indeed children in the present situation have less than they had previously, will convince our colleagues in the Reform Party to revise their position and adopt a frame of mind more in tune with the 1990s and shortly the year 2000.

I will conclude by congratulating again the hon. member for Nepean and hoping that this House will strongly endorse the motion and that the government will act upon it without delay.

[*English*]

**Ms. Beth Phinney (Hamilton Mountain):** Madam Speaker, for many Canadians the taxation of child support payments remains the great divide between their responsibilities as caregivers and their capacity to meet these obligations.

[*Translation*]

As members of the House of Commons, we will have to face this inequality and to bring in fairness.

[*English*]

Current tax laws state that child support payments paid by the non-custodial parent are considered as tax deductible, while the payments received by the custodial parent are lumped into his or her taxable income. On the face of it this law runs against the grain of decades of Liberal policies designed to support families and children.



*Private Members' Business*

Let me offer the House some of the history that fosters the current state of injustice. Present tax laws concerning child support payments were enacted in the 1940s. Society and government have been radically altered since then, but tax laws have not been altered. There is no question that the time has come to bring these laws up to speed with the modern era. We as a government must take action to modify these laws not only to bring about greater fairness but to reflect the needs of custodial parents today and in the coming years.

(1845)

It is no exaggeration to say that the unfairness of the federal income tax system is driving custodial parents into bankruptcy and depriving their children of thousands of dollars in support payments.

The Income Tax Act actively discriminates against custodial parents by forcing them to pay tax on the support they receive from estranged spouses.

Across Canada there are almost one million single custodial parents. Of this number more than 750,000 are women. This issue like too many others involves the continuing suffering of disadvantaged women and children. We cannot remain unmoved by the adversity imposed on these Canadians by our tax regime.

[Translation]

The Income Tax Act much be changed to reflect the needs of women heading single parent families in this country.

[English]

Nations the world over have decided to make absent parents more responsible for their children. Foreign governments have taken the initiative to change their child support tax laws so that the parent who has left the home has a greater financial responsibility to the custodial parent and child.

When we look at our neighbours to the south we do not see the inequities encountered in Canada. In fact, the taxation laws concerning child support payments in the United States are the reverse of our own.

In the United States child support payments are deemed to be non-taxable income for both the payers and the recipients. If I may say so, this seems to be a more logical and equitable way to handle the issue.

In Britain the child support tax laws have only recently been changed and the government intervention has only recently moved to lessen the plight of single mothers. Nearly all absent parents have been tracked down in England and forced to pay an amount derived from an originally applied formula. This formula makes child support a top financial priority, placing great emphasis on the parent's income and the cost of raising the children while sanctioning few excuses for delinquency.

The British system emulates that of the United States by not taxing child support payments. Britain's approach to this issue has emerged as one the world's toughest. This government must join the worldwide march toward tougher child support laws and take immediate action.

In 1991 Statistics Canada revealed that there had been a 34 per cent increase in lone parent families in the previous ten years. By comparison, the number of two parent families with children rose by just 6 per cent over the same period. The end result is that lone parents accounted for 20 per cent of all families in the year 1991, up from 17 per cent in 1981.

One child in five resides in a single parent household. Moreover, these statistics clearly show that children are hit the hardest by the obsolescence of tax laws concerning child support.

The facts are plain and simple. Female lone parents remain consistently less likely than other parents to be employed and there have been sharp drops in employment levels of lone parent women during the recessions in the early 1980s and the 1990s.

Lone parent families have lower incomes than two parent families. In 1990 the average income of female headed lone parent families at \$22,000 was just 38 per cent of the \$57,000 earned by dual parent families with children.

These numbers demand action by this government. When we are struck by the appalling state of the current child tax laws we must ask ourselves why this issue has not been dealt with before.

It is clear that the current tax laws have created inequities between the payers and the recipients of child support. The tax treatment of child support payments makes a very complicated issue out of one that should be as straightforward and simple as possible. No other country treats the taxation of child support the way Canada does.

We know who the victims of the current state of child support tax laws are. It is a statistically proven fact that single women and their children are being financially devastated and socially marginalized.

(1850)

They are the ones who bear the economic consequences of divorce and separation. If the current policy is not changed it is the children of single parent families who will go on paying, not just in some cases and not just by misfortune, but by our deliberate failure to recognize the problems with our existing tax laws.

Modernizing our primitive treatment of child support payments is an issue that must be remedied through the tax system. Better child support guidelines and enforcement mechanisms are essential and must be addressed within the justice system.

[*Translation*]

We must acknowledge the problems of current legislation and pass the measures necessary to improve the situation.

[*English*]

Let me now introduce some of the proposed improvements to the current tax law. We should remember that the combined impact of income tax and child support policies must be measured by its impact on the standard of living of the affected family.

There are a number of changes that could be affected through federal legislation and policy measures. The avenues this government needs to explore are several. The Income Tax Act could develop child support guidelines that reflect the cost of raising children and that are compatible with revamped tax treatments of child support payments.

This act would support the efforts of lone parent families in Canada, specifically the single mother. We could follow the lead of the American tax system and not include child support payments in the calculation of our taxable income. This would treat child support costs in the same manner for tax purposes for custodial and non-custodial parents. This would also result in equal treatment of child support costs in families in which parents live together and in those in which parents are separated or divorced.

As insurmountable as these problems may appear, we must attempt to reform the existing tax on child support payments which, quite frankly, is the government's punishment to those women who, for whatever, reason have separated from their spouses.

The current law is extremely limited as a means of distributing tax relief for the benefit of children and in most cases it is detrimental. Women and children are its victims. I hope all members will join the women and men in this House who hope to right this injustice.

**The Acting Speaker (Mrs. Maheu):** We have about a minute left.

**Mr. Rey D. Pagtakhan (Winnipeg North):** Madam Speaker, I too am delighted to rise in support of the motion of my Liberal colleague, the member for Nepean.

The motion states:

That, in the opinion of this House, the government should amend the Income Tax Act so that child support payments are no longer considered taxable income for their recipients.

We heard a lot of presentations earlier and I agree that the motion raises the issue of fairness. Is it fair to tax support payments earmarked for children? In that question is inherent as well the question are we committed to the children of our country, the children who are the future resource that will help build our nation even stronger, the children who cannot vote but

### *Adjournment Debate*

nevertheless who need our help? We have a duty and an obligation to support them.

As well, this motion is a commitment to single parents and our commitment to eliminate poverty in this nation as this House did on November 24, 1989, unanimously adopted. In conclusion, I would like to state that we have an obligation to our nation's children, to support them and make child support payments no longer taxable in the hands of the recipients.

**The Acting Speaker (Mrs. Maheu):** The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 93, the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

---

## ADJOURNMENT PROCEEDINGS

(1855)

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

### CANADA LABOUR CODE

**Mr. Réal Ménard (Hochelaga—Maisonneuve):** Madam Speaker, I understand that you are giving me the floor regarding a question I asked the Deputy Prime Minister, on February 18, about the POWA Program.

I will remind the House that, on February 18, I asked the Deputy Prime Minister what her intentions were regarding the support program for workers affected by collective lay-offs. The POWA Program is a joint federal-provincial program 70 per cent of the cost of which is covered by Ottawa and the remaining 30 per cent is paid by the provinces. At that time, the Deputy Prime Minister was, unknowingly I believe, in the wrong when she said that this program was in some way connected with the Canada Labour Code, which is totally false, of course.

I rise today to point out that the POWA Program, which replaces the Workers Assistance Program created in 1988, discriminates against workers in the Montreal area. Everybody knows that, under the terms of this program, for workers to be eligible for benefits, which are half-way between unemployment insurance and social assistance, there must be a certain number of workers laid off. In the Montreal area, with a workforce of over 500 000 people, the administrative agreement says that at least 100 workers must be laid off for them to be eligible for benefits.

However, with its clothing and textile sectors, the industrial fabric of Montreal is such that most businesses that would apply for the POWA Program have a workforce of between 20 and 30 people. It is so true, so disturbing and alarming, that 83 per cent of all applications made by Montreal companies under the POWA program, the Program for Older Worker Adjustment

*Adjournment Debate*

which is, let me remind you, a joint federal-provincial program, have been rejected.

This goes to show, Madam Speaker, that this is a very discriminatory program. I would like to remind the House that the members for Saint-Léonard and Saint-Henri—Westmount have tabled petitions on that subject. They decided to represent the workers so that the government, Tory in those days, would remedy the situation.

There is an enormous consensus in Montreal. The mayor, unions, employers, and naturally workers, all pray that a much-wanted and almost urgent modification be implemented very soon. At the end of my speech, the minister suggested I table a private member's bill. You all know how much I always make it my duty to please the Deputy Prime Minister so I am happy to announce that I will indeed be tabling a private member's bill. As concerns the respect for workers, the challenge is now to find out if the government majority will be consistent, will stand by the Bloc Québécois, will support that bill and make sure it is votable so that we can put an end to that unacceptable discrimination as the various sectors of the Montreal community have requested.

[English]

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development):** Madam Speaker, the hon. member stated that the program for older worker adjustment, known as POWA, discriminates against Montreal.

I would like to make a very strong case that it is not the case at all.

The program for older worker adjustment is a program designed to help older workers who have been involved in major permanent layoffs and who have little chance of finding re-employment.

Major layoffs are defined according to the size of the community. In larger communities such as those of over 500,000 inhabitants a major layoff would involve at least 100 workers. In smaller communities such as those with a population of under 10,000 a major layoff would involve at least 20 workers.

POWA does not discriminate against Montreal compared with other cities. The same guidelines are applied across the country.

The POWA eligibility criteria were negotiated with the government of Quebec and are contained in the Canada/Quebec POWA framework agreement. Similar POWA eligibility criteria are contained in the other federal-provincial agreements.

POWA criteria were developed to take into account the economic significance of the layoffs for the local community and to reflect the fact that older workers who are laid off in smaller communities have fewer re-employment opportunities than workers in the larger labour market.

Under POWA 441 major layoffs have been designated in the province of Quebec. Annuities have been purchased for 3,842 eligible older workers. The federal and Quebec governments have spent \$160 million to purchase these annuities.

**The Acting Speaker (Mrs. Maheu):** It being 7.03 p.m. the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.03 p.m.)

# TABLE OF CONTENTS

Tuesday, March 22, 1994

---

## ROUTINE PROCEEDINGS

### Government Response to Petitions

Mr. Milliken .....	2581
--------------------	------

### Committees of the House

#### Library of Parliament

Mr. McWhinney .....	2581
---------------------	------

### Canada Elections Act

Bill C-229. Motions for introduction and first reading deemed adopted .....	2581
---	------

Mr. Assadourian .....	2581
-----------------------	------

### Petitions

#### Bill C-91

Mr. Solomon .....	2581
-------------------	------

### Questions on the Order Paper

Mr. Milliken .....	2581
--------------------	------

## GOVERNMENT ORDERS

### Supply

#### Allotted Day—Job Creation

Mrs. Lalonde .....	2582
--------------------	------

Motion .....	2582
--------------	------

Mr. Lavigne (Verdun—Saint-Paul) .....	2585
---------------------------------------	------

Mr. Crawford .....	2585
--------------------	------

Ms. Blondin–Andrew .....	2586
Mr. Tremblay (Rosemont) .....	2589
Mr. Harris .....	2590
Mr. Epp .....	2591
Mrs. Kraft Sloan .....	2592
Mrs. Catterall .....	2593
Mr. Silye .....	2593
Mrs. Brushett .....	2595
Mr. Dhaliwal .....	2596
Mr. Crête .....	2596
Mr. Gallaway .....	2600
Mr. Finlay .....	2600
Mrs. Brushett .....	2601
Mrs. Catterall .....	2601
Mr. Loubier .....	2603
Mr. Hoepfner .....	2605
Mrs. Kraft Sloan .....	2605
Mr. Rocheleau .....	2605
Mrs. Brushett .....	2608
Mr. Adams .....	2609
Mr. Axworthy (Winnipeg South Centre) .....	2610
Mr. Leblanc (Longueuil) .....	2613
Mr. White (North Vancouver) .....	2614
Mr. Gouk .....	2615

## **STATEMENTS BY MEMBERS**

### **Racial Discrimination**

Mrs. Terrana .....	2616
--------------------	------

### **Prix du mérite du français**

Mr. Landry .....	2616
------------------	------

### **Police Memorial**

Mr. Hanger .....	2616
------------------	------

### **Tainted Blood**

Mrs. Gaffney .....	2616
--------------------	------

<b>Fenelon Falls Curling Team</b>	
Mr. O'Reilly .....	2616
<b>Members of Parliament</b>	
Mr. Bryden .....	2617
<b>Hyundai Car Plant in Bromont</b>	
Mr. Leroux (Shefford) .....	2617
<b>The Grumman Goose</b>	
Mr. Hill (Prince George—Peace River) .....	2617
<b>Canadian Armed Forces</b>	
Mr. Murphy .....	2617
<b>The Late Kenneth Kidd</b>	
Mr. Adams .....	2618
<b>The Rankin Family</b>	
Mr. LeBlanc (Cape Breton Highlands—Canso) .....	2618
<b>Human Rights</b>	
Mr. Ménard .....	2618
<b>Canadian Aluminum Industry</b>	
Mr. Scott (Skeena) .....	2618
<b>Kitchener Prison for Women</b>	
Mr. Peric .....	2618
<b>World Speed Skating Championships</b>	
Ms. Guarnieri .....	2619
<b>The Economy</b>	
Mr. Bhaduria .....	2619

## **The Budget**

Mr. Riis .....	2619
----------------	------

## **ORAL QUESTION PERIOD**

### **Human Rights**

Mr. Bouchard .....	2619
Mr. Chrétien (Saint-Maurice) .....	2620
Mr. Bouchard .....	2620
Mr. Chrétien (Saint-Maurice) .....	2620
Mr. Bouchard .....	2620
Mr. Chrétien (Saint-Maurice) .....	2620

### **Government's Credit Rating**

Mr. Loubier .....	2620
Mr. Martin (LaSalle—Émard) .....	2620
Mr. Loubier .....	2621
Mr. Martin (LaSalle—Émard) .....	2621
Mr. Manning .....	2621
Mr. Martin (LaSalle—Émard) .....	2621
Mr. Manning .....	2621
Mr. Martin (LaSalle—Émard) .....	2621
Mr. Manning .....	2621
Mr. Martin (LaSalle—Émard) .....	2622

### **Publishing Industry**

Mrs. Tremblay (Rimouski—Témiscouata) .....	2622
Mr. Dupuy .....	2622
Mrs. Tremblay (Rimouski—Témiscouata) .....	2622
Mr. Dupuy .....	2622

### **Aluminium Industry**

Mr. Scott (Skeena) .....	2622
Mr. MacLaren .....	2622
Mr. Scott (Skeena) .....	2623
Mr. MacLaren .....	2623

### **Publishing Industry**

Mr. Gauthier (Roberval) .....	2623
-------------------------------	------

Mr. Dupuy .....	2623
Mr. Gauthier (Roberval) .....	2623
Mr. Dupuy .....	2623

**Aluminum Industry**

Mr. Ringma .....	2623
Mr. MacLaren .....	2623
Mr. Ringma .....	2623
Mr. MacLaren .....	2624

**Hyundai Plant in Bromont**

Mr. Péloquin .....	2624
Mr. Martin (LaSalle—Émard) .....	2624
Mr. Péloquin .....	2624
Mr. Martin (LaSalle—Émard) .....	2624

**Health Care**

Mr. Gallaway .....	2624
Ms. Marleau .....	2624

**Agriculture**

Mr. Benoit .....	2624
Mr. Goodale .....	2624
Mr. Benoit .....	2625
Mr. Goodale .....	2625

**Worker Adjustment Programs**

Mrs. Lalonde .....	2625
Mr. Axworthy (Winnipeg South Centre) .....	2625
Mrs. Lalonde .....	2625
Mr. Axworthy (Winnipeg South Centre) .....	2626

**Vancouver Port Corporation**

Mr. Hill (Prince George—Peace River) .....	2626
Mr. Young .....	2626
Mr. Hill (Prince George—Peace River) .....	2626



Mr. Young .....	2626
-----------------	------

**Grain Transportation**

Mr. Comuzzi .....	2626
Mr. Young .....	2626

**La Francophonie**

Mr. Plamondon .....	2627
Mr. Dupuy .....	2627

**Justice**

Ms. Meredith .....	2627
Mr. Rock .....	2627

**Points of Order**

**Vehicle Safety**

Mr. Young .....	2627
-----------------	------

**GOVERNMENT ORDERS**

**Supply**

**Allotted Day—Job Creation**

Consideration resumed of motion .....	2627
Mr. White (North Vancouver) .....	2627
Mr. Shepherd .....	2629
Mr. Reed .....	2629
Mr. Harvard .....	2630
Mr. Simmons .....	2630
Mr. Fillion .....	2631
Mr. McClelland .....	2632
Mr. Shepherd .....	2632
Mr. Fillion .....	2634
Mr. Gouk .....	2634
Mrs. Guay .....	2634
Mr. Duhamel .....	2636

Mr. Lavigne (Verdun—Saint-Paul) .....	2637
Mrs. Payne .....	2637
Mr. Canuel .....	2639
Mr. Sauvageau .....	2639
Mrs. Terrana .....	2640
Mr. Ménard .....	2641
Mr. Scott (Skeena) .....	2642
Mr. Bryden .....	2644
Mr. Harvard .....	2644
Mr. Duhamel .....	2644

## **Committees of the House**

### **Fisheries and Oceans**

Mr. Milliken .....	2645
(Motion moved and agreed to.) .....	2645

## **Business of the House**

Mr. Milliken .....	2645
(Motion moved and agreed to.) .....	2645

## **Supply**

### **Allotted Day—Job Creation**

Consideration resumed of motion .....	2645
Mr. Mercier .....	2645

### **Supplementary Estimates (B)**

Motion for concurrence .....	2646
Mr. Eggleton .....	2646
(Motion agreed to.) .....	2646
Bill C-19. Motion for first reading deemed adopted .....	2646
Bill C-19. Motion for second reading .....	2646
(Motion agreed to, bill read the second time and the House went into committee thereon, Mrs. Maheu in the chair.) .....	2646
(Clauses 2 to 7 inclusive agreed to.) .....	2646
(Schedule agreed to.) .....	2646
(Clause 1 agreed to.) .....	2646

(Preamble agreed to.) .....	2646
(Title agreed to.) .....	2646
Mr. Gauthier (Roberval) .....	2646
(Bill reported.) .....	2646
Bill C-19. Motion for concurrence .....	2646
(Motion agreed to.) .....	2646
Bill C-19. Motion for third reading .....	2646
Motion agreed to on division: Yeas, 146; Nays, 92 .....	2647
(Bill read the third time and passed.) .....	2648

### **Interim Supply**

Mr. Eggleton .....	2648
Motion for concurrence .....	2648

### **PRIVATE MEMBERS' BUSINESS**

Mr. Péroquin .....	2652
(Motion withdrawn.) .....	2652

### **Income Tax Act**

Mrs. Gaffney .....	2652
Motion .....	2652
Mr. Fillion .....	2655
Mr. Silye .....	2657
Mr. Murphy .....	2658
Mr. de Savoye .....	2659
Ms. Phinney .....	2659
Mr. Pagtakhan .....	2661

### **ADJOURNMENT PROCEEDINGS**

#### **Canada Labour Code**

Mr. Ménard .....	2661
Mr. Bevilacqua .....	2662