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(HANSARD)

**Thursday, April 14, 1994**

**Speaker: The Honourable Gilbert Parent**

# HOUSE OF COMMONS

Thursday, April 14, 1994

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

[*English*]

### CITIZENSHIP ACT

**Hon. Sergio Marchi (Minister of Citizenship and Immigration):** Mr. Speaker, to hold Canadian citizenship is our greatest honour and responsibility. It is also recognized around the world as a symbol of opportunity, equality, freedom, fairness, and above all hope.

If we are to move forward as a nation Canadian citizenship must be strengthened and appreciated even more.

Next week is National Citizenship Week, a time when all Canadians are encouraged to reflect on the principles, rights and responsibilities of our citizenship. Therefore this is a most opportune time for me to make two announcements on behalf of the government and the people of Canada.

First, I am pleased to announce plans for the development of a new Citizenship Act. We have had a proud history of citizenship legislation in the country, a history of generosity and progressiveness, but the Citizenship Act as it exists today is almost 20 years old and we have rarely amended it in any serious fashion.

[*Translation*]

I wish to propose far-reaching changes to citizenship legislation that will be part of the renewal of our identity as Canadians—changes to strengthen the ties that hold us together—whether we are Canadian by birth or by choice.

[*English*]

There are compelling reasons to undertake this initiative at this time. It actively addresses an issue important to all Canadians, affirming a sense of pride in ourselves and confidence in our nation.

We also require a new Citizenship Act both to respond to the realities of our changing society and to guide us into that future. We need a dynamic act that underscores the significance of an

active, aggressive, enthusiastic citizenship. We need a Citizenship Act that also ensures fairness and integrity, one that removes certain discriminatory aspects of current legislation, eliminates inconsistencies in the granting of Canadian citizenship and improves the process of acquiring that citizenship and that Canadian passport.

These important issues need the input and deliberation of Canadians and the careful consideration by members of Parliament in this Chamber.

That is why I am pleased to say that the Standing Committee on Citizenship and Immigration will be examining the principles, rights and responsibilities which are fundamental to the Canadian concept of responsible citizenship.

I have asked the committee to consider the reciprocal obligations inherent in the relationship between Canadian citizens and our society.

I hope the committee will make recommendations on ways to enhance the value and visibility of Canadian citizenship. I am hopeful that a report can be completed by June and make way for preparations of a bill to come to this place in the fall.

[*Translation*]

Creating a new vision of citizenship for all Canadians is vital but it is not enough. Too many of those who are currently entitled to become citizens and desperately want to do so are blocked by an administrative system which has become overburdened and unable to cope.

(1010)

[*English*]

Denying would-be citizens the chance to participate in and contribute to the life of our society is unacceptable for this minister and this government.

In Toronto, for instance, people have had to wait as long as two years to get their citizenship after meeting all the basic requirements and criteria of being landed immigrants for three years. That is unacceptable as well.

There are a number of serious bottlenecks in the system. We are one of the last countries, one of the last jurisdictions, for instance, to grant citizenship through a one on one interview basis conducted by citizenship court judges. In essence we are saying yes too slowly and at too high a cost because 95 per cent of all applicants get accepted. Why make them wait and why do

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taxpayers have to pay the price for that process to take shape? Clearly there is a better way.

That brings me to the second announcement. I intend on the part of the government to streamline the system by eliminating the role of citizenship judges and replacing them with a more efficient and effective administrative process. However we will not wait until legislation is passed in order to do away with the position of citizenship court judges as a way of enhancing the processing of time.

We will move instead immediately on a series of administrative and regulatory changes to speed up the process today. This includes increasing the daily number of hearings, establishing group hearings to test knowledge and language requirements, encouraging applicants to file by mail rather than the long administrative process they have to go through today, extending business hours to evenings and Saturdays for citizenship courts which is also more convenient for the working public, as well as inviting distinguished Canadians to preside at citizenship ceremonies.

These measures will speed up the process. They will also strengthen the fairness of the system and ensure that all citizenship candidates meet the essential requirements that we as Canadians would want. My ultimate goal and that of my government is that applicants obtain citizenship six months after applying for this privilege.

Our judges have done a fine job and we are indebted to them for their work. Let us be perfectly clear. The political and partisan appointments of citizenship judges will become a thing of the past. As vacancies arise new citizenship court judges will not be appointed. Current judges will become part of the new administrative process and help us in this transition until the expiry of their terms.

[*Translation*]

Mr. Speaker, I have discussed this issue with my hon. colleague the President of the Privy Council and Minister of Intergovernmental Affairs. I am pleased to say that these changes are in step with the initiative taken by government to streamline its agencies and commissions, and to reduce to a minimum the number of order-in-council appointments.

[*English*]

I propose to ask eminent Canadians, for instance, those who have received the Order of Canada, to preside over citizenship ceremonies. I also intend to move more of those ceremonies out of the citizenship courts and into the heart of all of our communities, the heart of Canada, so that citizenships can be celebrated in school gymnasiums, in cultural auditoriums, in community halls, in church basements where many more people from the entire community can join in honouring and welcoming the new members of the Canadian family and where all of us, young and old, can be reminded of the importance of our citizenship. Sometimes the things we value most are the things

we take for granted. We must start to view citizenship as more than just the aspirations of immigrants and newcomers to Canada. We must come to celebrate citizenship as a bond among all of us.

(1015)

I am counting on the members of the House of Commons, the members of the committee and my parliamentary secretary, whom I wish to thank, to help make this initiative truly meaningful and inspirational.

I will also work closely with my colleagues, the Minister of Canadian Heritage, the Secretary of State for Multiculturalism and the Status of Women, the Minister of Justice, the Minister of Intergovernmental Affairs and others in the development and promotion of our new Citizenship Act.

A country's citizenship act should be a proud, bold and enthusiastic statement of its history, its hopes, its principles and its dreams. A revitalized citizenship act should be a symbol of what we hold to be important as Canadians.

There is an appetite across the country for us to strengthen those symbols and to articulate the vision that ties us all together as Canadians, irrespective of the fierce loyalty we feel for our regions, our provinces and our own backyards.

We need a symbol that unites us, east to west to north. I invite all hon. members to join with me and the government in this exciting endeavour and to seize this opportunity for progress and renewal of the Canadian spirit.

[*Translation*]

**Mr. Osvaldo Nunez (Bourassa):** Mr. Speaker, I listened carefully to the Minister of Citizenship and Immigration's statement announcing plans for the development of a new Citizenship Act as well as measures, some quite vague, to speed up the administrative process involved in processing citizenship applications.

We, members of the Bloc Quebecois, recognize that, in the rest of Canada, the Citizenship Act reform announced by the minister may seem meaningful, especially in view of the many obstacles to obtaining citizenship which, as the minister indicated, are attributable to a slow administrative process.

We believe that doing away with citizenship judges is a step in the right direction. It is a fact that this structure is costing taxpayers a great deal and is partly responsible for the backlog in the processing of citizenship applications.

Everyone agrees that a great many of those appointments were actually partisan or political ones. This kind of patronage by the Liberal Party and the Conservative Party in our citizenship courts has to stop. That such a backlog exists in the processing of citizenship applications is incredible. As we speak, 220,000 people are waiting to be heard by a citizenship judge, and their numbers are growing by 10,000 every month in

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spite of the fact that we have 32 citizenship courts across Canada.

In his 1990 report, the Auditor General severely criticized the absence of performance standards within the citizenship registration and promotion program.

(1020)

The amount of time required to process applications had increased considerably. In 1986, 91 per cent of all citizenship applications were processed in less than nine weeks, whereas in 1989, only 30 per cent of applications were processed in the same period of time.

Despite the fact that there have been no follow-up checks, delays continue to be a major problem, one that needs to be corrected as quickly as possible. Under the circumstances, the decision to close the citizenship office on St-Denis Street in Montreal is baffling. Will the delays be shortened as a result of this closure, Mr. Speaker?

Clearly, we can no longer accept delays of two years between the filing of the application and the actual administering of the oath of citizenship. Moreover, this anachronistic oath requiring a person to be faithful and to bear allegiance to Her Majesty Queen Elizabeth II of England and to her heirs and successors should also be carefully reviewed.

Having said this, I would also say how surprised I am that the minister has asked the Standing Committee on Citizenship and Immigration to make recommendations to him by the month of June. This is not very much time, considering that all aspects of the citizenship issue need to be addressed. Why does the minister not table his bill right away so that the Committee can examine it in the usual manner?

I also want to take this opportunity to criticize the minister's decision to hold consultations outside Parliament and the committee framework on immigration levels for the next ten years. This issue is vitally important to the future of the country. Furthermore, the Official Opposition has no representation in such an outside consultation process. This goes against parliamentary standards worthy of a democratic society.

It is necessary and useful to discuss the administrative, regulatory and legislative measures needed to improve the situation. It is surprising, however, to hear the minister say that one of the objectives of the committee should be to redefine the true meaning of Canada and citizenship, as if somehow these concepts became blurred with the passage of time.

Clearly, the common vision which he would like all immigrants to share is not one-dimensional, but rather multidimensional. We have already said here in this House that there is not

only one Canadian reality, but at least three: one for francophones, one for anglophones and one for first nations or aboriginal peoples, whether in Quebec, the Prairies or the Maritimes.

As far as we are concerned, the Canadian reality is not the one painted by the minister, one where citizens form one big family united by common values and the desire to fit into the same mould. As members of a society with its own distinct characteristics, Quebecers feel a sense of attachment first and foremost to Quebec's economic, social, cultural and political institutions. This was the case long before the Bloc Québécois sent members to Ottawa, or the Parti Québécois sent representatives to Quebec City. This attachment to Quebec soil and the unique identity which flows from this sense of belonging are historic realities, ones which must be embraced not only by those who have lived in Quebec for several generations, but also by immigrants like myself wishing to settle permanently in the province.

This morning, I read the statements made by the minister. He is concerned about the vision of Quebec that is being projected by the COFIs in the province. There is nothing unusual going on here, since it is the minister's Liberal colleagues in Quebec who run these centres. Above all, I would ask that the minister not interfere in education as this is a provincial field.

(1025)

National pride and a sense of attachment to a society, be it Quebec or any other, flows above all from the welcome extended to immigrants, from the way in which their differences are respected and from the process whereby immigrants learn about the history and culture of the people of their adoptive land.

The residents of the Prairies, British Columbia, the Maritimes, Ontario and the Northwest Territories all have their own distinctive cultural features.

In conclusion, while we do not oppose the reform of the Citizenship Act, we must not allow ourselves to be deluded into believing that national identity comes only through citizenship. No, it stems from a desire to live and work in, and to help build a country.

[English]

**Mrs. Sharon Hayes (Port Moody—Coquitlam):** Mr. Speaker, it is my privilege to rise in response to the announcement today of the plans to develop a new Citizenship Act. It is of great importance to all Canadians and to the future of the country that we are all proud citizens and contributors to the economic growth, the cultural diversity and the social renewal of Canada.

Citizens of Canada should have a commitment to the future of the country and to their fellow Canadians. I would like to take some time to briefly comment on some aspects of the announcement of the minister. Today the Minister of Citizenship and

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Immigration described his department's response in seeking to eliminate the patronage aspects of citizenship court judges.

With Canadians I have talked to, I have felt that we are truly fed up with the perceived misuse of partisan privileges. I asked them and members can be sure they are. I am pleased with this first step in the right direction in getting rid of patronage appointments.

Of the 48 judges who now occupy the benches of the citizenship court, 34 full time and 14 part time, there surely will be a long delay before full implementation of this program. They must complete their five-year, average \$64,000 a year income positions.

Some appointments are recent and no announcement of the particulars of what their severance arrangements might be has been made. As well, there is no comment as to the hundreds of other positions within the department and what sort of arrangement might be made.

We still do not have a concrete government response to the issue of patronage within the system or of government interference. For instance, we have just seen an election where candidates have been appointed. Even in this very department, what about all the recent refugee board appointments? They are much more numerous than the citizenship court judge appointments and just as lucrative.

I applaud the government's willingness to include the standing committee in the process of the review of the Citizenship Act. Hopefully this involvement will be more than just recognizing general principles and ideas. I for one have input from Canadians for that process.

I have a polling system in my riding and just recently I asked this question to do with citizenship: "Should citizenship be granted automatically to those who were born in Canada regardless of the status of their parents' citizenship?" The response I had has been two-thirds against this notion which is now in the system. These things have to be looked at and I hope that our committee will have input in these areas.

The idea of streamlining the process, as in all processes of government, is to be applauded. Other attempts at amnesty and streamlining have happened in the past. In fact what comes to mind is the streamlining process in immigration between 1991 and 1992. That addressed a pressing refugee demand need within the system.

(1030)

Those very stresses are now facing the citizenship courts. There is a three-year wait between the time people arrive and the time they can apply for citizenship. The three-year wait and the right of citizenship are putting the onus on the citizenship courts.

Canadians are again faced with fast tracking of these individuals. For the sake of security in our country and the maintenance

of the value of our citizenship, I demand full accountability of any acceptance system.

It came to mind that over a century ago people moved from one country to another on what was known as an underground railroad. We must not be too hasty to change our present citizenship system to a Bombardier bullet train.

Of greatest importance to me and I believe to all Canadians is the elevation of the concept and value of citizenship within this country. Does Canadian citizenship at the present time have the value it deserves? Has the government helped make that citizenship a value by some of the choices it has made? Has it helped Canada be an economically viable place in which to live where the citizens can be a proud part of that viability?

I look at the budget and I see sinking credit rates. I ask if the government has helped citizens become part of a country that is to be a full player in the trade and economy of this world. I ask the government whether citizenship has been helped with the continued fractionalization of our country.

I look at present policies of bilingualism and multiculturalism. I believe they created a country that does not stress the equality of Canadian citizens as individuals but stress the individual's association with a particular group. I challenge that.

I ask the government if it has enhanced citizenship with the notion that was introduced in that act in 1977, that citizenship is a right rather than a privilege to all who qualify.

Reformers believe that Canadians should have every reason to be proud of their citizenship. It is a pride that should not be devalued but strengthened and encouraged because it is a privilege to be a Canadian, not just a right.

Those who are Canadians by birth or those who become citizens by choice should honour this privilege as we work together to make this country all it can be. Citizenship should be the first step in our commitment and investment toward a brighter future. That future is our responsibility in this place as the law makers of the country and not only within the Citizenship and Immigration Department, but in all departments. I challenge the government to make this country the best place in which anyone could want to live.

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**COMMITTEES OF THE HOUSE**

## AGRICULTURE AND AGRI-FOOD

**Mr. Bob Speller (Haldimand—Norfolk):** Mr. Speaker, I have the honour today to present the first report of the Standing Committee on Agriculture and Agri-food which deals with bovine somatotropin hormone, often referred to as rBST.

The issue of rBST was picked up by the standing committee on agriculture to study because it was an issue of great concern to those in our farming communities. They wanted the com-

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mittee to come forward with certain recommendations to deal with rBST.

The committee concurs with a recommendation of a one year moratorium on the use of rBST. The committee also concurs that during this year a cost benefit analysis of the dairy industry be undertaken and that animal health including the stress placed on target animals, animal genetics and U.S. consumer reaction be studied in order that we as Canadians may get a greater understanding of the effects this will have on our consumers and on our dairy industry.

(1035)

[Translation]

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, I have the honour to present the 15th report of the Standing Committee on Procedure and House Affairs concerning the membership of committees.

With leave of the House, I intend to move the adoption of the 15th report later today. Mr. Speaker, I believe that you will find unanimous consent to dispense with reading of this report.

**The Deputy Speaker:** Is there unanimous consent for this proposal?

**Some hon. members:** Agreed.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, with leave of the House, I move, seconded by the hon. member for Rimouski—Témiscouata, that the 15th report of the Committee on Procedure and House Affairs, presented in the House this day, be adopted.

(Motion agreed to.)

\* \* \*

[English]

**QUESTIONS ON THE ORDER PAPER**

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

**The Deputy Speaker:** Shall all questions stand?

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

[English]

**BUDGET IMPLEMENTATION ACT, 1994**

The House resumed from April 12 consideration of the motion that Bill C-17, an act to amend certain statutes to implement

certain provisions of the budget tabled in Parliament on February 22, 1994, be read the second time and referred to a committee.

[Translation]

**The Deputy Speaker:** Before beginning the debate, I wish to inform the House that because of the ministerial statement and responses thereto, Government Orders will be extended by 28 minutes, pursuant to Standing Order 33(2).

[English]

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, I previously addressed the House on the amendment that was moved by the member of the Bloc who spoke second in the debate.

I know there are members in the House who apparently oppose the bill.

[Translation]

I can understand the position taken by members of the Bloc Quebecois because they are the Official Opposition in this House and as such they are obliged to oppose the government's proposals, especially the budget. But they fully realize that we adopted a budget here in this House and presented it to the people of Canada. It is a fair and equitable budget, which is very popular throughout Canada.

(1040)

[English]

I know it is not popular with some members of the House, but the Canadian public thinks the government has performed extremely well in the budget. I know members of the Reform Party in their heart of hearts know that too, but of course they have to oppose it because they want to make more unspecified cuts.

I would love to go on at length today but I realize there are many other members who wish to participate in the debate, and having spoken once I feel it would be unfair for me to continue at length. On the other hand, we are into 10-minute speeches. The speeches are very short.

I commend to hon. members opposite in preparation for their speeches later today the opportunity to reread the words of the President of the Treasury Board which he spoke on the introduction of this bill on March 25. If they have time and if they want to continue, they could read my speech on that occasion which I must say was a masterpiece of clarity and explained all the provisions of the bill in great detail.

With that in mind, I move:

That the question be now put.

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

**Some hon. members:** No.

*Government Orders***The Deputy Speaker:** Debate.

[Translation]

**Mrs. Christiane Gagnon (Quebec):** Mr. Speaker, we say no to Bill C-17; no to the so-called reform of unemployment insurance; no to this government's budget measures; no to the \$735 million grabbed with impunity from Quebec workers; no to the \$1.620 billion lost by Canadians; no to misleading and devastating savings; no to reducing the benefit period; no to reducing benefits, sole means of subsistence for many workers;; no to offloading expenditures onto the provinces; no to regional inequities penalizing Quebec and Eastern Canada once again; no to social assistance as the only recourse left after unemployment insurance benefits run out; no to undue delays in reducing unemployment insurance premiums.

We reject any policy conceived and adopted under pressure that penalizes workers and the provinces under the guise of economy. These savings are achieved at the expense of workers who lost their jobs because of the dismal state of the current job market. Moreover, half of these so-called savings, in the order of \$635 million in Quebec alone, must be absorbed by the provinces through social assistance payments.

Finally, negative consequences will not be distributed equally among the provinces. When we hear that the benefits paid to Quebec taxpayers will be reduced by \$735 million while those paid to Western Canadians will only go down by \$430 million, we must reiterate vigorously the disadvantages suffered by Quebec within the Canadian federation.

We say no to the harmful attitude perpetuating the idea that the unemployed do not want to work. It is not the unemployed who lack vision, it is their governments. People cannot be blamed for the lack of jobs, but governments can. We say no to unsound, ineffective and unfair policies; no to government mismanagement; no to the systematic overlooking of the real problems and the real solutions. Young people say no to the alarming unemployment facing them. They say no to the unpalatable placebo called the Youth Service Corps. Young people need jobs, not measures which will penalize them right from the start. We say no to harassing the poor and the unemployed; to conducting underhand attacks against poor working women; to letting civil servants interfere in the private lives of mothers; to tolerating paternalism toward women; to having to prove everything to get some minor benefit; and to creating tensions between spouses regarding who will have custody of the children.

(1045)

We know, and this has been repeated time and again, that women have precarious jobs, which do not pay well and which are very vulnerable to the swings of the job market. Women need

permanent well-paid jobs. They have no need for new constraints in their family and private lives.

We say no to precarious and poorly paid jobs; to the lack of job-creation measures which has the shameful effect of increasing the number of unemployed; to overlappings in training programs and to political decisions which favour the rich at the expense of the poor.

Until this government takes the required objective measures to ensure that the rich share their wealth with others, we will oppose any legislative policy penalizing young people, low-income workers, women and the unemployed.

We say no to misleading statements to the effect that savings will be reinvested by businesses.

The government's evaluation regarding the reinvestment of such miserly savings is not based on any solid ground. Nothing is provided to promote or control this aspect. Moreover, only large corporations might be able to create a few jobs because of the lowering of contributions. We know that small and medium businesses are the ones which create the most jobs. How can we expect them to pay a full salary with annual savings of \$40, for example? Employers need real job creation programs.

We say no to the dead-end in which Quebecers and Canadians find themselves and we say no to despair.

We would have loved to have the opportunity to support real job creation initiatives, as well as the transfer of training programs to Quebec, the promotion of social justice, the respect of privacy and the implementation of programs which would have generated some hope.

However, in light of these phoney measures, the people of the riding of Quebec say no.

The women of Quebec say a flat "no", not even a "no thank you".

[English]

**Mr. Ted White (North Vancouver):** Mr. Speaker, although the bill is mainly of a housekeeping nature it once again reminds us of the tax grab of the previous government. That tax grab is being expanded by the present government.

A businessman I know got pretty angry recently when he was writing his month-end cheques for his business. He had to write about six cheques, five of which were for various forms of taxation. There was money that had to be sent to the Workers' Compensation Board, Revenue Canada for corporate tax, the B.C. government for PST, the municipality for a business licence tax, and Revenue Canada for the GST.

In small businesses taxes have become a major disincentive to expansion and job creation. There is some evidence that the tax saturation point has been reached.

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For example, the Department of Finance figures list tax revenues for September 1992 at \$11.07 billion and a year later in September 1993 at \$10.17 billion. That is down 8.3 per cent in one year. The revenue for April to October 1992 was \$64.94 billion. For April to October 1993 it was only \$61.22 billion. That is down 5.73 per cent from a year earlier. These drops are pretty serious because they really interfere with a government's ability to raise additional revenues to fund the programs we all rely on.

If we look at something like the GST, recent figures from the GST branch of Revenue Canada show that GST revenues dropped about \$.2 billion between 1992 and 1993. It is interesting that although the GST revenues dropped the actual cost of collection jumped 25.4 per cent in one year from \$268.5 million to \$336.7 million.

(1050)

In one year the number of GST employees increased by 23.3 per cent. I wonder how many businesses would deliberately increase their workforce at a time when revenues were dropping. To increase them 23 per cent is a disgrace.

A number of votes have already taken place in this House on the recent budget of the government. Predictably every Liberal MP voted in favour of both the budget bill and the bill authorizing borrowing of up to \$37 billion.

Of course every Reform MP voted against both those bills. We proposed an amendment that would cap spending but that was rejected by both government members and the Bloc. I had hoped that some government members would respond to an intelligent debate in the Chamber and would change their votes but it was not to be.

On Monday, March 8, 1994, the hon. Secretary of State for Multiculturalism spoke in favour of the borrowing bill. During her speech she turned to the public gallery where there were a group of high school students. She said she was talking about their future and how important the \$37 billion borrowing effort was.

When her speech was over I asked the hon. member whether she had ever asked her children or grandchildren or the people in the gallery whether they wanted \$37 billion more added to their mortgage for the future. The hon. member replied that her children told her the government was moving in the right direction. Frankly I found that hard to believe. I really find it hard to believe anyone would approve of someone else borrowing \$37 billion on their behalf and leaving them to carry the can. I find that quite difficult to believe.

On the same day I gave a speech about the budget. I explained how I felt as I had listened to the Minister of Finance deliver the budget. I said I had felt a bit of anger and despair but mostly a terrible sense of sadness because of my background with New

Zealand and understanding the debt crisis situation that had developed there. I had seen the same symptoms and problems before: the denial that there was a problem; the failure to act soon enough; the rejection of the idea that there would be a day of reckoning.

Unfortunately we have now been committed to another \$40 billion in debt this year. The national debt federally now exceeds \$510.7 billion. It is growing by approximately \$1,400 per second, every second of the day. The debt per taxpayer is around \$36,500 and per capita is almost \$18,000.

In relation to this tax load the government has been increasing its spending in some programs. It constantly praises the student job creation program and brags about its increases of expenditures on it. I think that is mainly because it is politically correct to do so.

An internal audit of the program last year concluded it was very poorly monitored. It was rife with political patronage and it was a questionable benefit in terms of genuine job creation.

That raised a few red flags for me when I received about 80 applications for grants under the student job creation program, the challenge program, in mid-March. As I looked through these grant requests from Employment Canada I was shocked to see the sorts of things previous MPs had authorized taxpayers' money to be spent upon.

One of Reform's basic promises is that we will be the fiscal watchdogs looking for ways to cut unnecessary spending and government waste. Regardless of the party that was in power previously, NDP, Conservative or Liberal, all of them were rubber stamping these terrible grants that really were quite a questionable use of taxpayers' dollars.

I quickly arranged for a small group of North Vancouver citizens chosen at random from the voters list to come in and have a look at some of these applications. Without exception every single one of those people rejected at least half of the applications that were put before me. That is a very telling piece of information about the value of this student job creation program.

We are caught between a rock and a hard place. If we do not automatically approve these challenge grants we perhaps are ruining the prospects for student jobs. On the other hand if we do rubber stamp them we are authorizing the wastage of taxpayers' hard earned dollars.

(1055)

Debt should be a major concern to youth. We know many Canadians have become very cynical about politicians. Young people especially find it very difficult to take part in politics and to get involved in the votes. The lack of participation by young people in this political process is a major concern for us in the Reform Party.



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Today in the House we are really mortgaging the future of Canada's young people. There are many vital government activities which young Canadians have a direct stake in protecting. These include education funding and student loans, job training, and the building of infrastructure.

However the most important issue facing the youth of today is this debt and taxes problem. Young people need to know that every year this federal government is spending approximately \$40 billion more than it takes in. By next year Canada will owe \$550 billion to its creditors. That is \$20,000 for every person in Canada. Approximately \$40 billion more is being added to the national debt every year.

Deficit spending is of critical importance to young Canadians because every time the government borrows money to fund programs it is picking the pockets of future generations. It is guaranteeing they will have to pay more taxes and have a lower standard of living than did their parents.

Today's high tax burdens are already holding back company expansion and job creation and driving businesses out of Canada. If the trend is not reversed things will get much worse. I urge all young people who are watching this program today and hear about the bill which will increase spending to write to the Prime Minister: Tell him you want this intergenerational transfer of wealth stopped and you want it stopped now. Tell him you do not want higher taxes and you do not want your job prospects, your take home pay and your health care system put at risk by this deficit spending program. Tell him you do not want to be left with the bills of my generation. If you are between 18 and 24 years old and watching this program today, virtually the entire \$500 billion debt has been incurred during your lifetime.

**The Deputy Speaker:** Order. The hon. member and all members need to be reminded that the procedure is designed to avoid any kind of outbursts. The member will please put his remarks to the Chair and not to anybody who might be watching on television, be they 10 years of age or 99 years of age.

**Mr. White (North Vancouver):** I apologize, Mr. Speaker. I got carried away with the excitement of the speech.

Through you, Mr. Speaker, if there is anyone watching today who feels they should write to the Prime Minister about these things, I encourage them to do so.

It is important that the young people of today should try to take part in the political process. They should become involved so that they can direct us as their representatives to work on their behalf to minimize the impact of this borrowing and the mortgage on their future.

Thanks to a lot of publicity by the National Citizens' Coalition over the years, the shocking details about a lot of government mismanagement of funds have become apparent. One of the most public aspects is the MPs pension plan. MPs who have served just six years can retire on a pension for life. Unfortunately the previous Prime Minister just missed out with only five years of service. She was unable to pick up a pension for the rest of her life. However many people who have served here for just six years have managed to pick up a pension for life.

One of the things the Reform movement would like to change is this gold plated pension plan. It is just one of the many things which contribute to the high tax burden of Canadians and which is totally unjustified. Members can be sure that Reform MPs will continue to be the watchdogs for the Canadian citizens to make sure that we spend less, tax less and add less to the borrowing burden for the future.

(1100)

**The Deputy Speaker:** It should be put on the record that we are now on 10-minute speeches. Perhaps some members are not aware of that.

**Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade):** Mr. Speaker, the Reform Party and opposition members are trying to really paint a very bleak picture in terms of what is happening in our society in terms of what this government is doing.

One would have to put things into perspective. We have two types of problems in our society. One is what we call a structural problem in terms of the infrastructure as a whole. It would have to be looked at.

The second problem is matter of the spending habits of governments of the past. I would suggest that the budget which was tabled by the Minister of Finance specifically addresses those two issues.

On the notion of government spending we have seen measures in the budget that specifically deal with government spending. It has been the practice of the government that every time we introduce a program we look at ways we could see a cost analysis of it in order to ensure a net benefit for the community as a whole.

On the issue of infrastructure, the structural problems, the Minister of Human Resources Development is undertaking one on the most aggressive reviews of not only the ways we deliver our social programs but the way we handle our youth across Canada as a whole. I commend him for taking this very aggressive initiative along with the Secretary of State for Training and Youth.

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Unless we address the whole notion of our educational system, as everybody will know, we are going to continue in this limbo. We are going to continue to see those structural problems in our society. To that end the government has fulfilled its commitment prior to the election of reinstating funding for the literacy secretariat. We now have a capable minister in charge of that ministry.

That in itself does not solve the problem. We can talk all we want in the House but unless we have the elective co-operation of the provincial governments as well as of the municipal government we will not be able to move further. The problem is not only in the House. People might think the government can with the stroke of a pen solve a lot of social and economic problems. That is not the case.

To that extent there has been a very proactive approach taken by this government with a minister specifically dedicated to dealing with provincial governments, the Minister of Intergovernmental Affairs. He has undertaken a review in terms of how the government at the federal level does provide the services to the community as a whole. He is having a lot of consultations with other levels of government in order to have a collective approach of providing services to the community as a whole.

The same thing this minister is doing is carried out by all members of cabinet, by all members of the government. Therefore we are quite aware of the fundamental changes that need to be addressed in our society and we have taken action, unlike the previous government which talked and talked and the community did not see tangible action. We are taking action.

Rather than painting a bleak picture in society, the opposition should give credit to the government where credit is due, that this is a government in action.

The Prime Minister on a regular basis, every time he has an opportunity to speak anywhere, has clearly stated that government agencies, departments, ministers and members of Parliament are always on the lookout for ways to save taxpayers' money so at the end of the day we can show the Canadian public that we are taking action by example and at the same time we are serious about seeing the economy turn around.

I say to the hon. member that for better or for worse Canada is on the leading edge of all the big G-7 countries around the world in terms of economic growth. That goes to the credit of both the private sector and the public sector in recognizing the need to work together.

The youth are going to continue to be on the leading edge in terms of the changes that are required. Institutions, federally, provincially and municipally, have to recognize that unless we get to the bottom of the problem, which is the educational system, we are not going to be able to find a long term solution for our economic ills.

(1105)

To that extent it will only be fair for the opposition to give credit to the cabinet, to the Prime Minister and to the government for taking a leadership role in trying to address the whole fundamental structural problem faced by our society within the area of training, literacy skills, and for that matter working with the provincial level to address the educational problem.

In closing, I am really proud to be part of a government which in a very short time has taken so many aggressive, progressive, dynamic, tangible actions and steps to deal with the ills that have faced society for the past 15 or 20 years.

Not everything is bleak. We still live in the best country in the world. We still have the best social programs in the world. We still have one of the most accessible educational systems in the world.

We want to make it even better. Let us stop telling Canadians that things are so dark, so bad. They are not that bad but they could be a lot better.

This government recognizes the fact that we must reach a minimal level of unemployment. As long as there is one unemployed Canadian the government will continue to work to ensure there is an opportunity for every Canadian.

We will continue to work but it is time for us as parliamentarians from all sides of the House to start working as a team in order to address the difficulties faced by our society.

It is my hope that when this item comes before the House it will receive the unanimous approval of Parliament, that we will all vote and give a strong mandate to the Minister of Finance, and to the government so it can continue to do the excellent work it has begun during the last 115 day or so.

We have to start working in a positive fashion. Canadians have told us they want us to work together. They want to see a team effort in order to address some of the social and economic difficulties and challenges facing our society.

They are sick and tired of seeing the type of bickering that takes place not only in the House but I suggest at all levels among politicians from different political parties. Canadians have told us clearly they want to see positive steps taken by everyone to solve some of the difficulties we are faced with.

To that end the call is out for every member of the House to work together so we can move forward with tangible steps to respond to the needs of Canadians from coast to coast.

I thank my colleagues for their positive comments this morning and it is my hope that they will support the bill before the House.

[*Translation*]

**Mr. Jean-Paul Marchand (Québec-Est):** Mr. Speaker, Bill-17 now being debated is an omnibus measure. It contains some good provisions of which we would approve, as well as

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some harmless ones. However, this bill primarily targets the unemployed.

To decrease the budget allocated to unemployment, the bill proposes a reduction in benefits and an extension of the number of weeks of insurable employment required for benefit entitlement. This certainly represents the biggest part of the budget. This year, the cuts will total \$750 million, next year, \$2.5 billion, and the following year, another \$2.5 billion, for a total of \$5.5 billion taken from unemployed Canadians. On top of that, another \$2 billion in cuts will be made to transfers to the poorest provinces, bringing the total to \$7.5 billion. This was the crux the budget tabled last February, a budget which is totally ineffective given the present debt and unemployment levels in Canada. Not only is it ineffective or useless, it is also totally crazy, because we have a government that, just like the previous speaker, the hon. member for Ottawa Centre, is crazy to pretend that they are acting, when in fact they are doing absolutely nothing to deal with the debt and the unemployment situation. Not only are they refusing to do anything positive, but they are going after the unemployed, the disadvantaged, the poor, the weak, the women, the elderly, and that is crazy.

(1110)

That goes to show the evil side of the current Liberal government that picks on the weak in our society. It clearly shows the total lack of imagination of the government when it comes to measures that could be introduced to straighten the situation our country is in. The government has got no backbone. There are a lot of concrete, fair and equitable measures it could introduce, but does not, because it does not have the guts to act.

Why pick on the poor and the unemployed like the government does in this budget, when we could ask healthy Canadian corporations to pay their fair share of taxes? Several thousand corporations have managed to stay healthy these last few years. And when I say several thousand, I refer to the 90,000 corporations that have paid no taxes at all in Canada over the past few years.

There are over 200 millionaires who paid less than \$100 in taxes. These corporations and these individuals should at least pay their fair share, especially when the country is in the middle of a serious crisis, so serious in fact that it is attracting the attention of the International Monetary Fund. The IMF is about to intervene because the debt in Canada is getting out of control and the government is ineffective. In fact, the money markets have reacted very badly to this awful and sick budget. There is a whole series of concrete, fair and equitable measures that could but will not be introduced.

Let me give you other examples of how to take the fat out of government operations, and God knows there is a lot of fat to take out and the government is not doing anything about it. Duplication of federal and provincial services, what is usually called overlap, costs us an incredible amount of money. In Quebec alone, it is estimated that such duplication costs \$1

billion because the province of Quebec is delivering the exact same services as the federal government. Not only is it an awful waste of money, it creates more problems. It delays the implementation of major programs.

Take, for instance, manpower training, an area where an estimated \$250 million will be wasted. Not only are we wasting this money, we are not providing any training.

(1115)

In Quebec, 70,000 jobs are available but people are not qualified enough to take them. Why? Because the Canadian government lacks efficiency and has no backbone. They do not want to move although the solutions are there; they prefer to take it out on the poor, the unemployed and the destitute. This is immoral and crazy. I could never be part of that Liberal government. I would be too ashamed to agree quietly to such proposals.

This government is not even liberal. It has inherited the Conservatives' spirit: it helps the rich get richer supposedly because the rich will create jobs. This very old conservative way of thinking has no basis whatsoever. I have nothing personally against the rich but, in a society like ours, I feel that corporations and wealthy citizens must pay their fair share like everybody else. The poor and the destitute should not be asked to pay for the government's mistakes or for the fact that Canadian corporations are not taxed enough.

This is a conservative way of thinking which borders on fascism, since fascism tends to widen the gap between the rich and the poor and creates a very unfair situation like the one we have in Canada today. That is what we see today: a lousy government which merely introduce bills on the back of the poor, the destitute and the unemployed, asking them to pay more, while the rich and the family trusts are well protected.

Here is another example. The Minister of Finance has a family trust. Apparently, it is worth \$40 million. Others have family trusts too. Family trusts in Canada are said to hold \$80 billion at least and maybe twice as much. This is money that is not taxed, that the government does not want to tax.

This government is crazy, because it is ignoring the Auditor General's recommendations. He said in his recent report that in the last three years, \$5 billion was wasted by the federal government. We do not hear about it, but the government is going to take almost \$5 billion from the pockets of the unemployed. It is forcing unemployed people onto welfare, putting more pressure on the provinces. It turns the unemployed into welfare recipients and it pretends that it is an aggressive measure. The government says that it wants us to move ahead with confidence, but I call that the Shawinigan Waltz: two steps forward, one step back, change direction, three steps back, one step forward. The government tries to solve the unemployment problem with an infrastructure program that will create temporary jobs for men, but it forgets about women and young people. Moreover, this make-work project will be implemented just after the government raised the UI premium rate from \$3 to

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\$3.07. The finance minister himself said that cancelling this increase would create 40,000 jobs.

(1120)

In conclusion, I will tell you that the Shawinigan Waltz dancers are having a ball. The government claims that it wants to create jobs, but it turns around and does all it can to keep that from happening or it implements very temporary, quite ineffective measures. I say no to Bill C-17. It must not pass.

[*English*]

**Mr. Eugène Bellemare (Carleton—Gloucester):** Mr. Speaker, I appreciate having the privilege of speaking on the implementation of the budget that was presented for 1994.

[*Translation*]

First I would like to comment on the speech made by the last speaker from the Bloc Québécois, whose specialty is the Shawinigan Waltz. I do not know if the hon. member is an expert dancer, but I can tell you, from watching him and his colleagues from the Bloc and from the Reform Party, that all opposition members are pretty light on their feet.

The member from the Bloc accused members of the government of being fascists and of creating mass injustice. He also said that all Liberal members should be ashamed. Let me tell him that the members who should be ashamed are those who refuse to pledge allegiance to Canada and who are willing to accept a salary to come to Ottawa with the intention of tearing our country apart. I am telling you, members of the Bloc, that you should be ashamed.

We are talking about finances, about money, but all you want to do is laugh at the Bank of Montreal or at credit unions.

**The Deputy Speaker:** Since the hon. member was not in the House earlier, I wish to remind him that he should address his remarks to the Chair.

**Mr. Bellemare:** My remarks are about the budget and I am just giving my impressions of our discussions on the subject.

The Reform Party is not being any more objective about the bill. You heard the last speaker from the Reform Party say that our youth program was a waste of money and that instead we should ask our young people not to accept jobs but rather to become politically active by writing to the Prime Minister, to the Minister of Finance and others, which I find totally ludicrous.

I think that our bill is a very sound piece of legislation. We have a good budget that addresses two major problems. First, it addresses the national debt and deficit issues. The Reform Party

would like us to shut down the government and take what little bit of money we have left to pay off the debt.

If we did that, we would not be able to provide services and no one could pay a lot of taxes. The role of a government is to provide services to the community; it is not a private industry. Therefore, it has to address the debt problem and cut some activities, some programs. It must also create jobs, and we can see that the Liberal government is creating an atmosphere that gives hope to everybody across the country. What was lacking these last couple of years was hope; people were totally desperate. Young people, students, university graduates had become totally desperate for they had lost every hope of finding a job.

(1125)

We are now changing this attitude, changing this climate in Canada, so that graduates and even drop-outs can find a job. The youth program is in the works. I find that very encouraging and very positive. There is something positive after all. There are some budget items that I personally oppose. The budget is not 100 per cent perfect. I would give it a mark of 99 per cent, perhaps, or of 98 per cent, at times, when I get up in the morning.

I deplore the fact that the government has put a wage freeze on public servants, that the same wages that have been frozen for three years will be frozen for two more years. I truly deplore it. I also deplore the fact that employees will not be able to get pay increments. I told the President of the Treasury Board and the Minister of Intergovernmental Affairs that I deplored the fact that public servants would get no wage increases for two more years.

I appreciated the fact that both ministers promised me that if senior management could find a way to further reduce government expenditures, this two-year period could be brought down to only one year perhaps, or even less. I truly hope so.

Although there is certainly no such thing as a perfect budget or a perfect piece of legislation, contrary to what the members of the Bloc Québécois and of the Reform Party suggest, we are not going backwards. We are not taking two steps back, two steps forward, one step to the side and then one more step back. We are trying to solve problems, the problem with the economy of the whole country. Jobs have to be created. Temporary jobs, yes, and permanent jobs too, but for that we have to create a positive climate where people in the private sector can have confidence in the economy, take risks and further develop their businesses.

It is not with the solution suggested by the Reform Party, that is closing down government, stopping all operations and making everybody jobless, that we will create a suitable climate for developing this country. And we will surely not do it by following the example of the Bloc Québécois, with their strange

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way of twisting everything towards their own goal, to destroy this country. That, Mr. Speaker, I cannot accept.

I will be pleased to vote for this legislation. It is not perfect, but I would surely give it a mark of at least 98 per cent.

[*English*]

**Mr. Cliff Breitzkreuz (Yellowhead):** Mr. Speaker, the member opposite just spoke of the budget inspiring hope in Canada and among Canadians. Heaven help us if he thinks that is what it is doing.

It is both unfortunate and undemocratic that the government is forcing debate on the entirety of Bill C-17, the budget implementation act. Bill C-17 is an omnibus bill. Essentially it addresses four major issues and lumps them under one bill. Therefore it could be difficult for members to vote totally in favour or against the bill as I believe that each issue merits its own debate.

Having said that, I will be discussing one portion of Bill C-17 which deals with grain transportation.

(1130)

Bill C-17 would increase production and the government's share of freight rates under the Western Grain Transportation Act from 10 per cent to 15 per cent for crop years beginning on or after August 1, 1994.

A goal of the Reform Party is to change the way the agriculture industry is dealt with by the federal government. The movement of grain to export positions is highly regulated in Canada and that is an understatement, to say the least.

Since 1897 when the Crows Nest Pass agreement became law, the government has regulated and controlled grain freight rates. It fixed and set freight rates western farmers paid Canadian Pacific to move their grain to what is now Thunder Bay.

In the early 1920s legislation was passed expanding and extending the effect of the original rate set in 1897 to all shipping points on the prairies, to all railways and to additional destination points. In short, the legislative action in the 1920s was the most significant turning point in the history of the Crows Nest freight rates for grain.

It changed the system from one governed by a two-party agreement between the federal government and CPR to one by which Parliament unilaterally imposed a national policy by statute. The industry has been paying ever since because of government regulation.

During the 1960s railways began to absorb losses as the cost of shipping grain exceeded the revenue from fixed freight rates. As a result, the railways could not afford to make necessary investments in the grain rail system. The MacPherson royal

commission on transport which reported in 1961 concluded that the Canadian railways were losing money on transporting grain at statutory or government set rates.

In 1982 consultations with farm groups were held on transportation policies led by Dr. Clay Gilson. As a result, he recommended payments be made to the railways initially but over a period years these payments would be phased to the producers until producers received 81 per cent of the benefit and the railways received 19 per cent.

One year later in 1993 the federal government's response to the transportation crisis was to enact the Western Grain Transportation Act. The WGTA provided for the continued regulation of freight rates and a subsidy based on the difference between what the producer paid to ship grain in 1982 and the actual cost of shipping grain in the same year.

In essence the WGTA increases the freight rates so that the railways would have enough revenue to maintain the grain transportation system. What about the farmers? What does the WGTA do for them? Government payments to the railways would defray the cost to farmers of moving grain but producers would pay an increasing portion of rail costs over time.

In the WGTA a system was born that has regulations regulating regulations. The previous federal government reduced the Crow benefit from last year of \$720 million to \$650 million in the current year. The Conservatives planned further 5 per cent reductions next year and the year after if Crow benefit payments were not changed to be paid to farmers instead of railways.

The current government dropped the Conservatives' conditions and instead is proposing a 15 per cent cut next crop year. That leaves the Crow benefit at about \$614 million, a drop of \$106 million in two years. That means producers are left holding the proverbial bag. They will be paying more for freight while at the same time putting up with big brother, the federal government and its stifling regulations.

I submit that the entire system is flawed, bordering on the absurd. The WGTA prevents farmers, shippers and railways from introducing savings into the system but at the same time with Crow benefit cuts farmers have to use a high cost system with less money to pay for it. The strangle hold that regulations have over grain shipping is squeezing the life out of many western producers. Farmers must put out more money for freight and severe regulations prevent them from using cost saving ways to collect and ship grain.

(1135)

We are asking the government to consider introducing an entirely new piece of legislation to govern the way farmers move grain, a piece of legislation that is fair to the farmers and railways alike.

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The WGTA promotes provincial offsetting programs, distorts domestic prices and promotes railway inefficiency. It is also a barrier to investment in the industry. It is clear that something needs to be done.

We advocate a trade distortion adjustment program to defend exporting producers against foreign subsidies on competing products. The program is all encompassing to the agriculture industry and would benefit producers by taking into account their individual needs.

The program would include an automatic triggering mechanism based on the historic volume of exported products. There would be no producer premiums and legislation would ensure timely payout to affected producers within this same market period.

It is important to vigorously support and defend Canada's food producers against the effects of matters over which they have little control such as foreign subsidies and trade distorting influences. What Canada needs is a viable market driven industry through the application of federal safety nets, programs that are production neutral, not commodity specific.

Canadian producers need to be able to transport their grain to foreign markets without barriers. The federal government is only chipping away at the WGTA, thereby passing further financial burden to the producers.

As the system now stands the backlog and confusion in grain movement are a direct result of the inability of government managed system to serve the agriculture industries. We need only look at the rail car shortage which is not only cutting into sales and costing farmers money but damaging relationships with important customers as well.

Canadian railways are not meeting their unload targets at Canadian ports as required by WGTA. More influence must be placed in the hands of those who have a legitimate stake in the industry, those who rely on the agriculture industry to make a living, namely the farmers. They are the producers and must have greater participation in how the industry operates.

The federal government is proposing to reduce its share of freight rates under the WGTA in the bill. By doing so the government is leaving farmers with the worst of both worlds, increased freight costs and a high cost, inefficient and inflexible system.

The federal government has a good opportunity to change the way things are done in the agriculture industry. Surely it can see that over regulation is crushing the hope of Canadian producers. We need a single program to protect our farmers, not a mix and match of programs.

There has been some movement in this direction, judging from the recent meeting between the federal agriculture minister and his provincial counterparts.

The government is only justified to protect Canada's agriculture producers from international forces as other countries are continuing to generously subsidize their agriculture industry. I urge the government to continue negotiating the GATT in an attempt to get international subsidies down so subsidies in this country can go down accordingly.

We must work to make the agriculture industry more self-reliant, not only for today but for the future as well.

[*Translation*]

**Mr. Paul Mercier (Blainville—Deux-Montagnes):** Mr. Speaker, the sudden flare-up of interest rates could kill the economy which was slowly starting to recover.

To help it recover, to really put it back on its feet again, the government should have given it a helping hand, but instead it gave it a punch in the face.

(1140)

We were waiting anxiously, but full of hope, for a recovery of the job market. But it is more unemployment that we will have because of rising interest rates. Has the Bank of Canada gone crazy? No, it is only trying to cope, as well as can be expected, with 10 years of mismanagement of this country. I will not pass judgment on its present policy.

In the United States, France and Canada, we are now hearing the old economic debates are coming to the fore once again. How can we revitalize a sick economy, particularly with monetary policy? Galbraith, Sorman and others have, I am told, opinions on this subject which are as clear-cut as they are divergent. People also talk about neo-Keynesianism. I will not venture into this subject because whatever I said would surely contradict one of these prominent economists.

You know what the argument of the Bank of Canada is, Mr. Speaker. For Canada to stay competitive on the loan market, Canadian rates must be higher than American rates. That is the result of our enormous debt. However, American rates have been increasing this past month to quell the risk of inflation there. Consequently, we are told, Canadian rates must also go up. Q.E.D., what perfect logic.

The problem, as you know, is that the American economy is expanding rapidly. We are told that it will not be hurt by this dampening measure. The American economy has a little fever? Put an ice pack on its head. This therapy is quite defensible.

The problem for us is that our central bank thinks it has to apply automatically the same medicine to our economy, which is anemic and needs a tonic. If we cannot raise our rates higher than the American rates, how will we find investors for the debt

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securities that we have to issue because of our enormous debt? Is that the financial independence advocated and promised in the famous red book which will meet the same fate as Mao's little red book and be thrown in the garbage with its promises of a brilliant future?

Do you know what it says in the Canadian red book under the promising title of "independence"? I will tell you right now that the red book does not talk about the independence of Quebec, but about the independence of Canada from other countries. And I quote: "A Liberal government will end the Conservatives' junior-partner relationship with the United States and reassert our proud tradition of independent foreign policy". It is mind-boggling! In terms of financial independence, Mr. Dubuc, an editorial writer at *La Presse*, pointed out earlier last week our complete dependence upon our creditors. The way things are going with this government, our policy will be dictated to us by the International Monetary Fund tomorrow, and the pill will not be easy to swallow. Will Canada, which is ironically the most indebted and potentially the wealthiest country on earth, become part of the Third World?

This is the result of a decade of unacceptably frivolous public management in this unfortunate country. We have accumulated the heaviest per capita external debt in the western world. The time has come to pay the piper. And we do not want to hear this government claim that it has inherited this situation and that it has no choice but to face the music. When did our external debt begin to rise really? The 1970s. Who was in office at that time? The same party as today. And back then, where was our present Prime Minister who takes such pleasure reminding our leader that he was once a member of the Conservative cabinet?

(1145)

He was the President of the Treasury Board in 1974 and Minister of Finance in 1977, 1978 and 1979.

I shall now come to the heart of the problem, the icing on the cake. The increase in interest rates will jeopardize the recovery and who is going to pay the price? The unemployed. However, who or what is being targetted by the pitiful attempts of this government budget to at least slow down the growth of our debt? The wealthy? Those who benefit from tax shelters? The federal civil servants who are responsible for duplication and overlapping? Ministers' air travel? Not at all! It is always the unemployed who must foot most of the bill we now have to pay in order stop the deadly increase in the public debt.

If we are to go by what Pierre Fortin and his colleagues from the Faculty of Economic Sciences of the Université de Montréal say, the Canadian unemployed workers will have to pay for half the predicted new drop in the federal deficit, even if we take into account the budget for social reintegration.

As mentioned in the same study, since the unemployed end up depending on social security, we are once again witnessing a

transfer of the deficit on the provinces. We are talking of at least one billion dollars. The provinces, in turn, will pass a part of it on to the municipalities, which will have no other choice than pass it on to whom? To Canadian taxpayers. We are back to square one. I know what I am talking about because I was a mayor for sixteen years.

It is far from being decent, Mr. Speaker, it is most cynical and unbearable. Only the legendary patience of our two peoples can explain why no angry outburst has yet occurred among unemployed workers and welfare recipients as it would surely have been the case in other countries.

Social peace and the most elementary sense of fairness both call for a fair distribution of the sacrifices imposed by the situation. Since Bill C-17 completely fails to meet those conditions, I will not support it.

**Mr. Claude Bachand (Saint-Jean):** Mr. Speaker, it is with pleasure that I rise today. Naturally, I will follow my party line in opposing Bill C-17.

Why will I oppose it? There are several reasons, the first one being, and I will explain it immediately, my strong opposition, which is not unknown to anyone, to the closure of the Saint-Jean military college and military base. As you know, this will lead to the loss of about one thousand jobs in the Saint-Jean area. When we look at the provisions of Bill C-17, we realize that these people will be doomed to a life of poverty in the short or medium term.

First of all, I would like to explain to this House the whole history of the Saint-Jean area, which has always been recognized as a very high level military region. Several factors can explain that, including geography. We are very close to a river, to the American border. When looking back at the region's history, we realize that the Indians, the natives, were already very much present, precisely because of its strategic and geographical location.

Naturally, that was followed by the arrival of the French and the building of forts. As a matter of fact, my region is known as the valley of forts. Then came the British and their resistance to the Americans, who attempted to invade Canada. In fact, had it not been for that valley of forts, we would probably be American citizens today.

(1150)

What does Bill C-17 do in terms of the closing of the military college? As I already said, an incalculable number of unemployed people in the Saint-Jean area. I oppose it for those reasons, but also because it is an illogical budget cut that I will explain. It has been put forward in some arguments, and it is still being done today, that Quebec is already under-estimated, under-represented and under-budgeted in terms of national defence spending. I think that in Quebec, National Defence spending is 15 per cent, while our contribution is 25 per cent.

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Same thing for the defence infrastructure. Only 13 per cent of the defence infrastructure is in Quebec while our contribution is 25 per cent. The budgetary cuts in this area, as a result of which—as you know—1,000 people end up unemployed, are going to widen that gap since officer-cadets from the Collège militaire royal de Saint-Jean who are going to leave for Kingston are going to be the source of additional defence spending and infrastructure in Ontario to the detriment of Quebec.

The same applies to the military base and the language school. Given the circumstances, teachers would have to leave Quebec to go and teach in other parts of Canada, which would again lead to an increase in the budgets everywhere but in Quebec and widen the gap.

You certainly know also that Quebec will do without the helicopter contract; in fact, we had asked the liberal government to cancel that program. This already represents on the part of Quebec a sacrifice of 1.7 billion dollars. Unfortunately, the government has neglected our recommendation to establish a fund for industrial conversion, which would be a better option than cutting UI benefits and which would allow people laid-off in the military sector to be retrained for positions in other sectors of the economy. Unfortunately, for the time being, that solution is not accepted by the government, which prefers to go after the unemployed with Bill C-17.

I want to come back to the military college and say again that it is an illogical decision from an economic point of view. It has already been proven that in terms of costs per officer-cadet, Saint-Jean College costs a lot less than the two other military colleges. It costs \$58,000 per year to train an officer-cadet at Saint-Jean compared to \$71,000 at Kingston. We can see therefore the illogical situation created by the Liberal government's decision to close down a military college clearly more productive than other institutions.

As regards the military base of Saint-Jean, you know that it is the most modern in Canada. So how can you explain that a base which cost \$180 million will be almost completely shut down since its activities are going to be reduced by 75 per cent?

These are issues we cannot remain silent about. In the case of the language school—and I have documents to prove it—Lieutenant-Colonel Paul Addy of Saint-Hubert wrote the following—and I have his letters here—to his brother, Brigadier-General C.J. Addy: Maybe the issue should be reconsidered because the solution will be more costly than keeping things the way they are. Therefore, Mr. Speaker, we are also facing an illogical situation here.

We must also remember the historical context in which the construction of the military base took place. That is very important. It was built following a Liberal promise. At that time, there were three major projects underway in the Montreal area. There was Mirabel to the north; Place Guy-Favreau on the

island of Montreal; and the base of Saint-Jean to the south of the Montreal Island. It is also illogical because these promises now lie broken and it is Quebec and Saint-Jean that must bear the consequences.

(1155)

I will say nothing on the death of bilingualism because it was mentioned several times and I am trying to limit myself to fiscal arguments. However, the government had other choices to make. Take for example the ERYX missile project for which the total is now \$212 million. At the time, the current Minister of Human Resources Development condemned that project; he disapproved of the amount of money the Tory government wanted to pump into it, some \$11 million. Now the government's budget projections show that this project will reach \$212 million. All this for a short-range anti-armour weapon system which does not even appear on the list of weapons required by the Canadian Forces in Bosnia. It is not even recognized by the UN as an effective weapon.

So we have a hard time understanding why the government chose to close a college with a long standing reputation and to pump money into a weapon which produces no positive results except the squandering of public funds.

It is often said that the Maritime Provinces are also victims of plant closures, but nobody talks about the fact that they want to build coastal defence vessels. Just imagine, Mr. Speaker, these would be used to clear mines from our ports and harbours, as if the Russians were in a position to lay mines there these days. That in our view is an absolute waste of \$746 million. On that point also, I think the budget choices of the government are totally illogical.

There is also the fact that if the officer-cadets currently in Saint-Jean were moved to Kingston, we would have to expand the facilities there and we will still have to pay grants in lieu of taxes in Saint-Jean, even if the building is empty.

A very interesting CROP survey concerning the city of Saint-Jean was published last week. It shows that the government is not backing down and still intends to close the military college and move it to Kingston. We think that the cost of adding to the Kingston facilities and laying off surplus teachers will more than offset any potential saving. This choice was not about saving money, it was not about bilingualism, it was not about culture, it was only, as I said before, about politics. This decision to hit Saint-Jean with the closure of the college was a political one.

The point I am trying to make is that it was a reckless gesture and that the government is not seizing the opportunity to convert the defence industry. We could put money in a defence conversion fund which would help save military industries, while at the same time ensuring that such monies are awarded in a fair and equitable fashion across Canada, as it should be in the



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Confederation we still belong to. If there are very few military bases and colleges in Quebec, it is because, at the time, there was a trade-off for more military contracts. But with the changing international situation, these military contracts are going up in smoke. Not only that, but the few that are left in Quebec must have spin-offs across Canada.

So, as you can see, Quebec is a loser with this budget and, on top of that, Bill C-17 hits it again. This bill victimizes the unemployed instead of setting up a retraining program for the 1,000 people who will lose their job in Saint-Jean. Once again we are sidelined. The government remains insensitive to our plea. For all those reasons, I am very happy to announce that my party and I will vote against Bill C-17.

(1200)

[*English*]

**Mr. Jim Gouk (Kootenay West—Revelstoke):** Mr. Speaker, I would like to raise a few points on Bill C-17. There are many problems with it depending on which area one would want to approach it from.

Often we hear the other side of the House say they are concerned that the Reform Party does not support this or the Reform Party does not support that. This certainly is a prime example of what happens. They jam a lot of different areas all together. If we turn one down because there is something in there we do not like, they say we are against everything.

I mentioned in the past how they did that with the Charlottetown accord. It was not just the other side but in fact all parties at that time. They had this huge, all-encompassing accord. Then after the people of Canada in their wisdom decided to turn it down they forever more are saying each and every part of that accord was rejected.

Some people voted against it because they did not like the fact it was almost impossible to amend it. Some people did not like the way the Senate was set up. Some people did not like the arrangements for the province of Quebec. Some people did not like it because of the concept of aboriginal self-government with no definition as to what it really was. The aboriginal people themselves did not like it. Yet every time now that we come back to one of the issues in there the government says: "You had your chance and you turned it down".

So it is with Bill C-17. The government likes to say we are against the individual parts of this, but of course we cannot be against the individual parts. We are not allowed. We either accept it in whole or reject it in whole. There are many areas in there.

I talked in the past about the transportation subsidies. Unemployment insurance is another example where the government is saying we are turning something down that we should be embracing. The government in fact is twisting our very words.

Under unemployment insurance they are dropping the rates from \$3.30 to \$3 and then we are chastised for making any comment against its action. The reality is they were the ones who put it up to \$3.30 in the first place. Then they say a company with 10 people or 50—I cannot remember the magic number used—is going to save all these thousands of dollars with which it can hire new employees. The reality is that nothing has been saved because it was a charge imposed by the government in the first place.

If it were true, and I pointed this out to the Minister of Human Resources Development before, it should have put the rate up by \$3 instead of 30 cents and then dropped it back down. That way the companies would save 10 times as much and all our economic problems would be over.

The reality is whether we should be debating the implementation of this budget at all. It is already out of date. The budget will not work. It has not taken into account the impact and the effect it has had on our economy already, how it has shaken the confidence of international lenders around the world. Our foreign bond credit rating has dropped. The stock market has dropped. Interest rates have climbed and our dollar has dropped. We are in big trouble and it started with this budget.

It is time the government realized this is not a budget that is going to work for Canadians. Instead of debating this we should be setting it aside and working together to develop a new budget, one that will really work and one that will address the real needs of the Canadian public.

We have to oppose the bill because it is the implementation of a variety of acts, some of which might be good but many of which will not work. It works toward passing an overall budget which itself is flawed and already out of date.

[*Translation*]

**Mr. Jean H. Leroux (Shefford):** Mr. Speaker, I rise to support the position taken by my colleague for Mercier regarding the amendment to Bill C-17 which changes the rules applicable to Unemployment Insurance.

Using as a base provisions contained in the 1994 Budget, the government has considerably changed the rules of the game as far as UI is concerned, without resorting to a special bill. I stress that fact, because the proposed changes are more than a simple change of rules.

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(1205)

This is the end of the redistributive effect of Unemployment Insurance. What people should realize is that workers should not be penalized for the lethargic state of our economy, especially when the government was elected on the promise that it would create hundreds of thousands of jobs and now looks idly—yes, idly, Mr. Speaker—at the waste of government money and at the sclerosis of its finances.

Up to now, the government has refused to debate its fiscal policy with the opposition. Moreover, it rejected the proposal of the Bloc Québécois to create a committee to study all budgetary expenditures. However, without any consultation, the government decided to cut into UI, without putting into place the means to help workers. Mr. Speaker, my question is to the Liberal members: Where are the jobs they promised during last fall election campaign?

Now that Liberals are in power, do they not fear the mounting discontent among taxpayers? It seems to me that my colleagues opposite, high in their ivory tower, do not realize the seriousness of the situation. They have lost touch with the reality of the employment market. What we need is an economic policy based on employment. We do not need unjustifiable and discriminatory measures aimed at the less well-off, which leave thousands of families with no alternatives and no hope.

As my colleague, the member for Mercier, said so eloquently in the speech she made in the House on March 25, the amendments to the Unemployment Insurance Act do not reduce the inequities between the rich and the poor of our country, on the contrary. The announced changes do not provide for any specific measure reducing youth unemployment. Finally, these changes do not cancel out the raise in UI premiums of workers and businesses as of January 1st, 1994.

Several things bother me. What is the real purpose behind these changes in the Unemployment Insurance Act? Does the government really want to tackle the problems of unemployment and the labour market or does it simply want to hide its true intentions and have the middle class and the less well-off pay the bill?

The Minister of Finance announced recently in his budget that public expenditure control was one of the main goals of his government. I agree that such a goal of fiscal consolidation is necessary and even noble, but I am surprised and worried that close to 60 per cent of the projected drop in the federal deficit, some \$2.4 billion out of a total of \$4.1 billion, will be assumed by the unemployed, who are 1.607 million in Canada and 452,000 in Quebec.

According to the Minister of Finance, at least 85 per cent of the unemployed will see their benefits reduced. It is easy to figure out. Is it not strange when one is advocating social values and equity, as the Liberal government did so well?

In terms of equity, the government is making the unemployed pay the bill for its fiscal consolidation. That is an absolutely disproportionate share of the burden. We ask much more from the unemployed than from wealthier groups.

(1210)

The Minister of Human Resources Development announced drastic measures regarding workers who lose their jobs. He said: “The proposed changes prejudice in no way of the social security system reform. These interim measures were necessary and constitute positive steps. At the same time, we are making additional savings by reducing duplication”.

What the minister means is that tighter eligibility requirements, combined to a shorter benefit period, will force UI recipients off UI and onto welfare. These interim, positive steps will cost taxpayers in the various provinces at least \$1 billion; Quebec taxpayers alone will have to pay \$289 million. What do they take us for! Not all of us are wearing blinkers.

Basically, the federal government is making budget savings at the expense of Quebec's 452,000 unemployed and Canada's 1,607,000 unemployed. I am afraid that reducing the benefit period will be totally ineffective and that this measure will actually be counterproductive and fall short of the official objective.

Increasing the unemployment insurance qualifying period from 10 weeks to 12 could affect many of the thousands of seasonal workers in the eastern part of Quebec, to say nothing of Atlantic Canada.

Sixty per cent of UI cuts will be borne by Quebec and the Maritimes, two regions where we find the people who will be most affected by the increase in the number of weeks required to qualify for benefits. In other words, the fishing, tourist, forest and construction industries will be the hardest hit by this reform. That is unacceptable!

To wrap up, unemployment insurance reform reflects the Liberals contempt for the unemployed. The Minister of Human Resources Development admitted to pursuing the following objective: to force recipients to work longer to be eligible for the same number of weeks of benefits. As if the unemployed chose not to work!

But that is not where the problem lies. So, it is not by tightening eligibility requirements and reducing the number of weeks of benefits that the unemployment problem will be resolved. Unemployment in Quebec and Canada is due to a lack of jobs for everyone and people have to go from one temporary job to another. The proposed reform will do nothing to solve the problem of insecure jobs, on the contrary.

The government claims that the decision to lower the unemployment insurance premium rate from \$3.07 to \$3 per \$100 of insurable income in 1995 and 1996 will create 40,000 jobs by 1996. There is something wrong with that! Last December, this

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same government raised the premium rate from \$3.00 to \$3.07. Moreover, this Liberal government, by its own admission, eliminated 9,000 jobs on January 1 because of this increase in premiums for employers and employees. Is that not sufficient proof that the government's proposed reform is ineffective? And part of this reform is already in effect, to boot.

What does the government really want to do with this reform? Are all the facts that I have just given you not enough to prove that the proposed reform is not appropriate and that it will do more harm than good?

(1215)

[English]

**Mr. Dick Harris (Prince George—Bulkley Valley):** Mr. Speaker, I am pleased to rise today to speak in the debate on Bill C-17. I might point out that although I have spoken many times during the questions and comments periods of the debate, I find it hard to believe this is my first speech in the House. I hope all the folks back home in Prince George—Bulkley Valley are watching today.

In my address today I am going to acknowledge some of the good points of the budget, which I think is appropriate. Our party is not here simply to criticize. Where credit is due we certainly will applaud.

Accordingly I must inform the House that in our opinion there are very few good points in the budget, so a great deal of this address will deal with many of the problems in the budget generally and the negative effects that we feel it is having and will continue to have on the economy of the country.

First, I congratulate the government on certain aspects of Bill C-17 which indicate at least some fleeting recognition of the necessity to curtail government spending within the public service and in the area of transfers to persons and provinces. For example, the government has extended an existing salary freeze for public service employees and has frozen the salaries of members of Parliament. I applaud that. The government has also frozen transfers to the provinces under the Canada assistance plan for the fiscal years 1994-95. As well, amendments to the unemployment insurance lengthening qualification times may encourage some firms to hire and may discourage the abuse of the system.

On that point, it possibly would have been appropriate if the government had looked at putting a hiring freeze on the public service sector as well and let attrition actually contribute to this effort to cut costs in the public service sector.

Clearly these actions could be representative of a step in the right direction. There is some indication that the government recognizes problems surrounding expenditures devoted to pub-

lic sector salaries, transfers to the provinces and social programs.

Unfortunately this is where the government's foray into the realm of reality ends. Despite repeated warnings from domestic and international investors there has been no significant reduction in government spending. Overall government spending has increased. The reaction of the markets in recent times reflects the government's continued neglect to address the financial problems of Canada in its recent budget.

On April 22, 1993, the present finance minister questioned the Conservative government on its budget. At that time he stated that the Conservative budget was a stop-gap budget that did not address Canada's real needs. I suggest to the Minister of Finance that perhaps he should apply his past comments to his recent budget. In so doing he may just come to an understanding as to why the financial markets have reacted in the way they have. Quite simply, the budget brought down by the Liberal government does not address Canada's real needs.

It is my opinion that the Liberals are on course to add \$100 billion to the national debt over the term of their mandate. The consequences of that will cause severe stress to our economy. Specifically it could translate into such excessive tax increases that the Canadian consumer will be left with a severely deflated disposable income and those who would invest in this country, the investors and the developers, would end up having a zero comfort zone.

Our standard of living and our way of life would begin to become dramatically downgraded. The people of the country could be transformed into minions of the state, simply working to feed the government and its insatiable spending habits.

(1220)

Some forecasters predict that government growth could be the strongest among the G-7 countries in 1994. I believe industry is looking to the government for stability in politics and in taxation so that as a result of the forecast it may begin to develop this comfort zone and take any advantage it can of any upswing in the economy.

Unfortunately it is not the intention of the government to allow industry to have that comfort zone and it has been demonstrated in the recent budget. The government appears to be well on its way to being a major deterrent to economic recovery in Canada as a result of the budget. Nowhere is it more pronounced than in the budget.

It is the opinion of our party and of millions of Canadians that we need serious cuts in federal spending if we are ever to transform Canada into an attractive country for investors. As well we need serious cuts in government spending and some clear indication that the government is getting its financial

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house in order if the consumers of the country are ever again to develop any measure of consumer confidence.

The government has introduced some cost cutting measures. However the government will still be running a \$40 billion deficit this year. This is because it has introduced 18 new spending programs and 15 new studies.

In the budget speech the Minister of Finance stated that people told the government it should freeze spending and it agreed. That is what he said.

The minister may have agreed with that point but he took no action to implement it. In fact he did the opposite. Total government spending is up from \$160 billion to \$163 billion. Because of this action and the recent rise in interest rates it is my opinion that the government cannot possibly reach its target of 3 per cent to GDP ratio in three years. It is impossible under the present budget.

Total debt as a percentage of GDP has been increasing steadily over the last 25 years. In 1970–71 total debt represented 21.8 per cent of GDP. Forecasting predicts that in 1995–96 total debt will represent approximately 75 per cent of GDP. By the turn of the century, if current government spending habits continue, total government debt will surpass our GDP. This would mean that we would eventually owe more than we earned in a year as an entire nation. I find this a national shame.

Our poor financial condition is evident in some recent trends in the Canadian economy. The dollar has come under increasing pressure and foreign investors are withdrawing their money in response to the staggering government debt load.

The IMF warned of such a situation last year. It predicted that the dollar would begin to slide if “Ottawa and the provinces fail to cut spending in their upcoming budgets”. This is exactly what happened.

The Dominion Bond Security Rating Service recently downgraded its rating on Canada’s foreign currency debt from AAA to AA high. Dominion stated that it had no choice but to downgrade the rating since there were no “meaningful reductions” in the government’s recent budget.

This represents yet another harbinger that the nation’s fiscal house is in disorder and could be on the verge of collapse. None of this has frustrated the Prime Minister and his government. It has not frustrated them at all. The encouraging news that I have just outlined has somehow prompted the Liberal government to embark on a \$6 billion credit card infrastructure program.

(1225)

Interest rates have been edging up as foreign investors see Canadian debt load increasing and as they react by selling off their Canadian dollar holdings. The dollar has lost two or three

cents since budget day and as well the government deficits will continue at unreasonably high levels in the short term.

The budget similar to the Liberal election victory is a status quo entity, that is if they do nothing and say nothing they hope to emerge undamaged by public scrutiny. Contrary to the claims of the finance minister the budget is just nibbling at the edges of the problem.

The one area of spending that needs to be reformed and is not, which is the largest government spending program, transfers to provinces and persons remains relatively untouched by the government. Over 50 per cent of our budget is spent on social programs and transfers to provinces and persons. This huge area has been virtually untouched.

Industry, investors and individuals are looking for signs of stability and thereby certainty of the future economic direction of our country.

**The Deputy Speaker:** It is the hon. member’s maiden speech. I wonder if there might be unanimous consent to let him have a little longer to finish it. Is it agreed?

**Some hon. members:** Agreed.

**Mr. Harris:** Thank you, Mr. Speaker. I am just about done.

The budget was supposed to represent stability and certainty in the future economic direction of our country. Sadly, very sadly, budgets such as the one presented on February 22 do not provide any kind of stability or certainty. Continued deficits point to higher taxation, individuals are cautious in the use of their disposable income as they see it shrinking and as they see their job certainty becoming more uncertain and industry is looking south of the border for a more hospitable economic climate.

The underground economy is running at about \$70 billion a year. This all represents definitive evidence that there are problems with taxation on industry and taxation more generally.

Alberta has recognized the negative effects government debt produces. Accordingly in its provincial budget it has taken measures to eliminate the provincial deficit within a few years and is predicting a surplus. Those people from western Canada hope that will work and they are confident it will.

Other provinces and the federal government must take similar action. Rosy revenue projections are simply no longer acceptable. The federal government needs to take action on this issue and we need action today.

I will just sum up. We in the Reform Party have been constantly speaking about taking action. The government has failed to listen to us. We in the Reform Party will continue to speak on additional cuts that the government has to make to its budget and we have been. We will do all these things in an

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attempt to prevent the government's fiscal house from crumbling and come crashing down.

The implementation of Bill C-17 and the budget generally represent the removal of yet another cornerstone of our financial house. It is on the verge of collapse and accordingly our party and I must oppose it.

[*Translation*]

**Mr. Jean-Marc Jacob (Charlesbourg):** Mr. Speaker, Bill C-17 is a direct result of the finance minister's great budget. So just about anything having to do with the budget will impact on Bill C-17.

Instead of touching on every aspect of the cuts achieved at the expense of the unemployed, I will move in a more specific direction.

(1230)

The cuts in the finance minister's budget affect the unemployed, seniors and, in large part, the national defence budget. The defence cuts were wanted by the Liberal Party before it took office; we in the Bloc Québécois also wanted them so I will not question their validity. Of course, I cannot help but point out that the military college in Saint-Jean is not and will never be part of the acceptable cuts, let alone justified by economic arguments which, in my opinion and that of my Bloc colleagues, have never been proven.

However, section 7.1 of Bill C-17, which deals with national defence cuts, seems vague and shortsighted to me.

These cuts will translate into civilian and military layoffs. Under section 7.1 of this bill, payments will be offered or given to employees who have lost or will lose their jobs due to civilian and military personnel reductions. We must also speak up about staff cuts at the national defence research centres.

Section 7.1 is vague regarding the duration and amount of payments to national defence laid-off workers. It is also shortsighted because it does not offer future prospects to the people who have lost their jobs as a result of the finance minister's budget.

The old saying "instead of giving a fish to the hungry, it is better to teach them how to fish" can be applied at many levels in our society. Why, as the Bloc Québécois suggested during the election campaign, did the government not implement programs to convert defence industries to civilian production, in line with the red bible of this good government full of good intentions but very reluctant to take action?

When I see companies such as Paramax and Oerlikon after the EH-101 helicopter contract was cancelled, and also in the case of Oerlikon after the end of the cold war, I wonder what markets these companies can turn to.

Unfortunately, I think that the programs under section 7.1 providing for payments to those who will be affected by the cuts leave little hope to the many highly-skilled workers with very limited retraining opportunities, given our current economic environment.

Where do we find in Bill C-17 an incentive to employment recovery? Throughout the campaign, the Liberal Party kept talking about jobs, jobs, jobs, but we find very little incentives, if any. Generally speaking, in life or in the private sector, when corrective action is taken in response to some alarming situation, you try to plan different options.

What options has the government included in Bill C-17 to promote recovery? I have met with people in my riding and they do not speak highly of this kind of reform which does nothing to resolve the real problems. The gap between the social classes is increasing irreversibly. The middle class, which is the government's major source of income, is starting to wonder if the measures we take are not aimed at its elimination. Overtaxed and competing against the underground economy, the middle class could hardly believe the budget. Why were big businesses and trusts still spared, while members of the middle class, who, given the present economic situation, have started to join the ranks of the unemployed, were being squarely targeted by the government?

I said previously that if you taught someone in need how to manage instead of giving him money, that person would become self-sufficient. Here is an original example of job creation incentive. My colleague from Joliette has introduced Bill C-230, which is an amendment to Bill C-17. This amendment would allow resourceful unemployed people to create jobs for themselves and maybe even for others. There are many workers who were employed for eight, ten or twelve years, who were laid off because of the economic situation and who, thanks to their entrepreneurial spirit, created small businesses, thus losing all the UI contributions they made over those ten or twelve years.

(1235)

Bill C-230 would allow a worker who becomes unemployed and decides to invest in a small business to receive, over a certain period, 50 per cent of the UI benefits to which he would otherwise be entitled if he did not have the will and the desire to start a venture. The break-in period for a small business is somewhere between three and eight months. Such a measure would be an extraordinary boost to job creation!

If a person who worked and paid UI contributions for many years does not have the initiative to create something, that person is entitled to UI benefits while staying at home doing nothing. Yet, if that same person has the will to start a business and needs help at the beginning, he or she simply loses entitlement to UI benefits. If Bill C-17 included measures such as

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those proposed by the hon. member for Joliette, I would probably support that legislation.

Unfortunately, the bill contains no incentive; it merely makes it harder for the unemployed to survive and it will only accelerate the transition from UI to welfare, without any measure to help economic recovery. I have no choice but to oppose this bill and hope that it will be amended by including measures such as those proposed in Bill C-230.

[*English*]

**Mr. Ian McClelland (Edmonton Southwest):** Mr. Speaker, I appreciate the opportunity to say a few words about the budget. In particular I would like to say that as this debate has unfolded in the last few days, time and time again hon. members of the Bloc have risen and talked about what a horrible deal Quebec gets at the hands of the rest of the country.

After the last such outpouring of emotion from the Bloc I thought it might be interesting to do an analysis, an investigation, and see how bad it really is. I would like to read it into the record and bring some edification to some of the members of the Bloc. Let me quote from the estimates of equalization for 1993-94 by revenue, source and province.

An hon. member of the Bloc recently talked about the transfer payments and equalization and the fact that: "We recognize we are the recipients of transfer payments, but we send a whole lot of money into Canada, into the national treasury by way of income and corporate taxes".

Let me set the record straight as far as personal income taxes are concerned. I will not go through all of the provinces, but I will if I may outline Quebec, Ontario, British Columbia and Alberta.

Transfer payments from the federal treasury to the province as a direct result of personal income taxes: Quebec is the net beneficiary of \$1,529,700,000 a year; Ontario pays out \$2,137,000,000; Alberta pays out \$63 billion and B.C. \$199 billion.

On business income revenues, Quebec pays out \$78 million; Ontario \$175 million; Alberta \$245 million and B.C. is the recipient of \$109 million.

Let us cut to the bottom line. There is a whole stream of statistics here and any of my hon. colleagues from the Bloc are quite welcome to ask the Department of Finance for the information. They can get it by phoning the Library or the Department of Finance.

(1240)

Estimates for this year have Quebec being the net recipient of \$3.730 billion from the federal treasury. Ontario will contribute \$3.946 billion. Alberta with one-tenth of the population of Canada will contribute \$4.218 billion and British Columbia, \$1.294 billion.

I thought it would be worthwhile to put this on the record so my colleagues in the Bloc and the people of Quebec understand that there is a net benefit to Quebec to remain in Confederation. This is not a one-way street.

The other point I would like to raise in conjunction with the debate on the budget is the changes to the Unemployment Insurance Act. I am speaking in support of the changes that the government has introduced and would ask it to consider extending them to some of the recommendations that were leaked in the press earlier.

The unemployment insurance program as it is today is not the program that was envisioned when it was first announced. Unemployment insurance today is a wealth transfer tax. It is a transfer of wealth from those who are working to those who are not working.

That is fine except let us call it what it is. Instead of calling it unemployment insurance, let us call it a wealth transfer tax. It transfers that wealth from one part of the country to other parts on a sliding scale of entitlements and requirements. It certainly cannot be considered unemployment insurance.

I ask members to consider the situation of an employee who earns \$15,000 to \$18,000 a year, has never been out of work, pays unemployment insurance on a weekly basis and has done so for 15 or 20 years. Contrast that with a seasonally employed person who might make twice as much money working six or eight months of the year. That person is then entitled to unemployment insurance for the remainder of the year. They already make twice as much money as the person who works all year long. Yet the person who is unemployed seasonally gets a ton of money from the unemployment insurance program at the expense of the person who works all year long and does not take any time off.

Is it fair? We have to change the unemployment insurance program to reflect reality. Just as individuals may take advantage of the unemployment insurance program that exists today, so do businesses take advantage of it.

If a business sees that it is going to have a slow time for a month, a month and a half, or two months it is very easy to lay people off and bring them back into the workforce. They can go on pokey. The employer has no fear of losing them as skilled employees because they are not going to find a job in a month and a half.

When laying off employees the employer can tell them: "Don't worry, we will bring you back in a month and a half". What happens? The unemployment program is subsidizing a business and their employee pool. That is not what it was designed to do. That is a business taking advantage of the unemployment insurance program just as some employees do.

How do we go about fixing that? If we were to make the unemployment insurance program a pure insurance program run

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by the employees and paid for by the employees, there would be natural checks and balances built into the program that would prevent abuse. If premiums were abhorrently high because other people were abusing it, it would not take very long for all the people who found themselves being abused to get in there and change it.

(1245)

Therefore, what do we do in order to ensure that those who do not have the resources or the employment are looked after? Canadians are caring and compassionate. We are not going to let people starve in the street. That is a basic understood fundamental Canadian value.

How do we go about ensuring that does not happen? I submit it is time that our country started dealing with situations and problems as they are, not as we wish them to be. If that means that because of the changing nature of work in our country and around the world people are going to be working fewer hours and getting more for it, having more leisure time, then we have to reflect the realities that exist.

If it means that we are going to have to look at a guaranteed annual income then let us look at it. Let us look at these things honestly so that when we have an area of the country with extremely high systemic unemployment, people can say: "I can choose to live here because I like living here. This is where my family has always lived. I am only going to simply survive. If I want to do well or if I want my children to do well I am going to have to do the same thing that my forefathers did. I am going to have to go where there are jobs and where the economy is stronger".

We have to deal with the reality of the economics in our country and around the world as it is and not as we would wish it to be. If we continue to look at this through the rose coloured, rose tinted glasses that we have been we will never start dealing with the fundamental problem we have in our country. The fundamental problem is that there are areas where the nature of work is changing.

We know beyond the shadow of a doubt that the unemployment in the maritimes is going to stay high for at least our lifetime. It is tragic but the reality exists that if people who live in the maritimes or in any other systemically disadvantaged part of our country want to do better they are going to have to move to another part of the country where their children are going to have opportunity just as our forefathers had to leave whatever their home country was and come here.

I thank the Chair for the opportunity to make these points. I wanted particularly to make these points about the value of Confederation to my hon. colleagues from Bloc from Quebec who are constantly reminding the House of how historically disadvantaged they are when the reality is they are not.

*[Translation]*

**Mr. Gilbert Fillion (Chicoutimi):** Mr. Speaker, first, let me thank you for doing me the honou of asking me to replace you in the chair for a few moments. This is a true historical event in this House. Imagine, a sovereigntist, a member of the Bloc Quebecois in the chair! Both you and I, Mr. Speaker, will go down in history for that.

I want to discuss here Part V of Bill C-17 amending the unemployment insurance.

Talking about unemployment is talking about employment. Last March, in the Great Chicoutimi—Jonquière area, the seasonally unadjusted unemployment reached 15.5 per cent. These kinds of rates bring us back to the inability of our leaders to manage our primary resource, that is our human resource. Wherever you stand, you have to acknowledge that the situation is tragic.

(1250)

The mechanism we put in place to counter fluctuations in the economic cycle really comes into play when we go through a period of high unemployment. That is when the Liberal government chose to send a clear signal to Canadians. It makes far-reaching changes to the unemployment insurance plan. Moreover, the government promised jobs. That was the main theme of its election platform, but it seems that the colour of its red book has been fading in the last little while. I see it turning from red to beige a little more every day. What are they telling us now? They are tightening the screws. Following the changes made by the Tories, the Liberal government is continuing to undermine our social safety net.

The logical thing to do would be to create more jobs, not to dismantle the system already in place.

Eligibility for unemployment insurance is reduced, the benefit rate will also be reduced for the great majority of recipients and the benefit period will be shortened.

We are told that the government wants to establish a better balance between the period of employment and the benefit period. It overlooks some countries which do not follow that economic model. One cannot help feeling angry about such disappointing measures which show that the government is unable to create jobs.

According to the budget, there will be a net deficit reduction of \$8 billion in 1995-96, but only \$4.1 billion of that will result from the new measures announced by the Minister of Finance. The unemployed are the ones who will pay for 60 per cent of the deficit reduction effort, that is, \$2.4 billion of a total of \$4.1 billion. Even if you deduct the \$400 million that the government plans to reinvest in order to help unemployed Canadians get back into the job market, their contribution is still 50 per cent.

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How can the government ask the unemployed to make such a large contribution? The government estimates that the repercussions on provincial welfare programs will total \$65 million to \$135 million. According to three economists from the Université du Québec à Montréal, these changes will cost the provinces at least \$1 billion, including \$280 million in Quebec's case. Why is there such a big difference between these estimates? Who is telling the truth? The government or the experts? I think that the experts have more credibility because they are impartial.

The government says that it wants to strengthen the relationship between work history and benefit entitlement. But its proposal will only widen the gap between the various regions of our country.

By increasing from 10 to 12 the number of weeks required to be entitled to unemployment insurance benefits, the government is shutting out a particular category of workers who would barely qualify under the existing system. The increase in the number of weeks required to qualify for benefits essentially affects the Maritime provinces and Quebec.

(1255)

By restricting accessibility on one hand and by favouring applicants who have accumulated a larger number of work weeks on the other hand, the government is forgetting how shaky the employment situation is in many areas. Moreover, it is not taking into account the structural changes that have occurred in the job market. Instead of adapting the unemployment insurance program to the new realities of the labour force, the present government continues to reduce the protection given to workers.

The government has made up its mind, even though it indicates that these measures can be seen as temporary. They lead us to believe that the choices have already been made and that the broader reform of social programs will only serve as an exercise in justification.

Finally, lessening the importance of the regional rate of unemployment in calculating UI benefits will inevitably penalize the regions with the highest rate of unemployment. The reduction in the number of weeks of benefits will hit hardest the regions with a rate of unemployment over 10 per cent, once again the Maritimes and Quebec.

Indeed, eastern Canada is hit hardest by these measures. This is how an internal document of the Department of Human Resources Development estimates the cuts in benefits: \$735 million for Quebec; \$630 million for the Atlantic region; \$560 million for Ontario and \$430 million for Western Canada. Once again Quebec bears the brunt of the cuts. One cannot say that this is fair. Quite the contrary, regional disparities persist and the gap remains. Provinces with a high rate of unemployment will suffer higher cuts.

Finally, the government is increasing benefits for low-income people with dependents. Their benefit rate will be 60 per

cent, while it will be 55 per cent for others. According to the Department of Finance, about 15 per cent of UI recipients will belong to that group. That measure will require women to prove that they have the custody of their children and will necessitate the introduction of monitoring measures. Besides, it was reported in broad headlines in *La Presse*, on Monday April 11, 1994, that the New Brunswick government wanted to require single mothers to identify their children's father; that those who refused would no longer be entitled to social assistance. Is the Liberal government, our government, heading in the same direction?

The government argues that the changes will contribute significantly to job creation when the premium reduction will come into effect on January 1, 1995. The government has postponed until next year a measure it could have applied today. There is no doubt that these changes reflect this government's inability to offer a real recovery plan.

In closing, I will say that the government ought to fight unemployment rather than the unemployed. And one of the ways to offer a real recovery plan that would restore a balance and be equitable to Quebec, Mr. Speaker, is to transfer jurisdiction for labour training to the Government of Quebec, with the related funding, of course. Quebec already has the expertise in this field, being the closest to its constituents. It should have the right to manage labour training programs for its workers.

(1300)

*[English]*

**Mr. Garry Breitkreuz (Yorkton—Melville):** Mr. Speaker, thank you for the opportunity to bring our concerns before the House.

I would like to focus my remarks on the government's proposed changes to the unemployment insurance program. In the budget tabled on February 22 the government proposed the following changes to the UI program, some of which are included in Bill C-17.

The government is rolling back UI premiums for 1995 and 1996 to \$3 for every \$100 in insurable earnings, down from \$3.07. It is reducing the benefits to 55 per cent of insurable earnings, down from 57 per cent. It is increasing the benefits for those UI claimants with low earnings and dependants to 60 per cent of insurable earnings. That is up from 57 per cent.

The government is increasing the minimum amount of time a person needs to work to qualify for UI from 10 weeks to 12 weeks. It is allowing more workers who voluntarily quit their jobs or are fired with just cause to collect benefits. Also, the length of time a worker can collect UI in regions with high unemployment has been reduced from a maximum of 32 weeks to a maximum of 26 weeks.

Finally, the length of time a worker can remain on a claim has been reduced. For example, workers who work 20 weeks used to



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be able to collect benefits for 17 weeks. Under the new schedule, they will only be able to collect 10 weeks of benefits.

Those are some of the changes. The Reform Party is generally supportive of the changes proposed by the government. However we maintain that the government did not go far enough.

On Tuesday of this week the leader of the Reform Party asked the Prime Minister if there would be additional spending cuts to those outlined in the recent budget and the Prime Minister answered yes. Yesterday in the House of Commons the Prime Minister and a number of his ministers, despite repeated questions from the Reform Party, refused to identify which programs would be cut.

We maintain there are billions of dollars to be saved by returning unemployment insurance to a true insurance program. This means to protect workers who become unemployed through no fault of their own. That is what we mean.

I would like to comment specifically on each of the measures proposed by the government and then put forward some constructive alternatives for the government to consider. We do not just try to criticize, but we also give positive alternatives.

The government is to be commended for reducing premiums to employers and employees. UI premiums are simply payroll taxes and payroll taxes are job killers. This is probably the only thing I have ever heard all economists agree on.

The government is to be commended for reducing these job killing taxes and restoring some confidence in the business community by assuring the rates will not increase for 1995 and 1996. The government says this will create 40,000 more jobs than if it had let the rates rise, proving once again that lowering taxes creates jobs.

In fact the government's own reports show that reducing UI premiums is a cheaper way of creating jobs than its own \$6 billion infrastructure program, most of which will be financed by borrowed money. That again will increase the deficit and the national debt and undermine confidence in the economy.

I remind the House this is the same government that increased UI premiums by 7 per cent on January 1, 1994 and less than two months later announced a premium reduction for 1995. Talk about being confused. This also shows the government can and will change the rules anytime it wishes.

(1305)

The government reports that reducing UI benefits will save \$725 million this year and \$2.4 billion in each of the next two fiscal years. Again the government is moving in the right

direction but not quite fast enough. The government's own budget documents show that the cumulative deficit of the UI account as of December 31 is \$6 billion.

The Prime Minister was silent a few weeks ago when asked by some angry fishermen in Atlantic Canada where it was written in the red book that the government would cut UI benefits. At least the Reform Party campaigned on cutting spending on unemployment insurance. The Liberal Party did not campaign on that. The government is finding out how hard it is to say one thing during an election and then to do the exact opposite once elected. Canadians will remember.

Increasing benefits to UI claimants with low earnings and dependants is commendable. It is a recognition of the Reform Party principle that assistance should be targeted to those who need it most.

The Reform Party was vigorously attacked during the election campaign for suggesting that universality was not financially sustainable. Now the government has contravened the sacred principle of universality. Will the government finally admit that universality is dead?

As a final comment, the reduction in the length of time a worker can collect UI benefits in regions with high unemployment is a small admission that the current UI system creates disincentives to work. It reduces worker mobility, discourages self-employment, undermines personal and community initiatives and impedes productivity for employers.

The Reform Party says it is time to use the government's initiative to phase out regionally extended benefits altogether. I would like to put the government's UI reforms to a simple test. I am going to call it the taxpayers' test.

Question No. 1: Do the government's proposals make the UI program financially sustainable? Look at it. No.

Question No. 2: Do the government's proposals help people become less dependent on the system? A little, but how many will return to welfare? The entire income security system is sick and it needs to be fixed.

Question No. 3: Do the government's proposals reduce abuse of the UI system? No. Abuse is still rampant. For example, there are now 43 just cause reasons which will allow job quitters to collect UI. There are 43 different ways.

Question No. 4: Are the government's proposals fair and do they treat all Canadians the same regardless of where they live? No. The UI program still allows people who live in uneconomic regions of the country to become permanent wards of the state.

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Question No. 5: Do the employers and employees who pay for the UI program with their premiums have a real say in how their money is spent? Do they have any say in that? No. The government should democratize unemployment insurance. Let the people who pay for it run it. That is the essence of democracy, not this top down bureaucracy.

Question No. 6: Is the UI program a true insurance program? No. Unemployment insurance rewards repeaters and seasonal workers at the expense of permanent full time workers.

In closing, I reiterate that the unemployment insurance program is still being used as a vehicle for social engineering. The UI program still breeds dependence. The UI program is overly generous when compared to other OECD countries.

(1310)

The Minister of Human Resources Development will soon put forward an action plan for the reform of social programs. This review provides us with a remarkable opportunity to revamp our unemployment insurance program.

I encourage the government to consider the principles the Reform Party has put forward to ensure that any future changes will pass the taxpayers' test.

[*Translation*]

**Mrs. Pauline Picard (Drummond):** Mr. Speaker, with Bill C-17, the government is asking us to amend 11 different laws to implement certain provisions of the budget tabled in Parliament on February 22, 1994. However, this budget, as could be expected and as was denounced in this House, is making waves in the financial community of this country because it fails to meet either the expectations of the financial community or those of Quebecers and Canadians.

This government had the opportunity to take some measures to put public finances in order, to put an end to wasting money and to eliminate duplication and unproductive expenditures in programs under both federal and provincial jurisdictions, but it did nothing. This government had the opportunity, as it has promised during the election campaign, to restore some hope among Quebecers and Canadians, but it did nothing.

Rather, the Chrétien government brought about a budget which deeply affects our economy—and, God knows, it did not need it—and thus deprives us of our hope for economic growth and job creation. Those past two weeks, we have witnessed in the financial community some reactions which clearly reflect the low level of confidence they have in the direction that the government wanted to follow in this budget.

This government did not go in the right direction: the budgeted deficit has never been so high, reaching \$40 billion and

when they propose to cut back on expenses, they bluntly attack the most disadvantaged, the victims of a recession they are fueling rather than fighting, they go after unemployed men and women.

In the same budget exercise, the Liberal government is asking us to spend every day some \$110 million more than the revenues it receives while the unemployed have to bear the largest part—almost 60 per cent—of the new budgetary cuts announced in the Liberal budget. In this regard, this budget is particularly unequitable and unfair, and when the government is asking us, through this omnibus bill, to implement measures so devastating to the unemployed, we must object to it.

The government has announced a comprehensive review of social security, including unemployment insurance, and hopes to present a reform plan to this House next September. It is therefore unacceptable for the government to proceed with such important cuts and such drastic changes in the unemployment insurance program before the necessary consultations have been held and before this whole matter has been thought through.

Whether it be the increase of the premium rate for 1994, the reduction in the length of the benefit period, the longer qualifying period, the two-tier benefit system which will affect 85 per cent of claimants, or the lesser importance attached to regional unemployment levels, these measures have, in our opinion, been taken on the spur of the moment and have only one purpose, to reduce the budget deficit on the backs of the unemployed, in an economy where there are not enough jobs for everyone. Instead of helping to reduce unemployment, these measures only weaken the social safety net. By impoverishing the unemployed, the government promotes the degradation of the entire social environment in Quebec and in Canada and thereby activates all sorts of ripple effects on such things as welfare and health systems.

(1315)

If the government thought that the social environment in this country was bad enough to require social program reform, why does it further aggravate the situation by improvising such harsh measures for the unemployed? There were many areas where there is fat to be cut, but the victims of the recession have none. The Bloc Québécois spared neither its suggestions nor its offers of services to identify areas where major savings could be made, and this, through a committee of this House looking at budget spending as a whole.

But no, this government would rather pursue policies it once condemned. I quote: "Conservative fiscal and monetary policies, as we have seen over the past few days, are having disastrous effects on the economy and always ask more of the poorest".

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We must not fail to mention one of the adverse effects of the bill: the shifting of a portion of the deficit burden onto Quebec and the provinces. By shortening benefit periods, the federal government will more rapidly divert a greater number of unemployed people towards provincial social security programs. According to three members of the Department of Economics at the Université du Québec à Montréal this new shift from unemployment insurance to the welfare system will cost Quebec an additional \$280 million. The provinces as a whole will have to pay an additional \$1 billion, approximately.

Considering the government's promise whereby any social program reform affecting provincial finances would take place after due consultation, in order to get their prior approval, here is a good example of a broken promise. First the cuts, and then, the negotiations: what a nice way to instill a climate of confidence in future public debate and negotiations with the provinces!

We must reject Bill C-17 out of hand because it is a rag-bag containing radical amendments to the Unemployment Insurance Act. Those amendments should have been dealt with in a separate piece of legislation in the first place and, most important, they should have been preceded by extensive consultations.

In the present context, the unemployed in Quebec and Canada have enough incentive to find work and they do want to work. They plead for jobs in our ridings every day. Fraud, which we must continue to try to eliminate, accounts for only a very small percentage of costs. The basic problem is that there are not enough jobs for everyone as things now stand, and reducing the amount of benefits and the benefit period will not put more people back to work.

The government has estimated that every one-cent reduction in contributions leads to about 1,300 new jobs. At the same time it maintains an increase of 7 cents in contributions, which rise from \$3 to \$3.07. In doing so, the government deliberately prevents 9,000 people from going back to work, regaining their dignity and taking part in the economic recovery. Mr. Speaker, I like to use numbers on a smaller scale, those of a riding for instance, since I represent people from a riding in the House of Commons. Therefore, if you reallocate equitably on an individual riding basis the number of jobs lost because of the stubbornness of the government which maintains the contributions at \$3.07, 32 people are deprived of a job in every riding.

You might say it is one case among many others. Maybe, but it was not so when we were elected or when our government colleagues got elected by promising jobs, jobs and jobs. Before we vote on Bill C-17, I invite my colleagues to think of those 32 people and of all those who regularly come to our riding offices to tell us about their hardships and their dismay because of the employment situation.

(1320)

*[English]*

**Mr. Bob Ringma (Nanaimo—Cowichan):** Mr. Speaker, while Bill C-17 contains a good number of proposed amendments to statutes with which the Reform Party agrees, we find that the bill covers so many disparate areas that it is very hard to deal with it. It was for that reason that Reform asked the Speaker for a ruling on its status as a bill.

In any event, to the extent that the theme of Bill C-17 is to restrain government spending, we totally agree. Since it is so wide ranging I would like to seize one little area of government spending to prove that the government not only should but could cut back on its spending.

I would like to delve into the area of official languages and the cost of official languages. More specifically I would like to address the issue of bilingual bonuses.

The 1983 annual report from the Commissioner of Official Languages states: "Six years and let us say almost a quarter of a billion dollars into the game any question of the real contribution that the bilingualism bonus might be making to federal language programs has been pretty much lost from view". That is from 1983.

Two days ago in the House was tabled the 1993 report of the Commissioner of Official Languages. Allow me to read very briefly from that: "Unfortunately with regard to the issue of bilingual bonus it is obvious that the commissioner's repeated recommendations still have not been followed. This year approximately \$50 million was once again spent without any assurance that the payment of such a sum was necessary to ensure Canadians of the availability of quality service in the official language of their choice. Given the present economic circumstances we are more than ever convinced that the bilingualism bonus should be eliminated gradually by negotiating with the parties concerned. In the interest of public finances, as much as that of the official languages program, it is high time for the government to take this problem in hand".

What does the government need to get the idea that it should take things in hand? I stood in the House two days ago and read from the same report to the Prime Minister. I asked him in effect what his government will do about these continued recommendations on the part of the Commissioner of Official Languages. The Prime Minister's response to me two days ago was: "I do not think that the commissioner has made a strong recommendation. He has recommended we look into that and we will look into that".

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

**Mr. Ringma:** I do not say hear, hear. We have been looking into it for 15 years, 10 that the commissioner has put it on record. Where are we? The commissioners have advocated eliminating the bilingual bonus, not reviewing it again and

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again. I put the Prime Minister's response equally with the response that I received a few weeks ago from the Minister of Human Resources Development to another question, and I will repeat that.

(1325)

The response that I get from the Prime Minister and his other minister is, I am afraid to say, irresponsible. It is too vacuous for the circumstances.

There are millions of Canadians out there who are waiting for some sign from the government that the government is serious about its word on cutting back on its spending and getting hold of the deficit, waving the red book.

This is not good enough. We have a tangible right here recommended by the Commissioner of Official Languages saying we can save \$51 million in one year alone on this and the government says it will look at it.

I brought up the case in the House of a new government information centre being opened in May in Bathurst, New Brunswick. I suggested to the minister of human resources that instead of employing 65 fully bilingual people at that centre he would give better service and save money in the bargain by employing essentially unilingual people.

The minister did not respond, in my view, properly. He attacked me rather than coping with the problem or taking it as a suggestion well meant. He said instead: "You are lucky that you have a touch-tone phone and are you not privileged". His response I put with the Prime Minister's two days ago. This is part of the problem, I am afraid, that we have not just in this Parliament but in the running of the country. If we cannot stand here as part of the opposition and honestly put forward some ideas that we feel are of merit and have those ideas received in kind then where are we? It is small wonder that the electorate out there is unhappy.

Before we talk a little more on cuts, to shortcut any vehement attack on me or the Reform Party I am going to reiterate that the Reform Party is not against bilingualism. We encourage bilingualism.

*[Translation]*

We encourage everyone to speak French if possible.

*[English]*

Having said that, we are against waste. Let us give bilingual services where they are required but let us also protect the anglophone minority in the province of Quebec at the same time.

In the meantime, let us make cuts and cuts are indeed possible. Let me give a few proposed cuts on the official languages program. This is for one year. If we were to cut one-third of the transfers to provinces for education we would

save \$80 million in a year. We propose this on the basis that education is a provincial responsibility.

If we also take from the Department of Canadian Heritage transfers to the provinces for special interest advocacy groups for promotion we would save \$41 million. If we were to take from the CBC second language broadcasting budget, eliminate it totally, because that service should be market driven rather than driven by Ottawa, we would save \$80 million. If we would cut out advertising in minority language newspapers we would save \$5 million. If we cut from Canadian Heritage the bilingual bonus we have already mentioned, we would save \$50 million to \$51 million. On second language training and salaries for replacement workers we would save another \$50 million. The total annual savings are \$306 million to \$307 million. It can be done. Would the government please look at it and do something about it. Do not just study it again.

(1330)

I will make my concluding remarks short. I implore the government and everyone else to join with us, re-examine the Official Languages Act and look at specific things like bilingual bonuses. We can save money, be more efficient and be happier as a country.

*[Translation]*

**Mr. Maurice Godin (Châteauguay):** Mr. Speaker, the economic region of the Montérégie is plagued with an unemployment rate that reached 11 per cent during the first quarter of this year, according to Statistics Canada. What would be the impact of Bill C-17 on the unemployment rate? That is what we have to ask ourselves to understand fully why the budget tabled by the Minister of Finance is an insult to all citizens.

The Martin budget is based on bad logic. For example, it establishes a link between the problems related to economic recovery and the labour market, employers and businesspeople, and the contributions which help fund the unemployment insurance system. Furthermore, since the beginning of the 1990s, unemployment insurance has become a program which is supposed to be self-financing. With Bill C-17, the government concludes that we have to bring back the rate of unemployment insurance premiums to 3 per cent. By doing so, they think that it will contribute 125 million dollars towards economic growth and job creation—as shown in Table II of the Budget Speech—and save 725 million dollars just in 1994-95—as it has been written in the background on the proposed changes to the unemployment insurance program.

Did the government ask itself what contribution it might have done if it had reconsidered other measures? We still do not know why the GST applies to essential commodities and not to stock exchange transactions. What we do know however is that the financing of unemployment insurance has been turned back

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twenty years. This program is more and more restrictive and out of reach.

The government is again making the mistake of going after the unemployed instead of unemployment, as if those people had chosen to be without a job. The benefit period for new claimants will be reduced. There is another measure which will transfer to the provinces the cost of the government's inability to strengthen the economy. Where do the unemployed go when they have used up all their benefits and still have no job? They join the ranks of those who are forced to live on welfare. And do not think that these people do not want to work because they do!

The Chrétien government was happy with the last Statistics Canada unemployment figures. However, it overlooked the number of people who have lost hope and have stopped looking for jobs. It also overlooked the figures showing an increase in the number of welfare applications.

Another measure of retaliation against the unemployed is the minimum requirements for benefit entitlement which have been increased from 10 to 12 weeks of insurable employment. The government is really striving to reduce the total number of claimants on the books. Can such a measure help solve the employment problem? Certainly not. The resulting savings will cost a fortune. The Liberal government is only giving us the impression it did something; in reality, it has done nothing at all.

(1335)

The government said that it wanted to encourage small business by increasing consumer demand. Do you think that the unemployed will be able to contribute to this economic recovery effort when their payments are being reduced to 55 per cent of their average insurable earnings? Even at 60 per cent, for low income earners with children or other dependants such as an elderly parent, people are still below the subsistence level.

The government has made commitments that it is not keeping. Yet, it would be possible to straighten up public finances and the deficit, but it would take a major shake up with a view to establishing a really equitable fiscal policy. According to some experts, it would be possible to find \$46.1 billion in additional revenues for the Treasury through fiscal restructuring only, without touching social programs, without attacking the poor who try desperately to make ends meet.

Seventeen separate measures have been identified by economist Léo-Paul Lauzon, from sources as diverse as the Auditor General of Canada, Yves Séguin, Ernst Young, the Liberal Party of Canada, the New Democratic Party, the Bloc Québécois and the Department of Finance. Among them, the two most important are the closing of fiscal loopholes which would bring \$10 billion to the treasury, and the creation of a new tax on securities which would bring in another \$10 billion.

But the government did not dare touch anything which could have displeased its rich friends. However, it did not hesitate to do so when it came to the unemployed. That is the main reproach we can direct to the government, and Bill C-17 proves once again the public was misled by enticing election promises.

In the economic region of the Montérégie, an unemployed person coming to an employment centre with 15 weeks of work to his or her credit would currently be entitled to UI benefits for 30 weeks. After Bill C-17 is passed, the same person will be eligible for only 21 weeks of benefits. That is what the Chrétien government just offered. That is their initiative for economic growth and job creation. The government just cut nine weeks of benefits for this unemployed worker.

Do the government realize what they are doing? What they are saying by this is that their management of social problems is a complete failure. They are saying to Canadians that they would be better off if this responsibility was transferred to their provinces. It is proving the Quebec sovereignists right. Should we go as far as to thank the government for doing us this favor?

[English]

**Mr. Leon E. Benoit (Vegreville):** Mr. Speaker, I am speaking today to oppose implementation of the Liberal budget which has and will continue to cause hardship for Canadians and damage to the Canadian economy.

The budget will lead to a deficit of almost \$40 billion added to the over \$500 billion debt the federal government has already accumulated. The prognosis for ever dealing with this financial mess we are in is becoming increasingly difficult to even comprehend.

It has now reached a critical point. It is not too late. The problem can be dealt with but it has to be done now by making substantial cuts in federal government spending.

(1340)

Before the federal budget was released, the finance minister travelled across Canada in an attempt to discover how Canadians wanted government overspending to be dealt with in this year's budget. He received excellent advice from Canadians at these conferences. However, in their budget documents the Liberals merely acknowledge the direction that Canadians said they would like the government to follow. Unfortunately they failed to act on this advice.

In the budget debates, Reform MPs clearly laid out their proposals for cuts in federal government spending. These have also been ignored.

One of the first motions that Reformers put forward was for a cap to be placed on federal government spending. This spending cap would at least have given the Liberals a chance to meet their own deficit target of 3 per cent of GDP in three years as outlined

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in the red book. This motion was voted down by the Liberal and Bloc members.

During the pre-budget debate Reformers tabled a document that outlines \$20 billion in federal government cuts. There has been no indication that any of these proposals were ever examined by the government.

Before, during and after the pre-budget debate Reform MPs have elaborated on our proposals for spending cuts which include approximately \$6 billion in cuts to government itself, approximately \$4 billion in cuts to business subsidies and about \$9 billion in cuts to social program spending.

The government completely ignored the message received from Canadians and Reformers during the budget debate. The early symptoms of the Liberal lack of action are now appearing, for example, the rapidly dropping Canadian dollar and increasing interest rates.

These symptoms alone would not be a cause for great concern. However, what concerns us is the underlying problem of the lack of confidence in the Canadian economy. This lack of confidence has been illustrated clearly by Canadian banks in their hesitation to lend to small business.

Lack of confidence has also been shown by private investors who are taking their capital out of Canada at an ever increasing rate. This is further illustrated by Canadian consumers who, with good reason, are not convinced their jobs are secure enough to spend freely.

A further problem is the reality of the huge government debt which is increasing at an incredibly fast rate. It is quite possible, and many feel even probable, that Canada will hit the wall just like New Zealand did. If that happens the Reform's zero in three plan will be replaced by the Liberal's zero in three plan, but it will not be zero deficit in three years. It will be zero deficit in three months, three weeks, three days.

This kind of concern is no longer just coming from Reform members of Parliament and from the general Canadian population. It is also coming from financial experts across the country. Warren Jestin, chief economist with the Bank of Nova Scotia, states: "The finance department has to revisit its deficit projections and interest rate assumptions before the economy is a mess".

Sherry Cooper, chief economist of Burns Fry Limited, shares this sentiment. "We need a mini budget outlining explicitly the cuts in government spending that will significantly reduce the budget deficit. The financial markets are demanding the cuts. We are talking about averting a currency crisis", said Sherry Cooper. These sentiments reflect clearly what Reformers were

saying following the finance minister's feeble attempt at a budget.

The weakness could be due in part to the fact that the Liberals simply did not have time since the election to come up with a real budget. I encourage the finance minister in the strongest way possible to bring forward a mini budget in the next few months. Joshua Mendelsohn of the Canadian Imperial Bank of Commerce stated: "If the rates keep rising, Martin will have no choice but to bring in a minibudget".

In the meantime it is essential that the Prime Minister and each cabinet minister give Canadians at least a hint as to where they will be making further cuts as promised by the Prime Minister. These actions will instil enough confidence in the Canadian economy, in Canadians and in foreign investors to hold off a pending financial crisis.

(1345)

To allow the Liberal government to make the changes necessary to balance the budget changes must also be made in Liberal philosophy. The Canadian mindset toward government has been changing but government has failed to recognize it. The Liberal philosophy of big government which was fostered in the sixties has changed. The Liberals must recognize this change and deal with the new political and economic realities we are now facing.

This outdated mindset was clearly illustrated to me in a meeting I had yesterday with a Liberal member of Parliament. During the meeting he referred to the relationship between the Canadian government and farmers as a partnership. This is not what Canadian farmers want or expect. This is not a concept Canadians can afford.

The Liberal concept of government so heavily involved with business is not working. Something else has to give. Canadians want government to provide the basic infrastructure that business cannot and the basic social programs and to foster changes which will allow a market economy to work well, nothing more.

Mr. Albert Friedberg, author of *Friedberg's Commodity and Currency*, agrees that government involvement in the Canadian economy is stunting economic growth. He stated: "The major problem is the rising size of the state and in the economy that chases an enormous amount of capital away".

If the government is afraid of making substantial government cuts, take a look at Alberta's current situation. Changes in Alberta did not happen because Ralph Klein and his Conservatives wanted them so desperately. They occurred because Albertans were pushing for these changes. Klein's government recognized that in order to get elected again it would have to make substantial cuts. The people forced their wishes on the Alberta government.

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The Klein government would not have been elected in Alberta if it had not promised substantial government cuts. The Liberals will not be re-elected if they do not make substantial spending cuts.

The Alberta experience has demonstrated this move is not only a move that is good for Canadians and is good for the country, but it is also good for the government politically. Recent polls in Alberta verify that Albertans strongly support the Klein government because of tough spending cuts it has made. I certainly have heard this loud and clear in my constituency.

I know the Prime Minister feels that his great political savvy can accomplish almost anything on its own, but I believe the Prime Minister and the Liberal cabinet could learn a lot from Alberta in a political sense.

Alberta is poised to reap the benefits in terms of jobs and in terms of a buoyant economy which will lead it and Canada economically in the future. Alberta's unemployment rate instead of rising during these times of cuts is actually dropping. Its economic growth rate is expected to increase by a full 2 per cent for a projected rate of 5.3 per cent which will lead the country.

**The Speaker:** I regret to inform the hon. member that his time has elapsed.

[*Translation*]

**Mr. Michel Guimond (Beauport—Montmorency—Orléans):** Mr. Speaker, a few days ago I had the privilege to ask this House to accept an amendment to Bill C-17. My hon. colleagues decided otherwise and, as any good democrat, I accept their decision. That does not mean that I agree with this bill, and for the second time, I will try to explain my reservations to this House.

Some of the wording of this bill leads me to believe that it would be premature to pass it. Let us take, for example, the wage freeze. I already said yes to the freeze for certain categories of public servants such as federally-appointed judges, parliamentary agents, the Governor General, lieutenant governors, Parliamentarians, and certain members of the Canadian Forces and the Royal Canadian Mounted Police. But I believe that it is very dangerous to remove any incentive for public servants and to prevent them from climbing the wage ladder.

(1350)

This bill also caps payments to provinces under the Canada Assistance Plan after the 1994-95 fiscal year. The Canada Assistance Plan cannot be modified without a national consultation and, for this reason, I found it premature, at this point, to cap payments for 1995-96.

I do not agree either with authorizing the Canadian Broadcasting Corporation to borrow money. The CBC is a public corporation and as such should be funded by government grants and advertising revenues. With a deficit of more than \$500 billion, this government does not need to authorize public corporations such as the CBC to borrow money, thus adding to the Canadian deficit. Anyhow, if the CBC chalks up a deficit, Canadians will end up paying anyway. So, let the Canadian government give the corporation the necessary budget to promote Canadian culture and inform Canadians but we must not authorize it to borrow money.

Although this bill contains many questionable and premature items, the most questionable of all is the reform of unemployment insurance. The changes proposed in Bill C-17 are unfair and will harm Canadians, especially in Quebec and Atlantic Canada.

The government proudly proclaims that the proposed changes will bring about savings in UI expenditures of \$725 million in 1994-95, and of \$2.4 billion in 1995-96 and 1996-97. Does the federal government think it is doing Canadians a favour with such a measure? Does it really believe that it will create more jobs by lowering the premium? No, I do not think it will and I am convinced that this government does not think so either. It is just passing its financial problems on to the provinces, as it has been doing for some time. What will Canadians and Quebecers who will no longer be entitled to unemployment insurance live on? On welfare, which is of provincial jurisdiction.

The results of this decision are twofold. First, the human person, and I often talk about the human person when I address this House, will lose dignity, because in addition to being out of work, they will no longer have the income to which they contributed with their premiums. They will face the problems of welfare recipients, despite the efforts of our provincial governments to make welfare less painful. Mr. Speaker, human dignity means being gainfully employed. As Félix Leclerc, who is from Saint-Pierre on Île d'Orléans in my riding, said, the best way to kill a man is to pay him to do nothing. With this bill, the government is not creating jobs, it is shortening the unemployment insurance benefit periods and forcing people to depend on the state for subsistence.

Secondly, the changes to unemployment insurance will force the provincial governments to increase their welfare budgets and thus increase their deficits. That is what these premature changes will do.

The people of Beauport—Montmorency—Orléans, whom I have the honour to represent in this House, want to have something fine, true and real to hang on to so that they can forget the recession we are going through and the financial difficulties they have had to put up with for several years. The people of Beauport—Montmorency—Orléans are entitled to work so that they can consider themselves full citizens. They are entitled to

believe in their elected representatives. They are entitled to hope that their representatives will find solutions for the current problems and prepare better days for the years to come.

This House where the people of Canada are represented does not have the right for partisan reasons to pass legislation that is premature and unfair to the people of the Atlantic provinces and Quebec.

(1355)

I therefore ask this House to reject Bill C-17 on second reading and thus permit the House to go more thoroughly into the proposals which were made to us prematurely in this bill.

[English]

**The Speaker:** The hon. member for Wetaskiwin would have the floor if he would care to begin. If not, we can take a minute or two and go on.

**Mr. McClelland:** Mr. Speaker, if we may, let us go on without the hon. member being here.

**The Speaker:** This seems to work out well. I ask the hon. member for Trois-Rivières to commence.

[Translation]

You can start now for about two or three minutes and then resume later.

**Mr. Yves Rocheleau (Trois-Rivières):** Mr. Speaker, I appreciate your giving me the floor at this particular time. I feel privileged. I am anxious to discuss this government's lack of vision in greater detail after question period—because I will not have time to do so now, unfortunately. I will tell you about this lack of vision in relation to numerous commitments made by the government in its red book regarding the fight against unemployment.

Last fall, the Liberal Party of Canada seemed aware of the reality facing Canadians and emphasized in a very convincing way—and, in fact, succeeded in fooling a few million Canadians, especially in Ontario and in the Atlantic provinces—that there were 1.6 million unemployed people in Canada, a situation which was unacceptable and attributable to the lack of vision, the lack of competence and the lack of political will of the Conservative government.

Now we can see what kind of innovative solutions the government has come up with. It wants to implement an infrastructure program which will create 45,000 temporary jobs, while there are currently 1.6 million people out of work. Such an initiative requires a lot of imagination indeed. It illustrates how this government, which was wise enough to hire good freelance writers at the right time, does not have the wits to devise innovative solutions which would significantly reduce the number of unemployed. I cannot believe that unemployment will significantly drop in the Atlantic provinces with the creation of 45,000 jobs, nor with 15,000 of these new jobs in Quebec where

some 800,000 people are out of work. This shows a lack of vision regarding the unemployment issue.

There is a lack of vision but there is also a lack of consistency, considering what is written in the red book regarding the reconversion of companies from military to civilian production. There again, the Liberals had good intentions, but we have not heard anything since regarding this issue, whether in the Throne Speech, in the Budget, or from the Minister of Industry.

Yet, there are concrete examples such as Oerlikon, Paramax and MIL Davie, which has its own conversion strategy. So far, the government has steadfastly refused to get involved and ensure that MIL Davie, among others, which has its own conversion plan, can get federal support with the ferry to the Magdalen Islands and the smart ship which would be used everywhere.

**The Speaker:** I am sorry to interrupt, but the hon. member may continue after three o'clock. It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[English]

### GOVERNMENT TRAVEL

**Mr. Janko Peric (Cambridge):** Mr. Speaker, many of my constituents have expressed their displeasure over recent media accounts of parliamentarians and government officials flying first class when travelling on government business. While business class seating is slightly more comfortable than economy, those wider seats carry a higher price tag.

Given that there is a genuine concern among all Canadians about our nation's financial situation, every penny that is saved on government travel will help to eliminate the burden on our country's finances.

(1400)

I urge all parliamentarians, all civil servants and all others who are required to travel on government business to fly economy class. Let us all do what we can to save taxpayers' money.

\* \* \*

[Translation]

### SITUATION IN RWANDA

**Mr. Jean H. Leroux (Shefford):** Mr. Speaker, the first survivors of the massacre in Rwanda arrived yesterday at Mirabel Airport, leaving behind roads littered with corpses, friends who had been killed and years of work wiped out in only few days by a senseless, murderous rampage.



*S. O. 31*

While not forgetting the suffering of the people of Rwanda, I would like to pay tribute to the various religious communities who work with the poor in Africa.

I was happy to learn that my friend, Brother Irénée d'Amours, who is a member of the Order of the Frères de Sainte-Croix, is safe and sound. Since the end of the war, Rwanda had been the cherished destination of Quebec missionaries. I admire the commitment of the men and women who devote themselves tirelessly to making our world a better place.

\* \* \*

[English]

**YOUNG OFFENDERS ACT**

**Mr. Werner Schmidt (Okanagan Centre):** Mr. Speaker, Jennifer Schuller and Tammy Carvallo are two grade 10 students from Mount Boucherie Secondary School in Kelowna, B.C., who have organized a petition on their own initiative to demand changes to the Young Offenders Act.

Jennifer and Tammy began the petition out of frustration at the inaction of police in responding to threats from another student. They were told that nothing could be done because the person issuing the threats was a juvenile. To date the students have collected over 950 signatures.

Our children are sending a loud and clear message to the government. It is time to take action and provide a Young Offenders Act that reflects the concerns of every member of our Canadian society.

Despite what the Minister of Justice has said in the House about attaching too much panic to this issue when the very people the act applies to do not think it is working, we have a very grave problem on our hands.

\* \* \*

**LAW DAY**

**Mr. Russell MacLellan (Cape Breton—The Sydneys):** Mr. Speaker, I draw the attention of hon. members present to the fact that today is Law Day across Canada. Law Day recognizes the anniversary of the charter. This year is the 12th anniversary.

The theme of Law Day 1994, Access to Justice, is one that I strongly endorse. It reflects the right of every Canadian to have equal access to information about the laws and the legal institutions of Canada.

Information and education activities have been organized across Canada involving the Canadian Bar Association and hundreds of lawyers to make the law more accessible to all Canadians and to expand their knowledge of their rights within Canada's justice system.

As members of the House we should offer our active encouragement to the Canadian Bar Association as well as to the many Canadian groups across Canada in their endeavours on Law Day.

Please join with me in extending best wishes to all involved for a successful Law Day 1994.

\* \* \*

**MICHELIN TIRES CANADA LIMITED**

**Ms. Roseanne Skoke (Central Nova):** Mr. Speaker, people are working hard in the province of Nova Scotia and in my riding of Central Nova.

Michelin Tires Canada Limited has provided stable employment for 4,000 Nova Scotians, an annual direct Nova Scotia payroll of over \$175 million and spinoff employment for thousands more Nova Scotians.

Congratulations are being extended today to the dedicated Michelin employees for reaching a significant milestone in Nova Scotia.

The Nova Scotia employees are proud to announce that 100 million man-made in Nova Scotia tires have been produced since the first tire rolled off the line in 1971. This achievement is a tribute to the dedication of all Michelin employees and management working together over the past 25 years.

We look forward to Michelin and its employees continuing the tradition of excellence and progress in Nova Scotia for years to come.

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**GLOBAL VISION**

**Mr. Bob Wood (Nipissing):** Mr. Speaker, Global Vision is a non-profit organization jointly funded by the private and public sectors.

(1405)

This organization is dedicated to providing young Canadians with a solid understanding of the international marketplace in order that these future business leaders are able to succeed in the highly competitive global market. This is accomplished through regional seminars which are held across the country. These seminars not only equip the students with a solid educational background in national and international economics. They also provide critical exposure to business and trade practices.

From the regional seminars some students will be selected to participate in the junior trade core program. In addition to more extensive academic training the program also provides participants with the opportunity to visit some of Canada's trading partners in the Pacific rim and in Latin America.

As chairman of Parliamentarians for Global Vision, I invite all members of Parliament to support this worthwhile program and to participate in the cross-country regional seminars that

will be held in their areas. This is a great opportunity for members of Parliament to meet young leaders from their ridings and from across the country.

\* \* \*

[Translation]

### LABOUR RELATIONS

**Mr. Bernard St-Laurent (Manicouagan):** Mr. Speaker, in my riding, over 300 employees have been in a lock-out situation since January 14. Under federal legislation, their employer, a mining company, is allowed to hire strike replacements. This way, the company can avoid any form of bargaining with its employees despite the fact they want to bargain.

I wish to give the House notice that I will be tabling a bill similar to Bill C-201 presented by my colleague, the hon. member for Richelieu, a bill which was introduced in first reading on April 1989 and rejected by the Conservative government of the day. The Liberals, including several ministers from the present cabinet, voted for the bill at the time.

Let us hope that I will have the support of this House to pass this important bill to provide a "civilized" framework for labour relations and restore in many cases labour peace.

\* \* \*

[English]

### COMMUNICATIONS

**Mrs. Jan Brown (Calgary Southeast):** Mr. Speaker, as members of the 35th Parliament entering the merge lane on the information highway, our government vehicle can be fairly compared with the Model T. Offices which are still equipped with the 286-based computers and no modems make for a very slow entry, and slow travellers better get out of the way for surely they will be run over by communicators using more efficient hardware and software.

We are expected to govern in the nineties and into the next century. Using equipment from the eighties makes us less efficient in governing. Rather than becoming road kill I suggest we make the system on the Hill user driven by ensuring that we have the tools to communicate effectively. With more effective communications we can better serve our constituents.

This means a minimum of 486-based modem equipped computers. Let us together make the 35th Parliament one to be remembered for having made smart computer based connections that put us in the passing lane on the super information highway.

S. O. 31

### OFFICIAL LANGUAGES

**Hon. Warren Allmand (Notre-Dame-de-Grâce):** Mr. Speaker, this week the Commissioner for Official Languages presented his annual report and with it we have heard proposals from the Reform Party and the Bloc Québécois to cut back provisions in the act or abolish it altogether. The Reform Party is suggesting that official language rights should be put entirely under provincial jurisdiction.

History shows that would be a complete disaster. The Bloc Québécois supports the act for francophones outside Quebec but not for anglophones in Quebec. In this case there is a double standard.

The purpose of the act is to protect minority language rights in Canada and provide linguistic justice to the more than one million francophones outside Quebec and the more than 800,000 anglophones in Quebec.

As the commissioner points out in his report, the act is not always applied as it should be and there have been some setbacks. Without the act and without the commissioner things would be much worse. We should work to improve the Official Languages Act, not to destroy it.

\* \* \*

### MERRITT G. HENDERSON

**Mr. Paul Szabo (Mississauga South):** Mr. Speaker, from time to time Canadians are fortunate to be served by outstanding leaders who have distinguished themselves through consistent high quality performance over a long period of time. On the occasion of the retirement of one such outstanding Canadian from the city of Mississauga, I am honoured to pay special tribute to him.

Merritt G. Henderson is the president of the Mississauga Hospital and after more than 35 years of dedicated service he will be retiring. The measure of one's success is not a matter of where one is but rather of how far one has come from where one started. Mr. Henderson worked his way up the ranks and earned the respect and recognition of his peers.

(1410)

Under his leadership the Mississauga Hospital developed into one of the most respected health care institutions in Ontario and in Canada.

He is held in very high esteem by those who know him for consistently providing the necessary guidance, wisdom and knowledge we look for in our leaders.

To Merritt G. Henderson we extend our sincere gratitude for his outstanding contributions to Canadian health care.

S. O. 31

### CITIZENSHIP WEEK

**Mrs. Anna Terrana (Vancouver East):** Mr. Speaker, Canadian citizenship is a very important gift bestowed upon those who live in this country.

Many of us coming from different parts of the world chose to become Canadians and often lost their original citizenship because they felt that Canada had become their country. They wanted to be true citizens of this country. At times it is not easy to deny one's own citizenship but Canada is well worth it.

Canadian citizenship deserves to be celebrated. The week of April 17 to April 22 will be Citizenship Week in Canada. Events will occur all over the country.

I congratulate all those who chose to become Canadians over the years. I also thank all those people and organizations that will contribute to celebrating this important event. All Canadians should participate in the celebration of their own citizenship.

\* \* \*

[Translation]

### MANPOWER TRAINING

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup):** Mr. Speaker, yesterday, the Prime Minister and his colleagues from the Liberal Party demonstrated once more that they are incapable of understanding the legitimate aspirations of Quebecers, when they described as a "whim" the formidable consensus achieved in Quebec around the need to patriate all powers relating to manpower training.

This consensus was achieved among educational networks, labour confederations, the Forum sur l'emploi, the Mouvement Desjardins as well as the Conseil du patronat du Québec, which can hardly be accused of being infiltrated by "big, bad separatists".

Far from being a "whim", this demand is one of the cornerstones of a real employment strategy to finally free Quebec from the state of dependency it is kept in by inefficient federal programs. It is essential to Quebec's development.

\* \* \*

[English]

### AGRICULTURE

**Mr. Elwin Hermanson (Kindersley—Lloydminster):** Mr. Speaker, farmers have been very disappointed with the performance of the government so far. They have been ignored. There was no mention of agriculture in the throne speech. There was no mention of agriculture in the budget. The Minister of Agriculture and Agri-Food has been a virtual non-participant in

the House so far. It is no wonder farmers have grave doubts about the government.

The minister appears to be losing a war of words with the Americans. Farmers are worried and they have good reason to be. The government is giving in to unfounded allegations of unfair trade from our friends to the south. The *Financial Post* reported:

"Canada to soften position in farm battle with U.S."

In a free trade agreement with a trading partner, we should demand that the principle of free trade be upheld. We shouldn't have to sell out on free trade by imposing quotas on ourselves.

Farmers are not asking for special favours. Farmers are not asking for more programs. Farmers are not even asking for more government money. Farmers simply ask that the government show a little backbone and go to bat for them.

The message from farmers is clear. The government had better not strike out this time.

\* \* \*

### CITIZENSHIP WEEK

**Mrs. Sue Barnes (London West):** Mr. Speaker, with national Citizenship Week starting on April 17, I would like to highlight the important contribution of immigrants to Canadian society.

Canada is a nation of immigrants. The country as we know it would not exist without the struggle and determination of millions of people of diverse origin and background who have landed on Canadian shores in search of a better life.

The bilingual and multicultural character of Canadian society is a source of wealth. Immigrants also contribute to the Canadian economy through the actual inflow of capital investment, the setting up of self-employed businesses and the importation of required skills.

In time many immigrants become Canadian citizens and share willingly the privileges and responsibilities that citizenship bestows. As one immigrant Canadian I am both proud and thankful and I look forward to next week's celebration of Canadian citizenship.

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### VIOLENCE

**Ms. Jean Augustine (Etobicoke—Lakeshore):** Mr. Speaker, I rise today to express my profound concern about the recent shocking crimes of violence that have taken place in both our nation's capital and in metropolitan Toronto.

As the member of Parliament for Etobicoke—Lakeshore, I share the concerns expressed by other hon. members of the House. Violent crime affects us all. Many of my constituents have expressed to me their outrage and their fear of the rise of crime in their neighbourhoods.

(1415)

We must acknowledge that the incidence of crime, the proliferation of guns, substance abuse and racial intolerance are all related to instances of poverty and the lack of economic opportunity for many in our society.

I therefore urge all the ministers responsible, and in particular the Minister of Justice and the Minister of Human Resources Development, to look at the root causes of this increasingly disturbing phenomenon in Canadian society.

I convey my sincere condolences to the families and many friends of those who have lost their lives through unprovoked—

**The Speaker:** The hon. member for Regina—Lumsden.

\* \* \*

### HEAVY OIL UPGRADER

**Mr. John Solomon (Regina—Lumsden):** Mr. Speaker, I rise today to request that the Government of Canada do what is right and give urgent and favourable consideration to the financial plight of the NewGrade Heavy Oil Upgrader in Regina.

What is at stake is 500 jobs at the upgrader in the oilfields, plus a \$275 million loan guarantee from Canada and a \$360 million loan guarantee from the province of Saskatchewan.

An independent commission in 1993 recommended a federal financial contribution of \$150 million is needed to save the project from failure. Although negotiations with the federal government continue, no resolution has been reached.

The NewGrade Upgrader is in imminent danger of shutting down if a financial restructuring program is not reached very soon.

I urge the Government of Canada to proceed in all haste to reach an agreement with the province of Saskatchewan and the Federated Co-ops Limited to save these 500 jobs as it promised in its red book.

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## ORAL QUESTIONS

[Translation]

### CONFLICT IN FORMER YUGOSLAVIA

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, my question is directed to the Minister of Foreign Affairs. We were shocked to hear that this morning in Sarajevo, 50 UN observers and 16 Canadian peacekeepers belonging to the 12th armoured regiment from Valcartier were taken hostage by Serbian forces. This is indeed alarming news, especially for their families with whom we all sympathize.

### Oral Questions

Could the minister comment on the hostage situation and the dangers involved, and inform the House whether UN spokespersons have managed to contact the leaders of the Bosnian Serbs to negotiate the release of the hostages within the next few hours?

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, I want to thank the Leader of the Opposition for his question and for giving me this opportunity to say that we deeply regret what happened a few hours ago.

Apparently, attempts by UN representatives and by the Americans and the Russians to get all parties to the conflict in the former Yugoslavia to agree on a durable peace process has met with a number of problems. Although considerable progress have been made in negotiations between the Croats and the Muslims, the Bosnian-Serbs apparently refuse to fully commit to this peace process.

According to our information, our peacekeepers are not at risk, at least for the time being. Negotiations for their release are continuing, and we are confident they will be released.

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, we know that a total of 150 UN peacekeepers have been taken hostage by the Serbs. I hope the minister is taking seriously the potential risk to our Canadian soldiers.

Could the minister also confirm that negotiations between the Serbs and the UN spokespersons will not start until tomorrow, and could he give the House the assurance that Canada will have a representative on the UN delegations to negotiate the release of the hostages?

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, Lord Owen and Mr. Stoltenberg who previously negotiated successfully with the Serbs are now on the spot. We are counting on their good offices to bring these negotiations to a successful conclusion. We believe that reason will prevail. Although the UN representatives are at risk, the Bosnian Serbs are as well, and in this kind of situation, there is no doubt that reason will prevail and that the soldiers and the other UN representatives who are being detained will be released.

(1420)

[English]

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, in so far as this incident underlines the security problems which face the peacemakers, I would like the minister to tell us if he agrees that there is an urgent need for the UN to take more efficient protective measures in order to guarantee the security of the peacemaking personnel while carrying out their duties.

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, I certainly echo the view expressed by the Leader of the Opposition that these soldiers who are serving under the UN flag are always in some difficulty and some danger. It is inherent in their responsibilities and their duty as soldiers to risk their lives

*Oral Questions*

or risk their security. It is part of their job. They understand it and they perform it very well, to their credit.

We are very concerned by this incident. We are taking every step possible through the UN and through the negotiation process on the ground to ensure their release and I hope it will be done very soon.

\* \* \*

[Translation]

**RWANDA**

**Mr. Stéphane Bergeron (Verchères):** Mr. Speaker, my question is also directed to the Minister of Foreign Affairs.

Quebeckers and Canadians were appalled by the scenes of slaughter and barbarism in Rwanda following a coup by the Rwandan army. In fact, the situation continues to deteriorate.

Could the Minister of Foreign Affairs comment on current negotiations between the rebel Rwanda Patriotic Front and government troops on concluding a genuine cease-fire? And is the minister prepared to ask the UN Security Council to help the parties agree on conditions for a cease-fire?

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, we deplore these unconscionable acts of barbarism, and we think every attempt should be made to try to restore peace in this country.

Over the years, Canadians who worked in Rwanda have established close ties with the people of that country, and it is clear we cannot let this relationship be compromised by these events. When we are in trouble, we know who our friends are, and I can assure this House that Canada is prepared to continue to support the efforts of those who want to help the Rwandan people develop in peace and harmony.

Finally, I can give the hon. member the assurance that this morning I spoke to our representative at the UN who at this very moment is considering the best way to initiate action with other countries, through the United Nations, to help restore peace and security in Rwanda.

**Mr. Stéphane Bergeron (Verchères):** Mr. Speaker, in the same vein, will the minister, on behalf of the federal government, make a commitment to participate in much needed efforts to provide humanitarian and medical aid by supporting agencies such as the International Committee of the Red Cross?

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, Canada will provide \$1 million in aid immediately, including \$400,000 to Doctors without Borders Canada, to be used to send surgical teams, including two Canadians, to Rwanda; \$300,000 to the International Red Cross Committee to provide emergency assistance, including medical assistance;

and finally, \$300,000 to the International Red Cross Federation to help neighbouring countries prepare for the arrival of refugees.

\* \* \*

(1425)

[English]

**BOSNIA-HERCEGOVINA**

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, my question is for the Prime Minister or the Minister of Foreign Affairs.

I think it is evident that the Bosnian Serbs are now retaliating for NATO's bombing raids on Sunday and Monday. What course of action does the Government of Canada propose if this retaliation continues or, worse yet, were to escalate?

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, I beg to differ with the hon. member. He is drawing a conclusion that is not necessarily the right one.

Quite clearly the bombing and the air strikes that took place were because there was heavy artillery against the city of Gorazde. This city was under heavy artillery bombardment. Indications were given that if it did not stop there would be air strikes. There were air strikes and we now know that the heavy artillery has stopped following the use of air strikes. It stopped the heavy artillery bombardment against the city.

We believe these incidents are regrettable but we do not believe they mean an escalation of the conflict.

We hope that good judgment will prevail and the parties will accept that the only course to be followed is to go to the table to negotiate a lasting peace settlement.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, I thank the minister for his answer.

Whether or not these incidents are retaliatory, I wonder if the minister could tell us what specific steps the government has taken to make it clear to the Bosnian Serbs that Canada will use its status as a recognized peacekeeper to marshal world opinion against them and their supporters unless this type of activity is stopped immediately.

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, we will certainly press for this type of message through the UN.

The countries that are involved under the auspices of the United Nations are all concerned by this situation whether they are Canadian soldiers, French soldiers or other soldiers who are victims of this harassment. It is quite clear that we cannot allow it to continue indefinitely.

*Oral Questions*

This is why we have asked Mr. Owen and Mr. Stoltenberg to go there to speak on behalf of the United Nations and to press on the Bosnian Serbs the importance of participating in the peace process.

**Mr. Preston Manning (Calgary Southwest):** Mr. Speaker, I have a further supplementary question. Various observers of the Bosnian situation suggest that UN peacekeepers there really have three options.

One is to do nothing different than what has been done in the past and run the risk of the collapse of the peacekeeping effort. The second is to issue the Bosnian Serbs an ultimatum with respect to this form of harassment and be prepared to back it up. The third is to prepare to withdraw.

Would the minister make it clear to the House whether the government favours any of these options or perhaps some other option?

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, the Government of Canada has renewed, with the support of Parliament, a further six-month commitment as part of the UN forces.

Second, Canada is very active on the negotiation side and is trying through the diplomatic route to bring the parties to accept a peace settlement. We believe we are getting close to it.

Some of the parties still resist the process of a negotiated settlement but if we pursue it diligently, if we do not lose our cool, at the end there will be a peaceful solution. That is the course we prefer.

\* \* \*

(1430)

[Translation]

### JOB TRAINING

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, my question is for the Prime Minister. The Premier of Quebec said yesterday in the National Assembly that job training is, according to Quebec's traditional position, a basic issue of respect for our jurisdiction over what affects us directly.

Given these statements by the Quebec premier, a good federalist, does the Prime Minister still think that Quebec's demands are mere whims?

**Right Hon. Jean Chrétien (Prime Minister):** As everyone knows, a 1941 constitutional amendment gave the federal government responsibility over an unemployment insurance program. We have jurisdiction in this area. We use the funds we collect for unemployment insurance to help the unemployed receive education and training from provincial governments, which have jurisdiction in these fields.

We want to eliminate overlap and that is why a meeting will be held on Monday. Several meetings have already taken place with Quebec and the other provinces to try to make the system more efficient. That is what we want to do.

Both levels of government have jurisdiction in this area and it is very important to work together to try to find a way to eliminate duplication. As I explained in this House, it must be understood that unemployment insurance programs were put in place in Canada to allow the central government to use the money of those fortunate enough to work and transfer it to the unemployed in the provinces or in some regions. Quebec, unfortunately, is among the provinces that benefited the most, while Maritimers benefited even more. Canada has always operated by ensuring a redistribution of wealth in this country.

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, does the Prime Minister realize that, by reviving disputes between Quebec City and Ottawa on an issue that is the subject of unanimous agreement in Quebec, not only does he give his Trudeau-style centralizing vision precedence over the interests of Quebec's unemployed workers, but he also clearly shows to all Quebecers—federalists and others—that the only federalism possible for them is one of confrontation and scorn for their people?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, we have been in office for less than six months. We have reached an agreement on the smuggling problem with the Quebec government. We succeeded in setting up with the Quebec government an infrastructure program that works very well. Other agreements have been reached or will be in the coming days.

I am saying there is a problem of jurisdiction in this area and we are looking for a reasonable solution. I know very well that no solution within our system can satisfy people who do not want to be part of Canada.

\* \* \*

[English]

### GOVERNMENT EXPENDITURES

**Mr. Randy White (Fraser Valley West):** Mr. Speaker, on Tuesday of this week the Reform Party forced the Prime Minister to admit that further spending cuts are necessary.

The Minister of Finance talks about deep and severe cuts but the Prime Minister talks of millions and not billions. Could the Prime Minister tell the House how cuts as small as millions will resolve a deficit of \$40 billion?

**Hon. Douglas Peters (Secretary of State (International Financial Institutions)):** Mr. Speaker, our budget was set out quite clearly on February 22. We set out a plan that would reduce the deficit to 3 per cent of GDP in three years and cut billions of dollars from spending.

*Oral Questions*

The member is quite wrong. We will continue to look for savings in that budget.

(1435)

**Mr. Randy White (Fraser Valley West):** Mr. Speaker, the Prime Minister and his colleagues should know you cannot bail out a sinking ship with a thimble.

Will the Prime Minister identify in the House today how many millions or billions he has in mind for these additional expenditure cuts or is this just a stall in the hope that the problem will go away?

**Hon. Douglas Peters (Secretary of State (International Financial Institutions)):** Mr. Speaker, there is no stalling. We have a clear cut plan to bring the deficit down to 3 per cent of GDP. That is our interim target. We are going beyond that after. I think the hon. member knows full well this is the best way to handle our deficit.

\* \* \*

[Translation]

**YOUTH ACTION PLAN**

**Mr. Antoine Dubé (Lévis):** Mr. Speaker, my question is for the Minister of Human Resources Development.

The apprenticeship program in the government's youth strategy is another federal infringement on Quebec's jurisdiction over education, which is clearly a provincial field. The *Financial Post* reported this morning that national standards will apply to more and more programs.

My question is this: Does the minister recognize that with this new intrusion into provincial jurisdiction, he is going against Quebec's demands and contributing directly to more costly and inefficient duplication in the field of labour?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, I still stand in great awe of the hon. member's ability to make judgments about details of programs which have not yet been announced.

I would think as a result he may want to hold his profound analysis until such time as he has the facts before him. I know he does not want to get confused by the facts but sometimes facts are very useful to have.

In that case, I would suggest to the hon. member that he might review this fact. The co-chair of the Council of Ministers of Education, which has made a direct call to the establishment of national standards for things like science and mathematics in English and French the minister of education from Quebec.

[Translation]

**Mr. Antoine Dubé (Lévis):** Mr. Speaker, the youth action plan was announced several times in the media this week, so its contents are an open secret.

Before presenting his youth plan, did the minister at least have the decency to first obtain the agreement of the Government of Quebec, since his apprenticeship program is another offensive in the field of education?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, when there are over 400,000 young people below the age of 24 unemployed, it would seem that rather than being critical and trying to poke holes, the hon. member should be trying to support constructive collaborative partnerships between all levels of government to get young people back to work. That is our intention.

It would seem that he is engaging in the kind of debate which I think many people in the country do not find effective. What they really want is to get their sons and daughters and nieces and nephews back to work. That is what we would like to do in co-operation with the provinces.

**Mr. Monte Solberg (Medicine Hat):** Mr. Speaker, tomorrow the federal government will announce the youth corps initiative that will provide short term make-work positions this year for less than 1 per cent of Canada's 400,000 unemployed youth.

Could the Minister of Human Resources Development tell us why he is creating false hope by spending so much money on a program of such limited potential?

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, the hon. member must be drinking from the same speculative cup as the hon. member for Lévis. They are making judgments about programs that have yet to be announced. The details are not there and the money has not been allocated. All that is there is in the fantasies or the nightmares of the hon. member.

I would caution him that before he makes comments about a program he should see what the program is.

**Mr. Monte Solberg (Medicine Hat):** Mr. Speaker, I think the minister should acknowledge that he has great gaping holes in his own department. That is where this information came from. It is in the media and people have commented on it already.

(1440)

Will the minister admit that what Canadian youth really want are real jobs, not phoney government created make-work jobs, and that the government's failure to address overspending is the primary cause of chronic high unemployment in the country?

*Oral Questions*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, over the last several months members of Parliament of this caucus, the hon. Secretary of State for Youth and Training and myself have gone across the country and talked to thousands of young people.

They tell us that when they come out of formal education, when they leave high school or community college, the most difficult problem they face is to get into the job market. That problem of making the transition from school to work is one of the most serious, difficult issues that young people face.

Our purpose in putting forward ideas, as we did in the red book, about internship programs, the community youth service corps, is to give young people that first chance into the job market, to get the resumé, to get the experience and to get the work practice. That is what young people were asking us to do.

It would seem to me that the hon. member should be standing on his feet and saying thank God there is a government that finally is going to do something about a real problem.

\* \* \*

[Translation]

**EMPLOYMENT**

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, government ministers and even the Prime Minister were puffing out their chests and bursting their buttons following the release of the latest unemployment figures. Yet, we are still not out of the woods. Taking into account the increase in population, Quebec would need an additional 215,000 jobs today to return to pre-recession employment levels.

Instead of celebrating prematurely, will the Prime Minister not recognize that given the current pace of job creation, Quebec will have to wait at least another three years before employment returns to pre-recession levels?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, our government has been in office for five months and the trend is improving. Last month, unemployment was down 0.8 per cent in Quebec. That is not good enough. More improvement is needed. Nevertheless, we are making progress. We must stay this course and that is why we are trying to introduce job creation programs. Such a high level of unemployment throughout the country is unacceptable and certainly no cause for celebration.

We must never stop working to reduce unemployment. Unfortunately, the rate will not fall overnight. However, the outlook is very good and we must work doubly hard to ensure that we obtain ever better results in the years to come. I am confident that the situation will improve within a few months' time.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot):** Mr. Speaker, when I listen to the Prime Minister speak, I get the impression

that we are living on different planets. The outlook is not very good. The recovery is more anemic than ever.

Will the Prime Minister not recognize that since he took office, for every two jobs created in Quebec, another depressed, discouraged person has joined the ranks of social assistance recipients? Does he not realize that his outrageous scheme to reform the unemployment insurance system will only make matters worse?

**Right Hon. Jean Chrétien (Prime Minister):** No, it will not, Mr. Speaker.

\* \* \*

[English]

**SEXUAL HARASSMENT**

**Mrs. Beryl Gaffney (Nepean):** Mr. Speaker, my question is for the Solicitor General.

It has been reported that a woman who was sexually assaulted by a co-worker of the RCMP was unable to receive redress from her employers. Today the victim, a single mother, has been forced to leave the job while the perpetrator of the crime is still employed with the RCMP.

Does the RCMP really believe that it is outside the law? What is being done to redress the job loss and harassment suffered by this woman?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada):** Mr. Speaker, I am deeply concerned about this case and the press reports indicating serious questions about the way the internal investigation was handled.

This morning I spoke about the matter to the commissioner of the RCMP. He assured me that sexual harassment is not tolerated in the force. He went on to say that he has ordered an immediate and thorough review of the matter in order to determine how the case was handled and if remedial action is required.

He assures me that the review is being given top priority and I hope to have further statements, as does the commissioner, before too long.

\* \* \*

**AGRICULTURE**

**Mr. Leon E. Benoit (Vegreville):** Mr. Speaker, my question is for the minister of trade, the minister of agriculture, or in this case a substitute.

(1445)

Today's *Report on Business* states that the Liberal agriculture and trade ministers will sign an agreement today. It will allow an import quota on durum wheat of two million tonnes in exchange for the United States dropping its challenge about the protection of the supply management sector in Canada.



*Oral Questions*

Are the ministers going to cave in to the United States by allowing a quota where none is warranted? Furthermore, are the ministers pitting one sector against another by caving in on durum wheat in order to protect supply management as the report said?

**Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food):** Mr. Speaker, I point out to the hon. member the minister has made it very clear to all the sectors and all Canadians that he is not pitting one sector of the Canadian agri-food industry against the other. He will not be trading one off against the other. Negotiations are going on in Morocco as we speak right now.

The reports the hon. member read in the press are only that. They are reports from the press only and do not necessarily reflect the facts.

**Mr. Leon E. Benoit (Vegreville):** Mr. Speaker, I thank the parliamentary secretary for the answer.

What specific guarantees could the government give to assure grain farmers that the government will not cave in to the United States and that grain farmers will not be sacrificed in order to achieve a favourable outcome for supply management?

**Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food):** Mr. Speaker, a guarantee that the government and I can give to the hon. member and to the Canadian grain industry is that the minister has not done that to date. He does not intend to do that and he is going to negotiate an agreement with the United States in the best interest of Canadians and Canadian farmers.

\* \* \*

[*Translation*]

#### FRANCOPHONE MINORITIES OUTSIDE QUEBEC

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Mr. Speaker, my question is directed to the Prime Minister. The sovereignist option for Quebec includes a firm commitment to recognize and protect the historic rights of Quebec's anglophone minority and to enshrine those rights in the Constitution of a sovereign Quebec. Yesterday in the House, in a disturbing and, I would say, deplorable statement, the Prime Minister mentioned the possibility that francophone minorities outside Quebec would be denied their rights, should Quebec become a sovereign nation.

**The Speaker:** Order. This is a hypothetical question. I would appreciate it if questions were a little more to the point. If the Right Hon. Prime Minister wishes to respond, he may do so. Otherwise—

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I just want to say that last week, presidents of associations of

francophones outside Quebec told a reporter for the *Toronto Star* that considering the difficult circumstances in which they lived, it did not help their cause when francophones in Quebec said they were prepared to separate from Canada.

The French fact has survived in Canada because we francophones have all stood together since 1867, and that is why we are still francophones, not martyrs as members opposite would have people believe. The Leader of the Opposition said that in Washington, and he is a French Canadian francophone, the Prime Minister is a French Canadian francophone and so is our ambassador in Washington. They are telling the world they are martyrs. Let us be serious.

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

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** If the Prime Minister thinks it is our fault, he is wrong, and the statement he made yesterday in the House was a disgrace, coming from a Prime Minister. If he has any credibility—

[*English*]

**The Speaker:** I hope all hon. members would address themselves as much as possible to the issue at hand as opposed to in any way impugning any kind of motive by anyone else. I would invite the hon. member to pose her question.

(1450)

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Mr. Speaker, my question is quite simple. Is the Prime Minister prepared to make a commitment in this House that he will reverse the budget cuts affecting francophones outside Quebec? That is what people are asking. If he really wants to help francophones, he should stop cutting their funding.

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, we have provided very generous funding for a long time to francophone communities outside Quebec. There may have been a few cuts, but a number of other sectors in our society have seen their funding cut as well. However, that does not mean we are not committed to the survival of these people.

I am glad to see the members of the Bloc want to support francophones outside Quebec. If that is the case, the best way to do it is to work within Canada with all French-speaking Canadians so that we can be strong and proud to be Canadians.

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

\* \* \*

[*English*]

#### MÉTIS SOCIETY OF SASKATCHEWAN

**Mr. John Duncan (North Island—Powell River):** Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

*Oral Questions*

Could the minister confirm that the Deloitte & Touche draft audit of the Métis Society of Saskatchewan commissioned by the federal government and the Government of Saskatchewan has revealed fraud and fabrication of documents, a \$1 million operating deficit by the society and violation of the funding agreement between the federal government and the society?

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development):** Mr. Speaker, as the question relates to the Métis I think it should be addressed to the interlocutor. He has the wrong minister. I will take it under advisement and bring it to her attention.

**Mr. John Duncan (North Island—Powell River):** Mr. Speaker, my supplementary question is for the Prime Minister.

Rank and file Métis are concerned about the lack of accountability of funding arrangements by the department of Indian affairs and how it may affect Métis credibility and future funding.

Could the Prime Minister assure the House that all future funding arrangements with aboriginal groups will include publicly disclosed annual audits?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, when we make arrangements with any groups in Canada, we ask them to make their books available for the Auditor General and other officials of the government to see if they have respected the arrangement.

We will do that with the Métis organization and the native organizations as with any other organization. The federal money they receive from us is taxpayers' money and we should make sure we get value for our money.

\* \* \*

**FOREIGN AFFAIRS**

**Mr. Bernard Patry (Pierrefonds—Dollard):** Mr. Speaker, my question is for the Minister of Foreign Affairs.

In light of the recent spate of terrorist attacks in Israel and the occupied territories, could the minister report to the House on any Canadian intervention to help keep the peace process on track as well as any communication Canada has had with the stakeholders in the region?

[*Translation*]

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, I accept the hon. member's question by recalling that today is the 46th anniversary of Israel's independence. I can tell the hon. member that we are particularly troubled by this act of violence which killed some six people and injured thirty. We expressed our condolences to the Embassy of Israel and offered our heartfelt sympathies to the victims' families.

(1455)

As for the broader question of the peace process in the Middle East, I am pleased to point out that the chairman of the task force on refugees is a Canadian and that Canada will continue to support the peace process, and we earnestly hope that these acts of violence will not derail the peace process which is well under way.

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**INTEGRATION OF IMMIGRANTS**

**Mr. Osvaldo Nunez (Bourassa):** Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

The minister wonders whether the teaching material used by the COFIs, centres for the integration of immigrants into the French community, refers enough to Canada. He is reported to be about to intervene, despite the fact that this material has been approved by the Quebec Department of Education.

Should I interpret that as an indication that the minister disputes not only the know-how of Quebec when it comes to the integration of immigrants, but also its exclusive jurisdiction over education?

**Hon. Sergio Marchi (Minister of Citizenship and Immigration):** Not at all, Mr. Speaker. We discussed that yesterday with the standing committee. I made three statements. First, I said that, during the 25 years of the agreement, the government and the province of Quebec had done a good job of integrating immigrants.

Second, I said to the member of the media who made the allegation that it would be a good idea for the committee to review this allegation, not investigate, but talk with officials from Quebec and Canada.

Third, I said that you could be proud of being a Canadian and at the same time be proud of being a Quebecker or the resident of a given region.

**Mr. Osvaldo Nunez (Bourassa):** Mr. Speaker, according to the media the minister said that the COFIs were hiding the Canadian reality. Does he not realize that by saying that he challenges all that had been accepted under the federal-provincial agreement, the Cullen-Couture agreement, signed in 1978, which recognizes the distinctiveness of Quebec and allows it to integrate its immigrants into the French community?

[*English*]

**Hon. Sergio Marchi (Minister of Citizenship and Immigration):** Mr. Speaker, that is an absolutely false and inaccurate allegation which the member just made on the floor of this House of Commons. What I said yesterday in the committee was in reaction to what two media reports suggested about somehow low bridging or hiding Canada.

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As the Minister of Citizenship and Immigration, on behalf of a national government we ought not to hide whether it is our country called Canada or the loyalty that one feels for one's province or region. Part of my responsibility simply is to promote Canada, east, west and north.

When an immigrant comes to our country, he or she comes to a country and lives in a province and ought to feel loyalty and patriotism to both.

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**MEMBERS OF PARLIAMENT**

**Mr. Bob Mills (Red Deer):** Mr. Speaker, my question is for the Minister of Foreign Affairs.

The Prime Minister has indicated he wants us to tell of ways of saving money in our committees. I would like to know from the minister how a cost conscious MP can make a decision on taking an international junket organized by his department unless he has the answers to the following questions. What does it cost? What is the itinerary? How will it benefit the taxpayers of the country?

(1500)

**The Speaker:** Just by way of explanation, usually when a committee acts, it acts on its own and the minister per se is not responsible for that committee.

Perhaps if the member could rephrase his question it might be acceptable. I would give him a single question.

**Mr. Mills (Red Deer):** Mr. Speaker, I would like to ask the minister if he would undertake to provide answers to those questions for upcoming trips.

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, I believe there is some difficulty on the part of members of the Reform Party to participate in international visits. I tried to convince their leader to participate in these activities on the grounds that they serve a useful purpose.

I take in good standing the request to submit in advance the cost, the reason for going and the advantage of such a trip. I will do so in the future because there are regular requests for parliamentarians to go abroad to sustain the objectives of the Canadian government or to promote the interests and points of view of Canadians.

For instance, there was a request recently to send a delegation to Washington to impress upon Americans the importance of respecting the steelworkers of Canada. Unfortunately so far we have not been able to convince the Reform Party to join forces with other representatives of Parliament.

I believe there are a number of useful visits abroad. We would like to have the support of that party in joining the two other parties in Parliament to promote Canadian interests abroad.

[Translation]

**BUSINESS OF THE HOUSE**

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, I would like to ask the Government House Leader what is the planned order of business for the next few days?

[English]

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada):** Mr. Speaker, I am pleased to provide the weekly business statement.

Today the House will continue with Bill C-17, the budget implementation bill. When we have completed it we will be debating Bill C-9, implementing some of the provisions of an earlier economic statement.

This will be followed by Motion No. 10, authorizing the procedure committee to provide the basis for legislation to reform the system of adjusting electoral boundaries. If this business is not completed today it will be followed in the same order tomorrow.

Monday shall be an opposition day. I believe it will be the turn of the Reform Party to present the subject for that opposition day.

Next Tuesday the House will resume the business not completed Friday.

This will be followed by consideration of Bill C-7 respecting the control of certain substances, Bill C-11 concerning tobacco, Bill C-4 dealing with the NAFTA side deals, Bill C-2 to reorganize Revenue Canada, Bill C-8 regarding the use of deadly force by police and prison officers, Bill C-13 respecting GST technical amendments, Bill C-15 revising the statutes respecting income tax, and Bill S-2 ratifying certain tax treaties.

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(1505)

**WAYS AND MEANS**

## NOTICE OF MOTION

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

**GOVERNMENT ORDERS**

[Translation]

**BUDGET IMPLEMENTATION ACT, 1994**

The House resumed consideration of the motion that Bill C-17, an act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22,

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1994, be read the second time and referred to a committee; and of the motion.

**Mr. Yves Rocheleau (Trois-Rivières):** Madam Speaker, I would like to resume where I left out before Question Period. I said that so far the main characteristic of this government has been its lack of vision. I was talking about the conversion of military industries to civilian production, something we have not heard much about ever since the government wrote about it in its red book, so much so that recently, no later than last week, the Quebec Minister for Industry, Trade and Technology was getting impatient and—no matter how federalist and Liberal he is, just as this government—asked the Canadian government what was implied in the statements made in the red book. And since then, in spite of his influence, this minister has not heard a word regarding three specific matters of some urgency, namely Oerlikon, Paramax and MIL Davie.

There is another issue that brings to mind the notion of vision, if we can use that word, but in this case it is a machiavelic vision; I am referring to the Youth Service Corps. We know that one of the three objectives of this planned corps, which should involve 10,000 participants a year, is to promote a better understanding of Canada, and this, strangely enough, just before the Quebec referendum. We recognize there the consistency and the persistence of these same Liberals who were already very actively involved in the 1980 referendum and who used all means, from Pro Canada to the Council for Canadian Unity, to try to unduly influence the people in Quebec. Next time, they will outdo themselves, for sure!

We find the same lack of vision and political courage when it comes to the information highway. We know that in the United States the whole project is being spearheaded by the Vice-President, whereas here, all we have is a committee in name only which, completely in the dark, is supposed to be advising the government. This exemplifies the kind of political courage and vision this government has.

This is what was written in the red book, but things seem even worse when we look at what was not written down in its pages. The situation is even worse when you consider the actions of this government since the opening of the session, through the budget. I am referring to measures which were not mentioned in the red book. Indeed, when the government uses nice metaphors about modernizing, revitalizing or undertaking major initiatives, such as is currently the case with social programs, we cannot help but wonder about how sincere it is, about its real goals, and about the real motives of the Liberals even before they were elected, considering the measures they are now proposing to correct the situation.

The government targets the unemployed instead of unemployment; it targets the poor instead of poverty. Indeed, the government targets the poor when it decides to lower UI benefits from

57 per cent to 55 per cent, a measure which will affect 85 per cent of claimants.

(1510)

The government is targeting the unemployed, when it decides they will need 12 weeks instead of 10 to be eligible for unemployment insurance. Does this mean that from now on employers, in a show of social solidarity, will hire five, ten, fifteen, twenty, twenty-four, fifty, eighty, or a hundred employees for an extra two weeks so they can get their unemployment insurance benefits? That is not how it works. An employer needs an employee for a certain period, especially in disadvantaged regions, and unemployment insurance criteria are not a consideration when hiring people.

We should also realize that because of the latest amendments to the Unemployment Insurance Act, people will receive less money for shorter periods of time. So the government is deliberately targeting people who work and often live in unenviable circumstances. The government has decided that from now on, they will receive less and receive it for shorter periods, although they will have to work longer to be eligible. If this is not hitting the unemployed instead of unemployment I would like to know what is.

If we consider the amendments to the Unemployment Insurance Act and if we recall the government's stated intention to modernize and revitalize social programs, is it any wonder we are extremely concerned about the government's underlying motives for making such sweeping changes in the administration of social programs and the whole concept of government intervention in this area, especially when we consider the following. Let me explain. In spite of consultations that were held and others that will be held by the minister on this subject in the months to come, we know, and this was made clear in the Budget speech, that this modernizing and revitalizing will save the public purse \$7.5 billion at the expense of the most vulnerable members of our society, with more than \$5 billion resulting from amendments to the Unemployment Insurance Act.

When discussing these issues, we must not forget we are talking about fellow citizens and the conditions in which they live. We must realize that across this country, hundreds of thousands of Canadian men and women are living in a state of anxiety and poverty. We know how such conditions can lead to criminal activity, family violence, undue reliance on medication, malnutrition in children, and so forth.

I must say that I deplore the apparent lack of concern shown by many members opposite, including the Prime Minister, about a situation that is so disturbing and I would ask them to make cabinet members realize that something must be done to find intelligent and effective ways to improve the lives of these people. I think we can all say the unemployment rates in our ridings are intolerable, for instance in the Maritimes and

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Quebec, where levels are totally unacceptable, in Ontario, which is experiencing problems, and even in western Canada.

However, we should talk about the causes as well as the effects. In this kind of debate, which is a debate about the kind of society we want, one issue is particular important, and that is that in a few years, our society may start to resemble what we see in other so-called underdeveloped countries, where there are a wealthy few in a sea of poverty and a fast-disappearing middle class. I think that is something we should consider, namely, the kind of social structure we have and the kind of society we can expect in the future.

In concluding, I would like to quote briefly what was said by an economist at the Université du Québec à Trois-Rivières. André Joyal, a resident of my riding whose work I admire, wrote the following in the Catholic magazine RND: "What we have experienced for the past 20 years is probably not, as is often said, just another economic cycle, but a thorough transformation of our society. A transformation as drastic as that caused by the steam engine in the seventeenth and eighteenth centuries or by the agrarian revolution 10,000 years ago when our ancestors realized they could sow and harvest crops, which meant they could have permanent settlements. The society of tomorrow may be totally different from the one we know today".

In the same vein Louis O'Neil, a distinguished professor at Laval University, wrote the following: "There is no reason why we should accept, without further analysis, the disappearance of thousands of jobs, today's exclusion after yesterday's exploitation, job uncertainty, the dismantling of health care services, a return to inequality of access to knowledge, the pauperization of rural areas, and regional population loss. We have the right and the duty to oppose a return to unbridled capitalism, to a system which currently puts 35 million people out of work in industrialized countries and which triggers disintegration and impoverishment.

(1515)

[*English*]

**Mr. Dale Johnston (Wetaskiwin):** Madam Speaker, I appreciate the opportunity to speak on Bill C-17 today. I am going to speak for a moment or two on debt.

In 1993-94 we all know that the provincial, federal and municipal debt amounts to some \$660 billion. This is an increase of about 11 per cent over last year and it is quite a startling number.

Put another way, this amounts to some \$23,000 for every man, woman and child in the country. The net federal public debt amounts to some \$500 billion and that is an increase over last year of some \$45 billion or again around 10 per cent.

Federal debt divided equally among Canadians comes to some \$17,600 per person. The federal debt is increasing at the rate of

\$123 million a day. This amounts to some \$6,200 per year for a family of four. To put this another way, the debt amounts to 93 per cent of our GDP at the present time. Ten years ago it amounted to around 50 per cent. It nearly doubled as a percentage of the GDP in 10 years' time.

As a matter of fact, the Vancouver Board of Trade, which has done a considerable amount to draw the Canadian public's attention to the debt situation, has placed its debt clock to work out that if the debt, rounded off to \$.5 billion, were converted to hundred dollar bills there would, believe it or not, be enough to cover the Trans-Canada highway from Vancouver to Ottawa.

If this deficit were reduced to zero, the average employed person in Canada would see their taxes reduced by about \$3,000 a year. Bill C-17 deals with budgetary measures and certainly unemployment insurance. To me this reduction in the taxation is one of the best things that we can do to reduce unemployment in Canada.

A recent Canadian Chamber of Commerce survey showed that if the debt and deficit were reduced, payroll taxes and corporate tax rates lowered, government regulatory burdens eased and training and education of the labour force improved, small Canadian businesses, any business under 100 employees, would be able to create jobs at the rate of 14 jobs per firm for the next three years. This is certainly another recipe for the reduction of unemployment in Canada.

The budget has simply nibbled at the edges of the unemployment insurance program. By reducing the generosity of this program, certainly I have to give the government credit for making a step in the right direction. After all, we are aware that over generous unemployment insurance programs do have the effect of increasing the number of people on UI, not decreasing, not putting a lot of people to work. The number of people on UI has increased as the debt ratio has increased.

(1520)

We all know that the cumulative deficit in the unemployment insurance account is in the neighbourhood of \$6 billion. We also know that it is a fallacy to believe that this is an employer-employee funded program and that \$6 billion has to be picked up by the taxpayer of Canada. We pay the shortfall.

I have said in the House before that the Canadian unemployment insurance plan has become an inefficient income supplement plan rather than social insurance. We need to take the "un" out of unemployment insurance. We should come up with a scheme of employment insurance with extra emphasis on insurance.

The Reform Party's policy is to make employment insurance a sensible, sustainable program of social insurance which provides compensation for temporary loss of employment. We believe the program should be funded by employers and the employee and the level of premiums and benefits determined by the employer and the employee. This, I am sure, would also go a

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long way to reducing the burgeoning underground economy and ultimately relieving the tax burden of Canadians.

Stephen Van Houten, president of the Canadian Manufacturers Association, has extrapolated today's figures to come up with a prediction that if the federal debt continues to grow at the present rate, by the year 2001 and we will hit the \$1 trillion mark. He has also predicted that when we hit the \$1 trillion mark our deficit will be in the range of \$60 billion to \$70 billion. Should it remain the same, the interest on that amount of money would amount to some \$76 billion, and that is roughly double what we have today. In my opinion that would be extremely crippling to the Canadian economy.

I am convinced that percentage of after tax income has decreased, and yet at the same time the same government that allowed the debt to escalate to half a billion dollars continues along the same path. Really when questioned or pressed on it the Prime Minister even makes remarks about that line of questioning being irrelevant. It is extremely relevant and we look forward to the day when we can reduce taxation and have a stimulative effect on our economy.

Economic growth is hampered by high social spending. As we all know, high social spending is also accompanied by high levels of taxation.

If Canadians were relieved of this burden of high government debt and taxation and government intervention through excessive regulation, I believe Canadians would be motivated to work harder and to save more and invest more and ultimately hire more workers.

Investors would be clamouring to invest in Canada and to set up business here. It is high time that Canada was open for business and took on that posture.

We noticed the other day that when the Prime Minister did announce that he was willing to make further budget cuts there was a dramatic change in the markets. The dollar went up and the interest rate went down. I really felt quite heartened by all this.

(1525)

Just the other day I noticed in the *Financial Post* the headline: "Deficit rattles investors". To say the least it would rattle them.

In conclusion, it is time to change this budgetary process and admit that we do have a spending problem in Canada. This is not a problem that can be solved strictly by revenue.

[*Translation*]

**The Acting Speaker (Mrs. Maheu):** The hon. member for Beauport—Montmorency—Orléans.

**Mr. François Langlois (Bellechasse):** Madam Speaker, I believe that the hon. member for Beauport—Montmorency—Orléans spoke just before Question Period. So, unless an hon. member from the Liberal Party wishes to speak at this time, I would ask that you give me the floor.

**The Acting Speaker (Mrs. Maheu):** Well then, the Chair recognizes the hon. member for Bellechasse.

**Mr. Langlois:** Madam Speaker, I would like to thank the hon. member for Wetaskiwin for his remarks on Bill C-17. He made several worthwhile points, some of which I will raise myself in a moment.

Let me just say that today is an historic day because this morning, for the very first time, the Chair was occupied by a sovereigntist member of Parliament, namely my hon. colleague from the Bloc Québécois and member for Chicoutimi. Having said this and extended my congratulations to him, I would like to speak to Bill C-17.

As history has it, Nero played the fiddle while Rome burned. This government is doing the same thing. While the country is crumbling down, while the poor get poorer and the unemployed despair of finding work, while middle-income individuals and families see their tax burden grow heavier and heavier, the government does nothing. Just like the previous government. You would almost think that they fit in the same shoes. This government certainly took no time to adopt the same pattern as its predecessor. My friend the member for Frontenac was mentioning that these shoes are probably Kodiak boots because we are not out of the woods yet with the current policies of this federal Liberal government which acts the same way as the Mulroney-Campbell administration did from 1984. That is to say doing so very little. Words, words, words. They are all words, but no action. None at all! The only movement we see in this House is when the hon. member for Kingston and the Islands walks from the table to his seat once in a while. Very little is actually accomplished.

I agree with the hon. member who spoke before me, the hon. member for Wetaskiwin, when he says that the key to economic recovery in Canada and in Quebec as well is small business. We have relied on big business, like Hyundai in Bromont, for too long. Great hopes had been placed on businesses like this one which is now in a very precarious situation to say the least, on the verge of shutting down and laying off its workers. So, the small and medium-sized businesses responsible for creating 80 to 85 per cent of jobs are really undervalued, underestimated and undersupported in the projects they can initiate.

(1530)

We see it at our constituency offices when a small businessman or businesswoman comes to us with a proposal to create two, three or four jobs. It is hard to get the government

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interested in setting up or improving a small business. It still likes to think big, an approach that harkens back to Mr. Trudeau's era. And look where that Trudeau-style vision got us.

Our economy is in ruins. Our debt currently tops the \$500 billion mark. Of course, the Mulroney-Campbell administration has been blamed for the situation, but previous Liberal administrations were responsible for fuelling the debt crisis in the first place. It should be noted that when the Conservatives took office in 1984, the national debt already totalled \$189 billion. The red ink was already flowing freely. In fact, several bottles had already been used up.

The budget measures now on the table offer no help to small business, no help to middle income families, no help to individuals as far as housing is concerned. There are no real measures to provide social housing assistance to low income families forced to spend more and more on housing. As Bernard Derome said, if the trend continues, low income families will no longer be able to afford proper housing. What the government needs to do is reintroduce a real social housing policy.

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

**Mr. Langlois:** At least I am being applauded by my colleague from Laurentides, as well as my colleagues from Berthier—Montcalm, Lévis, Brome—Missisquoi, Frontenac and Chambly and all those whom I could not see or hear, since we sometimes recognize each other by the way we applaud, Madam Speaker.

What do we see in this budget for housing? The Residential Rehabilitation Assistance Program, RRAP, is back. It is very nice to have such a program, but first you have to have a home to renovate, and there is no measure for home ownership, especially for a first home. There is nothing for single people and young couples, but they are told to improve what they do not have. What a fine philosophy, putting the cart before the horse! That is the finest example we could give. Our grandparents used that expression. It is still current for describing the government's economic policies or lack thereof.

As my colleague from Trois-Rivières just said, the government is attacking the unemployed as if they were responsible for their condition. The unemployed are responsible for the poor state of the Canadian economy; the government is responsible, because of its ineptness and inaction in this area. There is no political will to fight unemployment in Canada.

All they are doing is to go after UI recipients, blaming them for unemployment. They are being penalized. Their benefits are being cut. The length of time they must work to obtain UI benefits is increased. But hitting the unemployed does not affect unemployment. Just as when a mortician does his work, he does not attack death, he deals with someone who is already dead. The government is the big funeral director of this country and it seems it is about to celebrate a funeral mass for the economy. In

the next election, voters in Canada, the remaining nine provinces, will decide this government's fate.

(1535)

Probably our friends in the Reform Party will have alternatives to propose or other parties will come along, because we see some parties appear and grow like mushrooms in this country.

I am glad to see—again you are signaling me that I have one minute left—with just a minute to conclude, I have to choose between the Royal Military College in Saint-Jean, of which we have spoken a lot, and the Prime Minister's statements in this House that there would be more cuts, although no minister wants to cut in his department. We asked questions yesterday; no minister wanted to cut, but the sum of the parts is greater than the whole because the Prime Minister said that he was going to reduce the deficit.

So in closing, I will say a few words about an issue that I care about, MIL Davie in Lauzon, where 400 of my constituents work. It is high time, and in the 30 seconds remaining to me, I will say that it is high time for the government to stop thinking about reviving the MIL Davie shipyard in Lauzon and to immediately give it the contract for the Magdalen Islands ferry to replace the *Lucy Maud Montgomery*.

[English]

**Mr. Randy White (Fraser Valley West):** Madam Speaker, once again it is a pleasure to speak on a bill in the House of Commons but it is not such a pleasure to talk about Bill C-17.

In question period today I mentioned the simile of bailing out a ship with a thimble. That is what we have here, the government trying to deal with the large problem of \$40 billion and we are playing around the edges with some of the cuts. Most people in Canada know that just will not work.

I spent some time in Halifax during the spring recess with a number of business groups and a model parliament. It was with enthusiasm that I watched the prime minister of that model parliament and his elected members from the school expressing their views and frustrations about things that are happening in the country; the criminal justice system, parliamentary reform and so on, but expressing long term views of the problems that exist in our economy. I do not think we should take this so lightly. These young people have reason to be concerned.

A lot of people talk about our younger generation today and refer to them as generation *x*, a generation some say that does not have its own identity as far as music and other things. My impression of generation *x* is one of young concerned Canadians, a group that probably will have, very rightly so, very little tolerance with us baby boomers who have managed to spend ourselves into oblivion.

When it comes time for us to have a pension in the next 15, 20, 25 years I somehow think that generation *x* will be very dissatisfied with us and our spending and will have no sympathy

whatsoever. Perhaps it is well deserved by us. The frustration is across the country. I see it in my riding every day in Langley, Aldergrove, and Max Lake.

The budget has created some serious concerns for Canadians and as I travel and talk to people in this fair city of Ottawa you can hear it every day. It is on their minds. The government has not addressed the concerns of the economy.

I sense there are some members on the government side who want to deal with it. I do not know what the problem is. Maybe the cabinet ministers wish to hold them back but I sincerely hope those members will convince their leaders that something more serious has to take place.

I have talked to bankers in the maritimes. They expressed the same concerns as bankers in Fraser Valley West. It is not different. It is not regional. How can any rational person support Bill C-17 which will provide for \$3 billion more in expenditures next year than the previous year?

(1540)

The Liberal government has provided what I referred to some time ago as a flaccid approach to managing Canada. The dictionary definition of flaccid is limp-wristed, lacking vigour and feeble. At the time when I talked about that I put my own definition of the word flaccid. I made it an acronym. Flaccid to me really means the federal Liberals are crafty Conservatives in disguise. I do not see a lot of difference. Now I am getting a rise from the members on the other side of the House so I am starting to hit a few buttons here. I expect that will happen over the next few years.

However, they should not take it so badly because I am going to do my very best in the next 10 minutes to explain why Canadians coast to coast feel this way and are disappointed in the selection of the government in the last election.

Let us compare the short record of this Liberal Party with that of the Conservatives who were annihilated in the last election. It is necessary to make this comparison throughout this speech to understand why we cannot support the Liberal budget and why I predict that party will fail dismally in the next election. That is a pity really but that is the way it is going to go.

I can remember back in 1984 when the Liberals were thrown out and we brought in the Conservatives. Canada had so much hope. What happened? They spent their way into oblivion. Now we are just continuing on with the next generation of traditional politics.

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The budget is going to see Liberal spending increase by \$3 billion at a time when our national debt is \$40 billion.

The financial markets are reacting to it and businessmen have reacted to it for the last 10 years. They are concerned. The only group that is not reacting to it is the government itself. It is ironic.

The government does not have the intestinal fortitude to deal with reality. It indicates also that the government cannot take a tough stand on the big issues and will not. This Liberal government really is a Liberal government. It is not Conservative in nature and it is definitely not Reform in nature. Some of the members are suggesting that is a good idea but we will see in the next election.

Let me take you into some detail that will astound you, Madam Speaker. I want to talk a little bit about just why we get frustrated here and why the people out in all of the communities in Canada get frustrated. I want to talk about a little organization called the Social Sciences and Humanities Research Council.

This council has existed for some years now. I do not know how far back, but it existed in the Conservative reign and it exists here today. I will just run by a couple of bottom line budgets of this organization. In 1991-92 its budget was \$90 million. In the next year, 1992-93, its budget was \$101 million. The budget has gone up and at one point it was \$97.7 million.

One might say: "Well what is wrong with that? It must be a good organization and it must do a lot of good things". I do not doubt that. However, in this budget when we were looking for some cuts there were no cuts to the organization. In fact its budget increased.

Let me give you an idea of some of the expenditures coming from that organization that have not been questioned at all. In fact its budget has been increased. After I read these I think the people watching and listening this afternoon and my colleagues next will ask themselves the question: Why did we not look a little harder at this in the budget? Why did we not take some money out of this budget?

Payments: \$15,435 to study eunuchs in Imperial China. Now I ask: Do we have a better way to spend \$15,000? The amount of \$147,827 was spent to examine lullabies, form and function in infant directed music.

(1545)

While that may be interesting to some, I doubt very much whether there are many people in this country who have a lot of interest in their tax dollars going this way.

**An hon. member:** The Liberals have.



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**Mr. White (Fraser Valley West):** The Liberals have made no changes to the budget. In fact they have increased it, so this is the track we are going on.

I will just run by a couple more because there are so many of them. Let me give members the one that might interest a lot of people. There is \$21,566 to examine experimental studies of interactive gestures. Let members' minds roll a bit on that one.

I am sorry I am going to run out of time because I do have a bunch of other things to talk about. If members want to look on the bigger scale of things, here is a government that is talking about spending \$6 billion of taxpayers' money on infrastructure, another \$1.5 billion on child care seats and so on. It is all taxpayers' money. There have been no cuts to the budget. It is a disgrace to put this in front of the people of Canada.

[*Translation*]

**Mr. Michel Bellehumeur (Berthier—Montcalm):** Madam Speaker, to start with I would like to tell the member for Saint-Laurent—Cartierville how pleased I was to meet her in my riding before the Easter break, for the handing out of a cheque. I hope that the day I run into difficulties, I will be able to count on the government to help me out. I will be happy to meet you in my riding for less auspicious events than the handing out of a cheque. Madam Speaker, I mean that in a very friendly way.

Having said that, I welcome this opportunity to speak to Bill C-17, an Act to amend certain statutes to implement certain provisions of the Budget tabled in Parliament on February 22, 1994. Under this rather innocuous title, this act has far reaching consequences for nearly everyone in Canada and in Quebec. This bill affects every household, every family and every taxpayer in the country.

When reading this piece of legislation, one can really see how thirsty the government is for money. There is a problem however, the government always digs into the same pockets to take the money it needs. This time, once again, it goes after the unemployed and pensioners and, as I said before, families, more often than not low-income families who can hardly make ends meet as it is.

I think that instead of bringing the unemployed to their knees, the government should have helped them break out of that vicious circle and get back onto the labour market. You do not keep on hitting somebody who has already fallen to the ground, you help him get up. One way to help the unemployed is to agree to Quebec's many requests to decentralize manpower training. This would improve efficiency and help unemployed workers find their way through a maze of 75 programs with different entrance requirements depending on whether they deal with the federal government or Quebec departments. It would also help reduce the cost of overlapping jurisdiction and duplication which is estimated to be around \$300,000 in Quebec alone. This figure was not arrived at by the Bloc Québécois but by a former Quebec minister, a former minister who was a Liberal and a

federalist. Three hundred million dollars because of overlapping is not chicken feed, it is a lot of money.

It is mostly because it has been recognized that a greater decentralization, bringing training and re-entry programs closer to the labour force, was more efficient than a strongly centralized policy such as the approach the Canadian government wants to impose on the provinces that the government must meet our expectations regarding manpower training.

According to Statistics Canada and other government bodies such as the Department of Employment and Immigration, each year, there are between 50,000 and 90,000 jobs that go unfilled in Quebec alone. With these figures, it is possible to see that there is a problem with training. Based on these figures alone, in difficult times such as these when everyone is looking for a job and talking about jobs, the need to do something is obvious to anyone who takes a hard look at the situation. In spite of all that, and in spite of the fact that the decentralization of training is unanimously approved in Quebec, we continue to negotiate, to hesitate and to waver, not knowing exactly what to do. As the hon. member for Roberval said yesterday, we discuss and these friendly discussions go on and on between Quebec and Ottawa, but no decision is ever made. I hope that the future will be more promising. I hope that the powers that be in Quebec will wake up and put their foot down once and for all.

(1550)

Yesterday too, the Leader of the Opposition was right on when he said that in Quebec the issue of training decentralization generates a rare consensus. Indeed, it is not often that you have Gérald Larose and Ghislain Dufour agreeing on something. There is a real consensus and Quebec's position is very clear.

We can never insist too much on the fact that the Martin budget taxes employment and jeopardizes an already weak recovery.

The minister who, not so long ago, so vehemently opposed the Conservative policy, is now pursuing that policy and is doing even more damage than the Conservatives before him. Indeed, the minister pursues the Conservative policy of lowering UI benefits for the vast majority of claimants. To ease its conscience, the government threw in a few goodies in the bill, including the provision concerning low-income earners with dependent children. This is nothing to write home about, but the government put that in the legislation to make it somewhat more palatable. But this is only to save face; this is only to create a diversion.

This policy shifts the emphasis of the problem and makes it worse. I represent the riding of Berthier—Montcalm which extends to Saint-Michel-des-Saints, Saint-Zénon and all the way up to the Indian reserve of Manouane. What did people tell me every time I visited those regions during the election campaign? They said: "Michel, is there a policy to help our young stay here in our regions?" I understand these people because the population of these communities and villages is

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dwindling. Those amendments to the Unemployment Insurance Act will not keep the young in the regions. On the contrary, they will leave sooner for the city. The shorter the benefits, the faster they will go in order to find a job. They will try to find a job rather than depend on social welfare, and they will head for the city to do so. The problem is they will not find more jobs in the city than they do at home. And they will end up on welfare. The Minister of Finance will be pleased because they will no longer appear in federal statistics but on provincial social welfare rolls. If that was his goal, he did succeed.

Let me give a few figures on the impact of unemployment insurance reform. Eastern Canada and Quebec will be hit particularly hard by the elimination of regional rates of unemployment beyond 13 per cent. The last word I got from UI officials is that the current rate in my riding of Berthier—Montcalm is about 15 per cent. Those amendments will have a severe impact in my area.

When the regional unemployment rate is higher than 13 per cent, the number of weeks of benefits for people having just a few weeks of insurable work will be greatly affected. The impact on Eastern Quebec, where the needs are most acute, will be severe. According to an internal document of the Department of Human Resources Development, we can expect the following reductions in benefits: Atlantic Canada, \$630 million; Quebec, \$735 million; Ontario, \$560 million; western Canada, \$430 million.

The Minister of Finance argued that the cuts were fair, saying that Quebec and the Maritime provinces would still get more, per capita, after the reform. If he meant the benefit to population ratio, his argument does not hold water. It is natural for a province with a high unemployment rate to get more than other provinces.

(1555)

Since I only have one minute left, I will raise another issue which is very dear to me. As you know, 1994 is the International Year of the Family. I think this should be a golden opportunity for the government to do something to help families.

Let me read you an excerpt of a letter I received from one of my constituents. The subject is "The art of being stupid in the extreme". That person wrote: "You know when the new federal policy regarding help to families was released, I was pleased to see that children's benefits were no longer taxable. Unfortunately, the government announced at the same time that my husband and I were too rich to continue receiving such benefits". With an annual salary of \$38,000, once daycare and babysitting costs are paid, as well as other expenses, there is only \$11,000 left for the year and for the pension fund. Yet, the minister said that these

people were too rich and sent them a notice of assessment for a \$63 overpayment.

"I have a cute little case containing exactly \$46.09 in pennies and nickels from my little girl's piggy bank. I want to send it to the Minister". The person who wrote asked me to table it in the House, but since this is not possible, I will send it directly to the minister. This is a good example of the lack of policy and will to help families raise children.

**Mr. Bernard St-Laurent (Manicouagan):** Madam Speaker, Manicouagan, the riding that I represent, is one of the regions most affected by the lack of jobs. Its geography is quite particular. It is so special that to meet all my constituents in the towns and villages where they live, I must often use four different modes of transport—plane, boat, car, of course, and often snowmobile.

Unemployment is particularly high because of the demographics of the constituency. The latest unemployment rate recorded by Statistics Canada, for March, I believe, was 17.8 per cent in my region, compared to 10.6 per cent nationally.

The eastern part of the riding is quite specific, made up mainly of fishermen and/or people who depend on that natural resource; unemployment insurance is a considerable source of income for them. Between 80 and 85 per cent of the people east of Natashquan depend directly on income from fishing. Now it seems that the measures in Bill C-17 will especially affect eastern Canada, including Quebec, and particularly eastern Quebec, including my riding.

That is why I strongly denounce Bill C-17, especially clause 28. This clause will be disastrous for those, like many of my constituents, who depend on fishing.

This is what might happen if Bill C-17 is implemented. For one thing, the Minister of Fisheries and Oceans is reducing fishing in the Gulf of St. Lawrence so that the stocks can recover. That is most commendable and useful too, up to a point. But at the same time, and there is the rub, Bill C-17 will raise the minimum number of weeks of work required from 10 to 12.

So on the one hand people are prevented from accumulating weeks of work and on the other, the number required is increased from 10 to 12. These two measures pull in opposite directions instead of converging.

In March, after the Minister of Finance presented the federal budget, three teachers in the Department of Economics at the Université du Québec à Montréal, UQAM, openly described what they thought of this in the provincial media. They expressed surprise and concern at learning that nearly 60 per cent of the announced federal deficit reduction, namely \$2.4 billion out of \$4.1 billion, will be supported by unemployed Canadians. Their statement speaks volumes.

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(1600)

It means that, once again, the government goes after the most disadvantaged in our society and asks them to tighten their belts, as if there was fat to be trimmed in the unemployment sector of the economy. It is absolutely unthinkable. The Minister of Human Resources Development himself said some time ago that they wanted to force recipients to work for longer periods to continue to qualify for the same number of weeks of benefits.

I will repeat only the first part of what he said, which is revealing, namely that they want to force recipients to work. To say something like that, they must be a little out of touch with reality.

In Quebec, some 90 per cent of unemployed workers lose their jobs through no fault of their own due to lay-offs, illness or retirement. Most have no control over the duration of their employment and, if they take casual or seasonal jobs, it is not because they do not feel like holding a stable, well-paid job but because they have no choice.

This bill appears to want to protect the country against an attack or an invasion by the nasty hordes of unemployed whose goal is to remain unemployed until they die. And this is not the case at all. No one wants to remain unemployed. In 1987, the Human Resources Directorate announced a competition to staff positions at the Port-Cartier penitentiary in our riding. Many people are familiar with this facility because it made the headlines when it opened.

A total of 250 openings were announced—openings for correctional services officers and for administrative officers. The directorate received no less than 23,000 applications for these 250 positions. Despite the unique aspects of working in a correctional facility, because this is no easy job. There is a certain amount of risk involved. Yet, 23,000 people discounted the risks and applied because they wanted to work. That is what we were told.

It is not that people do not want to work. Rather, the current state of the economy is not conducive to hiring people. Why then take it out on the unemployed?

Pursuant to clause 22 of Bill C-17, certain unemployment insurance claimants will see their benefits increase from 57 per cent to 60 per cent, while others will have their benefit rate reduced from 57 per cent to 55 per cent. By the finance minister's own admission, only 15 per cent of claimants will see their benefits increase, while the remaining 85 per cent will see their benefit rate drop from 57 per cent to 55 per cent. Perhaps we did not say enough about this particular provision when it was announced, but as Official Opposition, we are doing so now.

This government is merely cementing the policy of the previous government. Furthermore, it now says that its priority is to reduce the benefit rate, not to reform social programs.

Incredibly, I have only a minute remaining. I was coming to the best part, Madam Speaker. In conclusion, let me just say that in the riding of Manicouagan, just as in other ridings in Quebec and Canada, people want to work. They are tired of being accused of not wanting to work. They want nothing more than to work, Madam Speaker.

(1605)

I am opposed to this bill because I do not believe for one moment that legislation like this will help to turn the economy around. At best, it will lower the unemployment figures and merely mask the true state of this country's economy.

**Mr. Benoît Sauvageau (Terrebonne):** Madam Speaker, to begin with, a Canada-wide committee was struck to examine the proposed changes to the UI program, as part of the review of social programs. I have talked many times about the creation of committees up until now.

Even before the conclusion of the study, the Prime Minister refuses to give Quebec what rightly belongs to it. Everybody in Quebec, even the Liberals—and these are the Prime Minister's words—who are not big bad separatists, is demanding it, but the Prime Minister rejects out of hand what he calls the "whims" of Quebec.

They are not whims, but Quebec's most basic demands; they are also a way of asking that the Constitution be respected, as it applies to education, which is explicitly described as an area of provincial jurisdiction.

At this point, I wish to announce to members of the House and to you, Madam Speaker, that this very afternoon, the National Assembly of Quebec voted unanimously in favour of a motion giving Quebec exclusive powers in the area of job training.

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

**An hon. member:** Quebeckers are standing up for their rights!

**Mr. Sauvageau:** Madam Speaker, the party across the way is acting like a parent who does not want to recognize the autonomy of his children who have grown up. The Prime Minister says that he has to maintain control over budgets and decisions related to job training because we have unemployed workers. Are we not big enough and responsible enough to know our needs? Have we not proven our economic know-how and buoyancy over the past 30 years? Let us go back a little to look at the economic expertise of Quebeckers.

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There are, for example, the Caisse de dépôt et placement, the Société générale de financement, the REAs, the financial institutions reform, and Hydro-Québec. I would like to point out that these initiatives are mainly the brain-child of a single man, who will most likely become the next Quebec premier in a few months, Mr. Jacques Parizeau.

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

**Mr. Sauvageau:** Our expertise in the management of our assets is well established, but given the persistent opposition by the ruling government, I repeat, we have realized that it is only by being sovereign that we will be able to patriate those powers that are essential to Quebec's economic renewal.

We must also ask ourselves the following question: In its deficit reduction plan, did the government opposite do its share? Did it penalize only the unemployed and the old people by taking away their tax deductions?

Here is a long excerpt from an article by reporter Claude Piché which appeared in *La Presse* on February 22 this year. He wrote: "Here are some figures. Let us not forget them when the minister socks it to us while saying he has to put government finances in order".

It seems that the reduction and restriction spectre did not keep our diplomats from sleeping. Last year, and the figures are accurate, they are dated February 22, the Foreign Affairs budget exceeded \$3.8 billion, a 13 per cent increase over the \$3.4 billion recorded in the previous year, when spending was up 5 per cent as compared to the year before. Alone, spending directly related to representing Canadian interests abroad, such as embassies, high commissions, consulates and other diplomatic activities, including everything that goes with it, planes, trips, and soon, increased by 23 per cent over two years, a figure that does not show an obvious concern for austerity.

(1610)

The Canadian International Development Agency, CIDA, by far the main agency of this department, spent \$2.2 billion last year. CIDA increased its expenditures by \$232 million last year and by \$133 million the year before, for a 19 per cent increase in two years.

The budget of the Department of Indian Affairs exceeds \$4 billion. This is another department where it is obvious that they do not know about making sacrifices. Their expenditures have increased by 7 per cent last year and by 9 per cent the year before for a total of 16 per cent. More than half of their budget, more than half of those \$4 billion is made up of grants and contributions to band councils and tribal organizations. These payments have jumped 23 per cent in two years to reach \$2.6 billion last year.

The inflation rate in Canada was 1.8 per cent last year and 1.5 per cent the year before. We have to wonder.

Let us now take a look at the Correctional Service of Canada, the very agency which builds for criminals luxurious condos such as the majority of honest workers could not afford. It has spent \$876 million last year, an increase of 7 per cent over the previous year.

At Fisheries and Oceans Canada, expenditures took a 30 per cent leap over the previous year to \$869 million.

The increase in Communications Canada's budget is close to 10 per cent. This department is spending \$2.2 billion of your taxes and mine, nearly half of this amount being allocated to CBC. But the biggest chunk which makes all other expenditures look insignificant by comparison is the debt service. This is when we stop counting in millions and talk about billions of dollars.

Last year, Ottawa spent \$39 billion to service its debt. If one were to add all the expenditures, the subsidies, the grants—whether justified or not—and multiply the total by four, the result would be the cost incurred last year by the government only for servicing its debt.

Such is the painful assessment of twenty years of poor public finance management.

This article tells us what is wrong. The government asks Canadians to foot the bill and, at the same time, increases its spending—in that case, by an average of 17.7 per cent in the departments I have just mentioned. While the cost-of-living index rose by 1.7 per cent, government spending increased ten-fold.

It is also important to recall the position of the Liberals when the late Conservatives changed the Unemployment Insurance Program. Remember the shouting and the insults of the Liberals against such changes when they were in the opposition. They changed their tune. Remember the position of the Liberals on the issue of granting more authority to the Auditor General. Now, they are opposing a motion proposed by their own party. Change of side, change of heart.

What consistency! They wonder why there is a lack of confidence on the part of the public. A used-car dealer is more popular than they are! I therefore repeat my position with regard to economic recovery and job creation.

In conclusion, the government is once again trying to fool the public. But this time, it does not work because citizens are much better informed than they used to be and cannot abide trickery.

The government must stop believing that it alone can create jobs. You said it, we said it, we agree on that, small businesses have been the main job creators for many years and they have to keep on playing that job-creating role.

The failure of the previous government and the one foreseen for the liberal government should get them to become a bit more responsible. They have difficulty doing that. An efficient government has to be a custodian of public funds, it has, in principle, to keep its spending under control, to keep the deficit

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under control and to restore confidence in the economy. I said so last week.

(1615)

That confidence is the basis of a healthy economy. The illogical decisions that have been made by governments for too long and that are still made today hinder the establishment of that confidence, which is essential for the economy to recover.

It is not by creating temporary jobs and, while doing so, by ignoring the role played by the small business that the government is going to revitalize the economy, but rather by restoring the climate of confidence which will stimulate investment and, at the same time, will create real jobs, for good.

However, it is not a federal government, with its departmental overlapping and its heavy management, that will meet that simple objective, but a sovereign Quebec, sole master responsible for its decisions and its management, which will inevitably—

**The Acting Speaker (Mrs. Maheu):** I am sorry, but the hon. member's time is up.

**Mrs. Monique Guay (Laurentides):** Madam Speaker, I will try to finish on time.

In Laurentides, the riding I proudly represent, the unemployment rate is 18 per cent, a far cry from the national rate that was leaked last week. As I said a far cry from the rate that hon. members opposite are celebrating. A person would have to be terribly naive to believe that your policies were able to bring down the unemployment rate. All your decisions and initiatives since October 25 have been a mere drop in the bucket.

These self-congratulatory statements are just an attempt to mislead the public. You say your policies are working and producing results, but you are just distributing a few crumbs here and there. Your response is band-aid solutions and very short-term planning.

Where is the real vision? Where are the long-term plans that would help us look forward to a stabler economy that would generate more jobs? Instead of taking a serious approach to the problems and the solutions they require, the ministers opposite go on trips and come back with so-called good news. A trip to Korea, and Hyundai will open its doors again. Good news? News without much substance, which has raised a lot of concerns among the public. This strategy, which I say is pathetic, is not a winner, and no wonder.

The people on the government benches are handling problems on a day-to-day basis. They do not know what is going to happen tomorrow. The unemployed in Laurentides know perfectly well nothing has changed. Since you took over the government benches, there have been no more jobs for them.

They do know that after unemployment insurance comes welfare, and that is what really made the unemployment rate go down. It is true! Look at what is really happening in our ridings. The federal government is passing the buck to the provinces. This transfer of the tax burden, which is a disgrace, is a clear sign of the Liberals' inertia and indifference.

Welfare, cuts in unemployment insurance, jobs without a future, tax increases for the middle class and pretty speeches are the only results produced by the government's red book.

People in Laurentides want work. They are willing to train, be retrained and upgrade their skills to acquire the tools they need to meet labour market requirements. The 18 per cent who are unemployed in my riding—I repeat 30 per cent—want to see some light at the end of the tunnel. They want the government to implement programs that will help them go back to work. They want long-term employment, jobs that will give them some security, not the kind of jobs that last only a few weeks, created under programs that are only intended get people the number of weeks they need to go back on unemployment insurance. Workers are caught up in a vicious circle that the government merely encourages through these programs. We must change our way of doing things, change our approach to get results that are more useful and more attractive in the long run, both for workers and employers.

The economy of Laurentides is based mainly on spin-offs generated by the tourism industry and the goods and services sector. Except for greater Saint-Jérôme where you find well-established small and medium-sized businesses that provide good jobs, our economy depends on tourism. Now, the nearly total dependence of jobs on the presence of tourists in our area means that all workers are considerably exposed to uncontrollable elements. As a matter of fact, poor seasons due to low temperatures or a lack of money on the part of vacationers directly affect employment opportunities in the riding of Laurentides.

(1620)

There is no doubt that the economy in my region needs to be diversified. A few dozen of strong small and medium-sized businesses would be welcome. They would help reduce our dependence on tourism and protect us against elements over which we have no control.

A business that manufactures high technology products, for instance, could certainly, while diversifying our economy, keep it at an acceptable level, guarantee a certain number of jobs and, indirectly, an adequate overall purchasing power.

Unfortunately, we do not have those small and medium-sized businesses in the Laurentians. Moreover, I invite those of the other side, the ministers, to come to my region and meet the

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business people in order to develop the whole small and medium-sized business sector.

We must face the facts. The Laurentians depend on tourism for a living, as I have already said. Ski resorts, beaches, campgrounds, summer theatres, hotels, motels, restaurants and shops are the main source of employment for our workers. The level of activity of those employers depends on tourism, which fluctuates a lot, and on the purchasing power of residents, which is linked to the economy of the region.

The results for workers who are concentrated in great numbers in that sector are seasonal and precarious jobs, unsteady and low paid jobs. Our workers are very much affected by the fluctuations of tourism. That is why they must get unemployment insurance benefits between jobs while they are waiting for good seasons. Some wait for summer jobs while others work in the winter.

At the end of every working season, people come in greater numbers to ask for unemployment insurance because there are no other jobs available to them in the near future.

The recent changes to the unemployment insurance system make benefits even more difficult to obtain. In my riding, these changes will affect a great number of workers who cannot accumulate the required 12 weeks for the reasons I have already stated. For them, it means a direct line to welfare. A nice move on the part of the federal government. The decision-makers on the other side have never realized that, given the economic situation in the regions, some workers have a hard time finding work for 12 weeks.

And the Liberals keep at it. You have to work more, but they give you less. Less benefits and for a shorter period. Less money to spend, less purchasing power; the economy cuts jobs and does not create new ones, and so goes the spiral.

The Liberals reduce UI benefits without offering workers alternatives. Their thinking is topsy-turvy on the other side. The liberal processes follow a logic which is contrary to common sense. It is disquieting and discouraging for my constituents. It shows clearly that the Liberals have more consideration for figures than for persons.

Another provision of this reform also seems to be stress-generating. The benefit rate of 60 per cent for low-income persons with dependent children leads us to believe that there will be investigations made in order to confirm their status. In Quebec, we already know the welfare "boubou-macoutes"; we are aware of all the trouble and tension they caused in our province. I hope the federal government will not copy that kind of action which is most aggravating and infringes on people's privacy.

Finally, the impact of these amendments will be disastrous for the people of Laurentides. They prove that the Liberals are disconnected from the grassroots and from the realities of regional economic situations. Together they can shout "Alleluia

for welfare" which is an easy and shameful way for them to shirk their duties and responsibilities.

(1625)

**Mr. Ghislain Lebel (Chambly):** Madam Speaker, the present government was elected after campaigning on a single theme: "jobs, jobs, jobs". All of us here remember the answers the Prime Minister gave to the questions of his opponents and of the invited guests during the leaders' debate. To all questions the Prime Minister would invariably and tirelessly answer: "jobs, jobs, jobs."

To some of his unemployed constituents who were voicing their disappointment in the riding of Saint-Maurice, the Prime Minister said: "—this was in the red book, they should have read between the lines—" To read between the lines is the role of the opposition, and it will not fail doing so, whether the party opposite likes it or not.

Any budget worthy of that name has to bring, first of all, a degree of confidence into a failing, not to say moribund, economy and to a population also craving security. How do you reconcile the words of the Prime Minister "jobs, jobs, jobs" and the budget of the Minister of Finance? Did the government succeed in giving the degree of confidence it wanted to the financial world, then to investors, and finally to consumers? I doubt it, Madam Speaker.

Considering the figures contained in the budget with regard to social programs, and unemployment insurance in particular, can we say that social demands for security and stability have been met?

The people of Canada and Quebec have the right to expect two things of a social policy with an economic goal: First, job creation and, second, the assurance that the jobs created will be permanent. What kind of jobs were created up to now? The infrastructures program leads to the spending of huge amounts of money for the creation of purely temporary jobs, almost exclusively for men.

I agree that in the short term jobs will be created, but because of the nature of the work being done, this only postpones for a few years the inevitable crisis already obvious. In other words, instead of buying chickens, they prefer to steal them from someone else's henhouse.

What happened to job creation targeting, for example, young people, laid-off workers aged 50 to 65, and young university graduates, to name a few? Madam Speaker, there is absolutely nothing for them in that bill. Instead, the government cut the budget for forestry development by 5 per cent. There is nothing either for young technicians, no structural project to create jobs in companies such as MIL Davie, which could build the ferry-boat people in the Magdalen Islands have been waiting for for so long.

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There has been great uncertainty created by clause 25, and the freeze of job-creation programs such as DEPs, which, incidentally, we are told, will be managed by a discretionary fund at the Department of Human Resources Development; it smacks of partisanship. The cut in the unemployment insurance premium is postponed till next year, even though the finance minister claimed that dropping the rate from \$3.07 to \$3.00 would create 40,000 new jobs. Why not create them right away instead of waiting until next January to effect this much talked about drop?

There is a complete unwillingness to discuss the conversion of the defence industry, the HST, and Oerlikon's low-altitude defence system.

(1630)

Poor Canadians, poor Quebeckers, poor jobless.

Since troubles never come singly, the brand new budget is in a bad way and was off to a poor start from the very beginning.

Interest rates are rising rapidly, the Canadian dollar is falling, which means our foreign debt will cost us even more, and some plants have closed, like Hyundai, in Bromont.

What does the Minister of Finance have to suggest after the fact, since he is really the one who is involved? Nothing, absolutely nothing except to take it out on the jobless, in two different ways: having them contribute longer by increasing the number of weeks required to be eligible, and reducing the number of weeks of benefits.

That is how the government reacts to the requests of citizens, of Canadian and Quebec workers. For my part, I consider that as killing them slowly.

This government will probably be remembered as the one that did the least with the biggest budget. Let us not forget that we have a projected deficit of \$39.4 billion. It is not chicken feed!

There is only one law the government should adopt, because it has been enforcing it since the elections, that is, the law of least action.

It would also seem that the Liberals favourite theme line "jobs, jobs, jobs" was for nobody, especially not the heavy-weight ministers of this government who systematically refuse to carry out the job of creating jobs.

The eastern provinces are hit harder than any other by the proposed UI changes, with cuts totalling \$1.3 billion, and Quebec in particular, with nearly \$800 million in cuts. These cuts hurt. That is why the last time changes were made to the UI system more than 50,000 braved bone-chilling weather in January or February 1993 to demonstrate their opposition to the Valcourt reform.

It is both urgent and imperative for the government to have a vision for the society it is governing and to stop applying poultice on a wooden leg by holding consultations which are pointless because of this lack of a global vision of the society of the future.

It is the Prime Minister's duty to assign to key positions people with a vision, with innovative ideas, and capable of seeing that they are implemented instead of choosing people, as seems to be the case at present, based on their support during a certain leadership race.

Again, the unemployed are going to be the ones to pay for the Prime Minister's political debts.

A poet once said that many have died for their ideas, but many more have died for want of ideas!

For all these reasons, my caucus will not hesitate to vote against the bill before us.

[English]

**Ms. Maria Minna (Beaches—Woodbine):** Madam Speaker, the budget reflects what we said we would do during the election. Let me look at some of the aspects of the budget which I find very, very positive and upon which we have already taken action in the last little while.

Looking at youth for instance, I know that earlier the member opposite from the Reform Party was talking about generation x. I have some 20 years of experience working with young people helping them deal with retraining and upgrading. The first aspect of this to look at is apprenticeship.

At a conference recently young people talked about making a decision by the time they hit grade 10. They said that is when they decide whether they are going to continue with post-secondary education or whether they are going to quit school. The latter means dead end jobs and not much of a future.

In this country we have never valued apprenticeships. In other countries apprenticeship is valued. In Germany there are 600,000 graduates a year. In other countries trades are not something blue collar workers do, but trades are considered as careers and professions and are valued by society.

(1635)

In our culture we have not valued trades. We have not valued tradesmen and people with skills. We have devalued them. Therefore we have not built in infrastructures to be able to assist young people to go into apprenticeship programs or a trade if they choose not to go to an academic program at college or university.

We have built into the budget an apprenticeship program to deal with this very serious problem. It is a serious structural problem in our training and educational programs and affects the future of the young people of the country.

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As a country it is time to join the rest of the world in making sure our young people have an option when they leave school. Those who do not want to go on with academic studies at university will have the option to follow a career. It is not just a make-shift program but offers a career in technology, in trades. It gives them the skills not only to get a job today but also to become the employers of tomorrow. In many other countries the artisans are the ones who create jobs in the small businesses.

By announcing an apprenticeship program in our budget we are talking about finally filling the gap and joining the rest of the world in the 21st century.

Another aspect deals with young people who have lost jobs. When the jobs go they are the first to go as they do not have the skills and are the most junior members of a company. There are also those young people who do not have the skills and have already dropped out and need assistance to get back into the labour market. We need to develop training programs and assistance for these young people.

Let us also look at the transition from school to work. Young people who have finished a training program or have obtained a college or university degree are unable to find jobs. Right now a lot of them are looking for work but do not have the experience. Quite often as many of us were told when we were looking for work they cannot get the job because they do not have the experience. They have not yet worked at or practised the trade they studied in school.

The Canada youth corps program which the government mentioned in its budget and which will be announced sometime soon by the Minister of Human Resources Development will try to address that problem. It will try to give young people at least a year of experience in the workplace so they can add those skills to their resumes when they go looking for work. That is very critical.

Traditionally we have not valued young people in the country. I know that sounds like a horrible thing to say and people will say it is not true. We value certain types but not others. In Ontario we have a 30 per cent dropout rate in the school system. That means 30 per cent of our young people after grade 10 have no skills, not much education and no hope of finding a job.

These are the things we are talking about in our budget. It is not just false hope, not just unrealistic plans we are making. The budget is very realistic, very credible and very practical in dealing with the real problems and solutions that today's economy requires and that we should have got into quite some time ago frankly.

The other aspect I want to get into is small businesses. We talk about jobs. All day today many members opposite have been

talking about jobs. They do not develop automatically. We are in a recession.

Small businesses create many jobs but they need assistance. The budget directly addresses the problem of funding for small businesses. It addresses directly the problem with banks and the relationship of banks and the lending process. The budget deals with setting up structures to create an environment where the capital needed by small businesses to create jobs and to expand businesses and to invest is there.

The budget deals with innovative industries. It tries to ensure we can develop new technologies and bring them to market in this country making sure that it will also create jobs.

These are infrastructures this country needs badly and we need to work with. The Canadian Federation of Independent Business said that this was a good budget and it was sensitive to the needs of small businesses. That is something we said we would do and something the budget addresses directly.

We have to create jobs but we also have to make sure this country's companies and industries are able to do that. Therefore we have to develop the environment that allows for that.

(1640)

The infrastructure program has sometimes been reviled and criticized by the opposition. It is not a program that simply allows a few people to dig some ditches; it is a program that creates very serious jobs.

The construction industry has been devastated. Thousands of construction workers have not worked for three or four years at a time and have had to collect assistance. Now they will be able to work. Spinoff jobs will be created as a result of the infrastructure program. This again will stimulate the economy. It will get it going and will create some work and restore hope.

Finally, I want to make a point on some of the criticism I have heard about child care. We talk about jobs. We talk about young people. We talk about economic growth. But then, as some members opposite like to say: "But we must not spend money on child care". How can we assist parents and single parents who work part time or work nights in finding jobs or being retrained to enter the labour market if we do not provide support, subsidize or assist with day care? It is just not possible.

We are being totally unfair and not very honest with ourselves if we do not deal with the realities of the workplace. That demands support and assistance to families and to people who cannot get back into the workforce if they do not have that kind of support. Therefore criticism about additional moneys as was coming from the Reform Party a few minutes ago about child care is not acceptable. The budget tries to deal with that.



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We are looking at trying to deal with some very complex problems in a very difficult time in our history but we need to address some of the structural problems. We need to deal with these problems. The budget tries to deal with them in a realistic way, taking into account the fact that there is not a lot of money around. That is true. We also need to deal with the deficit. But we are trying to deal with these things with some very practical solutions.

For my part I hope members opposite will find it important to support our young people, to support the small businesses and to support those parents who need the assistance to get back into the workforce.

[Translation]

**Mr. Nic Leblanc (Longueuil):** Madam Speaker, first of all, I wanted to ask a question at lunch time but I did not have time to do so. I just want to ask it to the Liberal members in power.

**The Acting Speaker (Mrs. Maheu):** Sir, the question period is over. You have ten minutes for debate.

**Mr. Leblanc (Longueuil):** Madam Speaker, this is part of my speech and it is also part of the budget. I wonder why the new business centre of the Canadian embassy in Mexico will be built by an American company. I think it is important to talk about this because, if we want to create jobs and reduce the deficit, we must help Canadian businesses to grow instead of asking foreign companies to build our embassies and offices abroad. I put this question to the Liberals listening to my speech today, so that they can ask the Minister of Foreign Affairs to look into it and ensure that Canadian businesses will be approached first when we have to build embassies and offices abroad.

Madam Speaker, I do not know who stole the notes I had in front of me but they are gone. Ah, I just found them.

First I must explain what a budget is. When a family decides to draw up a budget, it starts by calculating its income, just like the federal government must determine how much it collects in revenues. We know that our revenues amount to some \$125 billion while our expenditures add up to about \$160 billion.

(1645)

We know that \$40 billion go to pay interests on the accumulated debt. We know that; this is easy to figure out. What is more important in making a budget is to establish an order of priority for expenditures. How are we going to spend the money so as to improve our well-being. For example, a family may decide to first spend on a car, on rent, on clothes, on trips or on food. What proportion of our revenue are we going to spend in order to improve our lifestyle, respect our priorities and meet our needs?

It is in that sense that a government must look at its expenditures: It must ensure that spending is done in a way that best serves people, and it must ensure that these benefits are main-

tained. During the election campaign, it seemed to me, based on the red book, that the Liberals' priority was job creation. Even though we did not have the same vision regarding the country, we fully shared the Liberal's view on job creation.

However, we realized, once they took office, that the Liberals had completely changed their vision. For one thing, as several of my colleagues pointed out, they targeted the unemployed and overlooked manpower training. For five years now, Quebec has been saying that it must absolutely have jurisdiction over manpower training. Again, there is a unanimous motion before Quebec's National Assembly—a motion supported by both the Liberal Party of Quebec and the Official Opposition—asking that jurisdiction over manpower training be delegated to the province by the federal government. As you can see, this is an important issue.

When a government establishes its spending priorities, it should first look at manpower training on a budget level, since we are well aware that overlapping in that sector costs some 300 to 350 million dollars each year. Indeed, 300 to 350 million dollars are spent uselessly because of this overlapping in the manpower training sector. But the inefficiency related to this poor management and this overlapping is also very costly. The result is that we have people who get less training and who are less prepared to face the competition.

I also want to reply to the Reform Party member who made a speech this morning and said that Quebec is favoured in the Canadian federation. He said that we were receiving more than we were giving to Ottawa as regards unemployment insurance. I think the hon. member is partly right, but the question is: Do Quebecers want to receive more money strictly to help those who are in trouble, or do they want to ensure that they are not in such trouble in the future? This is an important distinction, Madam Speaker.

We know very well that if we managed our own affairs in Quebec, we would recover several billion dollars through increased efficiency. This extra \$800 million which the federal government suggests it is paying to Quebec does not mean anything, because this is in the context of the current management structure. The day we run our affairs alone, we will be much more efficient and we are convinced that we can reduce our unemployment more and we will not need that extra money because our economy will grow much faster.

(1650)

Sometimes we in Quebec feel that the federal government wants Quebecers to stay unemployed so that it can say that it is giving Quebec more money than Quebecers pay. We almost feel that they are acting deliberately in a way to keep Quebecers out of work more and more. So that is sort of an answer to the questions from Reform Party members, who are quite far

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from Quebec. They do not seem to understand exactly what is going on in Quebec.

I must also say to the people in the Reform Party that maybe they should take a look at Quebec's economic structure. Quebeckers have had some successes these past few years, although they had to fight incoherent policies that hurt Quebec's development. Despite all that, Quebeckers set up some institutions. For example, on the economic level, we have set up mutual insurance companies, something quite extraordinary. We have the Caisse de dépôt, the Desjardins movement and its credit unions, the FTQ fund, the General Investment Corporation of Quebec. We built some amazing financial institutions.

Of course, every time the federal government changes the laws or regulations, it affects Quebeckers. If we Quebeckers were able to set our own budget priorities and make our own laws and regulations, we are sure that we could grow much faster and solve this unemployment problem that we have to live with and, again, be told by the federal government that we get a little more than we give, especially when it comes to unemployment and welfare.

You know that we Quebeckers have a lot more pride than that. We want to have the honour and the privilege of being able to develop and to earn our living honourably. For that, the only way to succeed is to collect all our own taxes and to make our own laws and in that way we can set our own priorities and develop as we should, Madam Speaker, and the way to do that is sovereignty for Quebec.

**Mr. Jean-Guy Chrétien (Frontenac):** Madam Speaker, regarding the budget, I would like to discuss two important issues today in the House, namely the proposed changes to the unemployment insurance system and the current state of employment in the country.

I spent the last two weeks in my lovely riding of Frontenac. Not only did I have the chance to bring myself up to speed on certain issues, I also travelled around my riding. My constituents were quite taken aback to see me and questioned my motives. "Is there an election on the horizon?", some asked me. "Is everything all right?", others wondered.

Constituents were surprised that a mere five months after the election, their MP would come and thank them for their support and discuss their problems. It was certainly a politically noteworthy event.

My colleagues opposite in the Liberal government would do well to adopt the same approach. A visit to their ridings without the pressure of an election would open their eyes very quickly to the real concerns of their constituents.

(1655)

It certainly would have been useful if the Minister of Finance had taken this approach before tabling his budget and especially before introducing changes to the unemployment insurance system. His team of experts, so far removed from the day-to-day world of the unemployed, could have learned a lot.

Madam Speaker, as you know, the unemployed in this country have been left to fend for themselves. While a great deal of lobbying went on in the case of cigarettes and alcohol, no one is lobbying on behalf of the unemployment insurance or any other similar program.

Unemployment insurance reform. There, I have said it. Where do we stand on this issue?

We are struck the most by the lack of respect the Liberals opposite have for the unemployed. Several of the amendments to the Unemployment Insurance Act create inequities between individuals as well as between regions. I will give you three examples of such clauses and provide a brief analysis.

Consider, for example, clause 22. It provides for an increase in the rate of benefit with the introduction of a dual scale. However, according to the Minister of Finance, this increase will affect only 15 per cent of claimants, whereas the remaining 85 per cent will see their benefits reduced to 55 per cent. The Minister of Finance has shown his true colours and we now see where his social program priorities lie.

As for clause 26, it highlights the same kind of contradiction on the part of the government. It repeals section 48 of the Act and reduces the premium from the rate of \$3.07 voted by the Liberals in December to \$3. This point was made several times over the course of the afternoon, but I must emphasize it again. With this measure, the minister thinks he will be creating 40,000 jobs in 1995, because clause 26 will take effect only in January 1995. Why did this Liberal government, which is apparently so clever, increase the rate of premiums in 1994? Why not reduce it immediately? This would mean a loss of employment for 1994 due to poor planning or lack of goodwill on the part of the Finance Minister of a government which calls itself a champion of employment and yet jacks up UI premiums. I just cannot understand it! The Minister of Finance himself has recognized, as reported in *Le Soleil* on April 8, that the existing UI premiums constitute a form of taxation that is killing employment.

Coming back to clause 28 now, which provides for the reduction of the benefit period and hits Quebec and the Maritimes particularly hard. I can see several members opposite who represent ridings in the Maritime provinces. The fact of the matter is that any region with a rate of unemployment above 10 per cent will be affected by this measure which, combined with tighter eligibility requirements, is causing serious problems, particularly for young people, and will automatically shift the

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load from UI to welfare. That is what we, in Quebec, call shifting responsibility to someone else. And, according to three economists from the Université du Québec à Montréal, it will cost the province the tidy sum of \$280 million.

(1700)

As far as I am concerned, the idea behind all this, the spirit of this reform is more harmful than the measures per se. There is a punitive tinge to it. The Minister of Finance is punishing the unemployed for not having jobs. In his mind, this is a choice they have made. So, their benefit period will be shortened, their cheques chopped, their qualifying period extended, and so on and so forth. It is unfair to ask as much from the unemployed as the Minister of Finance does. And this has prompted Pierre Fortin and his team at the Université du Québec à Montréal to say that, for the sake of equity, the government is actually forcing the unemployed to make an absolutely disproportionate contribution to fiscal consolidation.

This measure is forcing the unemployed in Quebec and Canada to contribute to the government's efforts to put public finances in order and to reduce the deficit. How do you want me to sell that in the region of Thetford when, just a short while ago, an influential minister, namely the hon. member for Hull—Aylmer, was reported to have used a government jet, at a cost of \$135,000 or \$140,000, to give a short speech on the so-called benefits of sound management? Sorry, but the unemployed in my riding do not buy that.

Furthermore, the UI reform is attacking indiscriminately cheats, profiteers and unemployed men and women acting in good faith. On these words, I will end my short speech on the budget tabled by the Minister of Finance. Of course it is understood that the Bloc Québécois will not support it.

[*English*]

**The Acting Speaker (Mrs. Maheu):** 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 Jonquière—Native Communities; the hon. member for Verchères—Team Canada; the hon. member for Wellington—Grey—Dufferin—Simcoe—Agriculture; the hon. member for Notre-Dame-de-Grâce—Gun control.

[*Translation*]

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Madam Speaker, I am pleased to have the opportunity to participate this afternoon in the debate on Bill C-17, An Act to amend certain statutes to implement certain provisions of the budget tabled in Parliament on February 22, 1994. If we read the explanatory notes, we see that this bill deals with several issues and I would like to mention those that interest me the most, namely the wage freeze, the CBC, of course, and unemployment insurance. I will touch on these issues in my short speech.

This morning while listening to the debates because I was on today, I heard a member opposite give this bill 98 out of one hundred. I have the impression that we did not read the same bill. Although some sections are interesting—we cannot say, even if we are in opposition, that everything is bad—I would find it very hard to give such a high mark to this bill. True, when I was a teacher I had a reputation for giving low marks, but I still learned to read documents and assess their contents.

(1705)

Wages are frozen for another two years. This time, they add insult to injury by suspending pay increment increases, which is worse as it will reduce even more the purchasing power of all public servants and all those targeted by this bill. I did not take any economics classes but, in my opinion, the more people's purchasing power is reduced, the slower the economy recovers. That is my impression, in any case.

So I do not see how this measure will put people back to work. The government is always talking about job creation. I would very much like to have, outside the Parliament buildings, a thermometer that would allow us to see every morning the number of jobs created by this government. We are used to red mercury, but we would probably see the thermometer dip to the freezing point quite often, without rising again because lost jobs would also be recorded. It would be hard to get the mercury to rise. The exercise could be extremely interesting, given how the government side crows over that project saying it will create 40,000 jobs. They want people to believe them, but they can never tell us how many jobs were really created the day before.

In my region, I hear people say: "Yes, three jobs were created, but yesterday eight jobs were lost. We are still five jobs short, even if we have three new jobs today." I think they should stop trying to convince people that so many jobs have been created. If there were that many new jobs, we would not have such high unemployment levels. This is self-evident, I would say.

With the wage and pay increment freeze, how will the pay equity problem which affects mainly women be resolved? Exceptional measures were adopted to provide for the Civilian Reduction Program. Here again, this could have been handled differently. We could have said: "O.K. We will freeze the pay increments and wages, but at the same time we will resolve the pay equity problem." That would have been a positive measure to take in order to revitalize the economy, since a good segment of the population would have regained some of its purchasing power, which it does not have because of a kind of discrimination that is allowed to go on in the federal system. By the way, the Quebec government was able to put an end to this kind of discrimination, thanks to the settlement it reached with the central labour bodies. In my mind, that would have been a very positive measure to take, but they blew it!

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The first time I spoke on the budget, I mentioned that a lot of the workers in my riding have seasonal jobs. Fortunately for all of us and also for the Japanese it would seem, crab fishing has resumed. Some people will now leave the unemployment lines and get back to work. This will make the unemployment rate go up and down. And it is from these monthly figures, which do not reflect the true situation, at least from my point of view, that we are going to decide how many weeks of benefits people will be entitled to or what percentage they will receive, and so on.

So, we are using a measure which is arbitrary and sometimes far-fetched, because if you take the overall number of people fit for work who are between the age of 18 and 55 and compare this real number to the famous rate we hear about all the time, you would be quite surprised.

Now, daycare was mentioned in the red book. But, it was announced that no money would be set aside in this year's budget for daycare. So, we were not to expect a miracle, because this party only does what it promised to do. Moreover, daycare subsidies were linked to the GDP. However, we do expect families to take care of their children, whether the GDP is rising or over 3 per cent. To my way of thinking, it is important that children be taken care of, whether the gross domestic product stands at 3 per cent, 2 per cent, or 1 per cent. It seems to me that, especially in this International Year of the Family, this shows a severe lack of vision and long-term planning on the part of the government.

(1710)

So, when it comes to job creation, if we look at Heritage Canada, which is, as you know, my favourite department, we find that the budget of the National Film Board was reduced by \$600,000. Why? To prevent independent directors from making movies. They create jobs but we cut there too. We heard this afternoon and yesterday about francophones outside Quebec. When we cut what is set aside for francophones outside Quebec by 5 per cent, we cut jobs. They cannot afford to keep their employees. Thanks to this measure, francophone organizations outside Quebec will undoubtedly disappear and very soon only anglophone members will represent Canada in this House. There will not be francophone members from Canada any more.

So, in my mind, this is also a serious problem. This department is always cutting jobs. In the case of the Canadian Broadcasting Corporation, this great agency which receives \$1.2 or \$1.3 billion yearly from the government, it has been known for a long time that CBC has a major problem, that is a structural loss of revenue.

In 1990, it was decided to cut the fat and to get rid of the regions so that CBC would have the dough it needed to solve its problems. Madam Speaker, the figures are astounding. This year, that is in 1993-94, CBC will have a \$41 million deficit that

will be covered by the staff pension fund surplus. Next year, the estimated \$31 million deficit will be met the same way.

I can go on and on. In 1998-99, the deficit is going to reach \$178 million. To top it all, CBC was just given authority to borrow \$25 million in order to unfairly compete against private corporations and buy the broadcasting rights for the Atlanta Games at a cost of \$28 million. Obviously, there is something wrong with that. This is a major problem. Assistance to athletes is cut, but we are going to support the Atlanta Games by paying two and a half times more for the broadcasting rights than CTV or Tele-Metropole were ready to pay.

**Mr. René Canuel (Matapédia—Matane):** Madam Speaker, many of us are newcomers in this House and we are here to try to improve the lot of our constituents. Unfortunately, unemployment plagues our country, especially in rural ridings.

In 1987, a Senate committee published a report containing frightening figures. That was one of the rare occasions in which the Senate was useful. Do you know what they said? They said that keeping someone on unemployment was more expensive for the government than creating a job for him or her. According to this report, in 1985, an unemployed person earned an average of \$14,040 a year before losing his job.

Once on unemployment, the same person received more than \$14,645 in various benefits from the three levels of government. That means that when a potential unemployed person works, he or she costs \$14,040 in salary and produces \$14,040 in goods and services.

(1715)

So, society gets something back for the salary paid to that person. When, on the contrary, we pay that person to produce nothing, there is no benefit for the community. Where is this government's logic? Does it really care about the dignity of men and women?

The recent budget of the Minister of Finance shows that he does not care at all about the reality I just described.

Since 1968, the cost of unemployment has equaled the national debt. None of the measures put forward by previous governments, neither new technologies nor export expansion nor reducing the size of government, could make a dent in the unemployment rate.

There are solutions. It is only by putting the unemployed back to work that we will succeed in reducing the deficit. And it is only by creating jobs that we will stimulate growth without causing inflation to rise.

The solutions are within our grasp, but we must have the will to implement them. This inaction has terrible consequences for the people.

Allowing people to stay idle is to strip them of their dignity, to tie their hands and feet and leave them in the dark, to make them

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suffer. Allowing people to stay idle is also to drive them to rebellion, to violence and to suicide.

In my riding, during the election campaign, some people committed suicide because they had been jobless for five years. Two brothers went around and knocked on every door. They were told everywhere that there were no openings. I thought that this would stop with the new government. But in my riding, there are other problems. It is a rural area, an area where unemployment is even higher than elsewhere, and you have no idea of the kinds of problems that unemployment can create in some families.

Finally, forcing people to become unemployed is to force them and their whole family to live in shame. It is not only the unemployed themselves, but their whole family, their whole environment.

Would it not be more profitable for all communities to give work to everybody at a minimum wage? I ask the question. Of course, there are some problems with a minimum wage, but it is a solution that we should consider.

The Economic Council of Canada simulated the implementation of such a program under which, for the production of essential goods and the provision of essential services, unemployed people would get on average as much as they were making when they had a job. The Council even found that not only was this program workable, it would not increase inflation, nor the deficit, nor the tax rate.

(1720)

Would it not be worth considering? Through such profitable programs, and without hurting organized labour—as everybody has the right to work—and without additional cost to the government, we could use these people to launch a national child care program and a home care service program for the elderly. How many senior citizens are in need of that service? We have nobody to send to help them.

Moreover, we could set up a genuine manpower development program. We could even launch a national program for the revitalization of poor neighbourhoods in our large cities. We could set up a program to help farmers deal with the new realities of the marketplace. As you know, farmers work very hard. They need labourers, but they do not have any.

In my district as elsewhere in the rural world, many people can create jobs. I will conclude with the words of our great poet, Félix Leclerc: “The best way to kill people is to pay them to do nothing”. Paying people to do nothing. I think the government opposite is trying to organize something only temporarily because people are being asked to tighten their belts again. They will need twelve weeks of work to be entitled to UI benefits. When they do not receive UI benefits, they live on welfare, and that is how these people are being killed, in the end.

**Mr. Osvaldo Nunez (Bourassa):** Madam Speaker, Bill C-17, that ill-advised legislation of the Liberal government on unemployment insurance will affect three and a half million Canadians. Workers in Canada and Quebec who lost their jobs may not know it yet, but they also lost up to four months of benefits.

Workers are not and should not be considered as responsible for the lack of jobs and the long unemployment spells before they can find a new job.

By reducing benefits this government will only inflict greater suffering and poverty on the jobless, their families and their communities. Those reductions put the blame and the burden of unemployment on them, and that is unfair and morally unacceptable. Many jobless in my riding in the North End of Montreal, some of whom voted for the Liberals in the last election, are really angry about those kinds of antisocial and cruel policies.

But there is worse. The systematic attack by the Liberal government against the most vulnerable in our society, against the jobless is a disgrace.

(1725)

Indeed, everybody remembers what the Prime Minister said when he was Leader of the Opposition. Posing as the champion of social rights, he decried the policies of the Conservatives who, with Bill C-105, attacked the unemployed instead of unemployment. Those are the very words of the Prime Minister. It is mind-boggling.

Furthermore, in the red book, which served as bible and election platform for the Liberal Party in the last campaign, we can read word for word on page 74: “The Tories have systematically weakened the social support network that took generations to build. Not only have they taken away billions of dollars from. . . people who have lost their jobs, but they have set us on a path to becoming a polarized society, divided into rich and poor—”

Seeing how fast the federal government did exactly the opposite of what it promised and went even farther than the Conservatives in its attack on the most disadvantaged, we can rightly say that this government cynically misled the people for the sole purpose of getting elected.

In fact, not only has the government maintained the same immoral and punitive policy that it denounced when the previous government presented Bill C-105, but it has done worse.

Since the UI program was created 54 years ago, no change of this magnitude has ever been made. No government has ever taken such odious, retrograde and unjust measures against the very people this government publicly promised to help.

This project hits hardest regions where jobs are the most difficult to find. Indeed, the deepest cuts will be made in areas where the regional unemployment rate is the highest. So, in a city with a 6 per cent unemployment rate, a worker who is laid off after nine months will lose five weeks of benefits. But in Montreal, where the unemployment rate exceeds 13 per cent,

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and also in the Maritimes, the reduction for the same employment period will be twice as big, that is a ten-week reduction.

The government seems to think that the system to which workers are contributing is being systematically abused by those people who most frequently rely on unemployment insurance. Hence, it considers some citizens as being less deserving than others, simply because they live in less fortunate areas of the country or work in seasonal industries. It is as if we were to refuse to give health insurance benefits to chronically ill people because they rely on the system more often than others.

For ten years I was a part-time arbitrator at the unemployment insurance office in Montreal. In that capacity, I witnessed numerous disturbing tragedies suffered by people who were seeing their benefits being cut off for different reasons. These people who were already living under the poverty level were then forced to give up their home because, under these conditions, they were no longer able to pay their mortgage.

These human tragedies have increased and have become even more dramatic since April 1993, when Bill C-113 passed by the Conservative government was implemented.

The government should take into consideration the findings of a recent Gallup poll which sets at 70 per cent the number of people in Quebec who oppose this unemployment insurance reform which will certainly reduce the number of UI beneficiaries, but will increase by the same number the total of welfare recipients.

(1730)

Reducing unemployment insurance payments, as the government is doing, will not give jobs to the men and women thrown out of the work force, even though the Minister of Finance is claiming that the 2.28 per cent reduction in UI premiums for employers will create 40,000 jobs. If this screwy logic were true, all we would have to do would be to reduce the premiums by another 85 per cent to find jobs for all the unemployed in Canada.

In February 1993 already, 50,000 people braved an Abitibian cold of minus 25 to demonstrate against a similar bill tabled by former minister André Valcourt.

Yesterday, the caucus of the Bloc Québécois received the major leaders of the FTQ—the Quebec Labour Federation—for which I worked for 19 years. They voiced their strong opposition to the cuts in social programs, and in particular to Bill C-17.

On May 1st of this year, the major Quebec unions will be holding a gigantic demonstration against the neo-conservative policies of the Liberal governments of Canada and Quebec. Rest assured, Madam Speaker, that I will be there.

The Canadian union movement—I conclude, Madam Speaker—is unanimous in its opposition to Bill C-17, and this includes the CLC which has 2.2 million members. For all these reasons, I will vote against the bill.

**Mr. Gaston Péloquin (Brome—Missisquoi):** Bill C-17 proposes many amendments to the Unemployment Insurance Act. One of the first occurs in clause 21 and aims at defining the word “disentitled”, “inadmissible” in the other language. It explains in a very specific and pragmatic way the reasons or conditions why someone could be disentitled to unemployment insurance benefits according to the government. The Minister of Human Resources Development and his advisors have gone to a lot of trouble to define a very simple word.

If the minister had simply looked in the dictionary to find the meaning of the word “inadmissible”, he would have recognized the very essence of his bill.

Allow me to quote *Webster's New World Dictionary*, in the hope that this will give the minister the inspiration he needs so badly before his bill is passed. I ask the hon. minister to listen carefully to the universal definition of “inadmissible”. In the third edition of the Webster's, they say: “not admissible, not to be allowed, accepted, granted or conceded”.

Therefore, that term defines Bill C-17. In drafting the legislation, did the minister wonder about what is really “inadmissible”, according to the unemployed of this country?

These people are deprived of one of their most fundamental rights, the right to earn an honest living, the right to contribute proudly to the economic development of their community.

What is “inadmissible” for these people, more than anything else, is their inability to meet the conditions set forth in paragraph B of section 28.3 of the Unemployment Insurance Act. No, what is “inadmissible”, what they cannot accept, is that the government, on top of standing idly by as far as job creation is concerned, is once again targeting the disadvantaged as the solution to its debt and deficit problems.

(1735)

During the election campaign, the Liberals kept promising that they would not touch social programs. The last federal budget contained some surprises in this regard. Of course, old age pensions were left alone, but some tax credits were cleverly eliminated.

The same thing happened to federal transfers for social assistance: transfers were not reduced, but access to the UI program was, which in turn increases the social assistance bill for the provinces. In Quebec, these measures will not only result in a loss of revenues for the unemployed, but also in a series of additional expenses that all Quebecers will end up paying for sooner or later.

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A recent study by the economics department of the Université du Québec à Montréal revealed that the changes the minister intends to make to the Unemployment Insurance Act and the resulting transfer of expenses will cost the Quebec treasury more than \$280 million, or 28 per 100 of the \$1 billion bill which was dumped on the provinces.

Has the government not yet understood that it will only solve its financial problems by creating permanent jobs? Instead of constantly bearing down on senior citizens and unemployed Canadians, the government should focus its energy on creating jobs that would allow it to increase its revenues in a healthy fashion.

The closure of the Hyundai plant in my riding of Brome—Missisquoi is a good example of the confusion that exists within the government with regard to maintaining stable and high-paying jobs, like those that the Bromont plant offered until recently. We are talking here about 850 jobs that were lost.

The government does not know which way to turn and adds to the confusion since Hyundai has announced that it does not intend to reopen the Bromont plant.

The Minister of International Trade, like a heroic avenger, rushed to Korea to obtain all the details concerning this matter. Upon his return, he made a reassuring announcement, saying that everything was settled and that the Bromont plant would reopen in the not too distant future.

The next day, Hyundai announced that it did not intend to resume its activities in Quebec until 1997–98. Who should we believe? While the government is treading water on this matter, the employees of the plant and their families and the entire population of the Eastern Townships are waiting for real answers about their economic future.

All they have learned until now is that if they manage to find a temporary or seasonal job, it will be more and more difficult for them to get unemployment insurance if Bill C-17 is passed.

In closing, I would like to say to the Minister of Human Resources Development that he should consult the dictionary before asking the House to pass his bill. Maybe he would see that the word “inadmissible” applies to the way his bill is drafted and maybe he would be more inclined to listen to the recommendations put forward by the hon. member for Mercier on behalf of the Official Opposition.

These amendments to Bill C-17 would perhaps help chase the word “inadmissible” from the mind of every unemployed man and woman across Canada.

(1740)

**Mr. Michel Gauthier (Roberval):** Madam Speaker, it is an honour to be able to speak in this House and it is a privilege that most of us appreciate. However, it is sad that we sometimes have to speak on a measure that would impose cuts on the most needy in our society.

A few months ago, we would never have thought that we would see the implementation of a budget whose main thrust is to hurt and injure the unemployed. Our hopes were high and we thought that the creative mind of the Minister of Finance would lead him to choose the best mix of solutions to control the deficit and put the government's finances back in order.

Our present finance minister is no better than the Liberal Minister of Finance we had when our Prime Minister was himself Minister of Finance and beat all the records for increased deficits during his term.

One would have thought that a few years of reflection in the opposition, a few new faces, some ideas mentioned in the so-called red book would have given the Liberals a broader and more humane vision of the problems our society is confronted with. But no, the recipes are the same old ones. We blamed the Conservative government for its erroneous forecasts, we said that its finance minister was disconnected from reality, that he did not understand a thing about the workings of the economy, that his measures were counterproductive and that they were wreaking havoc instead of helping put our house back in order.

We went from bad to worse. The last budget was produced by an amateur, who made forecasting errors estimated at several billion dollars. He is an amateur who, oblivious to the influence of a finance minister's statements on financial markets, toyed with the value of our dollar and the nerves of the financial leaders. He is an amateur whose only solution to reducing the deficit was to attack the most needy members of our society.

Some of my colleagues who took part in this debate have given some really pathetic examples. With the human misery we see nowadays, when 20, 22 per cent or more of the population are jobless in some areas, our Minister of Finance, a man of original mind who was promising us the moon, has found a magic solution. He will cut UI benefits and shift the unemployed on to the welfare rolls.

When I asked a question of the Minister of Finance and of the Prime Minister, I was flabbergasted to hear them both candidly tell us: Well, we will cut unemployment insurance and take that money to create jobs, and the unemployed worker, instead of receiving UI benefits, will be going to work. That sort of reasoning does not stand up. If they do believe in their own job creation strategy, we have an alternative formula for them. Why did they not create jobs first and cut unemployment insurance

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afterwards? That is what the Minister of Finance should have done but did not do, and that is why we cannot accept these measures attacking the poorest members of our society.

In the exclusive club of the finance minister's friends, it is obvious that the easiest way to get back on the road to prosperity is to slash transfer payments to individuals in the budget. Keep shifting your problems onto the shoulders of the provinces. What a nice federation, really, what a nice confederation this is. Talk about responsible government. Keep unloading your problems onto the provinces, as if provincial deficits did not matter. Some people find this situation funny. But, Madam Speaker, is it not the height of irresponsibility to be laughing and making fun when the House is about to vote a bill that will cut benefits for the poorest in our society. You really have to be irresponsible to keep laughing when the government is about to dump the unemployed onto welfare rolls.

(1745)

The minister quoted employment statistics. Do you know why unemployment is dropping? Because people are so discouraged they do not even want to say they are looking for a job. There is no hope in this country for the young, for seasonal workers, for people who can usually earn a living by working five or six months a year. There is no hope left for those people. They no longer say that they are looking for a job. The worst part is that the young are the most severely affected by this unfortunate reform by the Minister of Finance and the Liberal government. Those young people have no hope.

Somebody said that the best way to kill a man is to keep him from working. The Minister of Finance is sacrificing future generations because of his lack of originality, his inability to come up with new and dynamic solutions, his inability to attract social activists, entrepreneurs, unions, business people, merchants, people with ideas to develop. The Minister of Finance failed to create consultation forums from which the original ideas he was unable to have could have emerged. It was much too difficult, Madam Speaker.

The Minister of Finance traveled across Canada. He met all his friends, economists, experts, people from different backgrounds, but he was unable to create a dynamic of social consultation which would have helped us find new and original solutions. He wants examples? A simple one springs to mind: it is *Corvée habitation*, a Quebec housing program which lasted a few years. It was a marvellous program which associated unions, entrepreneurs, business people and citizens around one same cause, the pursuit of a noble aim, to put people to work and to stimulate the economy. It was the finest example of a group assuming its responsibilities for the unemployed and people who are suffering. But because he acted irresponsibly, the Minister of Finance did not get to know these original solutions.

If he really believes what he says, why did he not create jobs first and reduce UI benefits after? No, Madam Speaker.

Time is a detail for a technocrat like the Minister of Finance. The period of time during which an unemployed 25 year-old man with two children exhausts his UI benefits and has to go on welfare before he finds another job three or four years later is a technical detail for a technocrat like the Minister of Finance. It is an inhuman approach.

We cannot agree with such a piece of legislation. It is immoral to propose such measures in the House. How do you expect us to be able to show our faces in our ridings? How do you expect our fellow citizens to believe in the work that is being done here, when these people opposite promised jobs, jobs and jobs throughout the election campaign? The first steps that were taken were not creating jobs, but creating more poor people. This government will have created the greatest number of poor people; it will win the championship not for creating jobs, but for creating poverty. That is what this government will have done. That is what this minister of Finance will have done, a minister without ideas, without imagination, incapable of consulting people, incapable of taking his role seriously, incapable of estimating his deficit and totally incapable of evaluating the disastrous effects of unemployment insurance cuts on the poor people of Canada.

(1750)

Madam Speaker, let me say to you that this budget—you are telling me that I have one minute left—will have been a terrible budget in terms of cuts. Working people are facing cuts, people who earn money, even very little, such as old people, are being targeted. The provinces are being targeted because the deficit is being shifted onto their shoulders. Everyone in Canada, all those who deal with the Canadian economy have been wrongly targeted. Here is a man without any imagination, a reform that hurts and an insensitivity that will cost you dearly one day.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie):** Madam Speaker, this budget is an irresponsible budget. It is a budget which does not reflect the promises contained in the red book. Quebeckers knew that very well. They did not buy the promises of the Liberals and did not elect many of them: no more than 19, and mainly in Montreal's West Island. Quebeckers were aware that it was all wind. This is the reason why Quebeckers will soon break with this system. And I am sure the Liberals know that as well.

I see ministers confirming what I am saying. The members on the other side know all about it, really. We can see them even if they try to hide from the camera, but when we talk about that, they are not comfortable. They know that when we go over the commitments of the red book one by one, it is clear that they do not appear in the Budget.



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I am thinking of social housing for instance. I have discussed that issue with the Minister of Foreign Affairs, the hon. member for Papineau—Saint-Michel who said again and again during the election campaign: "It's terrible what the Conservatives have done. They have cut social housing but we, the Liberals, will fix that." If you compare the Liberal budget to the Conservative budget, they are the same, they contain the same measures. There is nothing for social housing. So much so that social housing interest groups in Montreal and the mayor of Montreal denounced this week the federal government's lack of action in the social housing sector.

They asked for federal intervention because for years the federal government was active in that sector, investing in it, creating expectations and then it pulls out, as it did in other sectors, leaving all the responsibility to the provincial governments. Now those governments are passing that responsibility to municipal authorities, who pass it on to taxpayers who can no longer afford to pay their taxes.

I know that taxes do not create any hardship for the hon. member for Kingston and the Islands because his way of living in Kingston has nothing to do with the conditions in which the unemployed workers live in Quebec. There may be, of course, a military college where francophones will not feel at home. A city where high schools are not even equipped with toilets for the students. I understand why the member for Kingston and the Islands does not spend much time in the French high school in Kingston. He has natural needs to be satisfied now and then.

As regards POWA, the Program for Older Worker Adjustment, we have seen the whip of the Official Opposition who is now whip of the government, the member for Saint-Léonard, the member for Papineau—Saint-Michel, the member for La-Salle—Émard present a petition of 10,000 signatures denouncing the fact that older workers outside Montreal, Toronto and a few other large centres had no access to programs. They have no access to those programs because a given number of workers must be laid off at the same time.

Everybody was against that! There were demonstrations in Montreal in February, there were promises: when we take office, we will change things. Only to discover that nothing has been done as far as the Program for Older Worker Adjustment, called POWA. Not only that, an MP, parliamentary secretary to Minister of Human Resources Development, has come to justify the position of the government, using word for word the same arguments used by a conservative MP and minister last year. A copy-cat!

Industrial conversion! The last straw! The helicopter program is cancelled. Alright. Quebec was in favour. And this is in Quebec, I remind you. On the other hand, the tank contract in

Toronto was left untouched. This is a different matter. The tank contract has been respected. I suggest to you, Madam Speaker, that if necessary rescue operations by helicopter are possible, but rescue operations by tank are rare.

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

**Mr. Duceppe:** No cuts were made, but we were told that money was going to be injected in a fund for industrial conversion. However, there is nothing in this program. We are told that there is still the program created a few years ago, a program that the Minister of Finance disapproved, saying that it was totally inadequate. What the Minister of Finance is telling us this year is exactly what the Conservatives were telling us.

As far as women are concerned, the Deputy Prime Minister came to Montreal for a political show, saying that specific measures were going to be taken in favour of women. But what is there in this budget? Social housing is a major concern for women who are single parents. Nothing. When you say that from now on, you will take into account whether or not there is a supplementary revenue in a couple to make it clear as to the unemployment insurance benefits a person will be entitled to receive, that concerns mostly women. Then, you go witch hunting. A bit like the Bourrassa hit squad, the boubou-macoutes, in Quebec, there will be the Martin hit squad—the Rin-Tin-Tin brigade?—which is going to check if a person lives alone and is entitled to 57 or 55 per cent.

In fact, those measures are specifically designed for women. Those measures are reactionary and aggressive. You also promised health care centres for women and day care centres. Then again, we are told that we will have to wait. In three to four years, you will come back promising day care centres. A bit like Duplessis, who said that anyone who promised to build the same bridge at each election would be certain to hold power for ten years or so. Day care centres were promised by the Trudeau Liberals, the Turner Liberals and the Chrétien Liberals. However, as long as the Liberals are in power, our grandchildren and our great-grandchildren will never enjoy day care centres.

Just think of the cuts in the social programs. During three Conservative budgets, all we heard about was cutbacks. Meanwhile, the Liberals, who have sensitive souls, kept on saying that it was terrible and, while referring to the fine words the Prime Minister had on Canada, said that we had to restore the help for assistance to social and minority groups. However, the Prime Minister reduces help for all French-speaking groups. He does not do what he says he is going to do. That is exactly how he behaves.

I believe that my time has expired. I will come back to that later.

*Private Members' Business*

[English]

**The Acting Speaker (Mrs. Maheu):** It being 5.58 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]

**CO-OPERATIVE HOUSING**

**Mrs. Christiane Gagnon (Quebec)** moved:

That, in the opinion of this House, the government should reach agreements with the government of Quebec to reactivate the co-operative housing program, introduce a renovation assistance program for rental housing and reintroduce a social housing program, while leaving complete authority for all these programs in the hands of the government of Quebec.

She said: Madam Speaker, the motion I have the honour to present today in the House is composed of two very distinct parts, the reinstatement of several social housing programs and the transfer of authority for such programs to Quebec. I will first comment on the two parts separately before explaining how they are linked together.

Let us begin with the reactivation of social housing programs. Canada is one of the industrialized countries investing the least in social housing. In fact, in 1990, the national social research institute noted that social housing accounted for only 4 per cent of all housing in Canada, whereas it varied between 15 and 40 per cent in most Western European economies. One can wonder why there is such a difference in housing policies between governments facing the same economic ups and downs.

This government replaced an administration renowned for its weak commitment towards social housing. Nevertheless, if our new government goes on the way it chose in the last budget, its record after one mandate will be even worse than the previous one's.

A review of the social housing situation over the last few years is imperative. In accordance with a 1986 federal-provincial agreement, funding for social housing built in Quebec was shared by Quebec and Ottawa. In the case of low-cost housing, federal funding was at 59 per cent. For housing cooperatives and non-profit housing for low-income persons, it reached 75 per cent. Pierre Graveline, journalist at *Le Devoir*, mentioned in an article published on April 5, 1994 that one out of six households renting their dwelling must spend more than half its income in rent and one out of three spends more than 30 per cent. Since this is too much for some of them, the number of claims presented by owners who want to cancel the leases and recover their rent has increased by 250 per cent between 1990 and 1993. In all, 341,000 households have a core housing need in Quebec and

would be admissible to social housing, and I am not counting the 20,000 totally homeless persons.

In fact, between 1989 and 1994, federal expenditures for the building and renovation of housing units have gone from \$112 million to zero. As for federal budgets for building new cooperative housing, they went from \$7.2 million in 1988 to nothing in 1992.

Therefore, people who need housing in Canada have lost a total of \$119.2 million. Even if, during the last campaign, the Liberals committed themselves to unfreeze the CMHC's budget in order to make it possible to build 5,000 new cooperative housing units annually in Canada, they have made no provision for cooperative housing and the building of housing units. On February 16, 1994, when answering a member of the Bloc Québécois who was asking if the rents of the recipients would in fact increase by 5 per cent of their income, the Minister of Public Works declared, in this House: "One cannot put a hand on one's heart and plead for new social housing for Canadians across this country and only look at one side of the ledger, which is to cut expenditures and duplication, without looking at the other aspect in terms of revenue increases".

How can this government make such statements? How can this government calmly contemplate the idea of charging the population it wants to help for the cost of the assistance it brings? This is what will happen in fact. The government will say to the have-nots of our society: We will help you find housing because you are poor, but you will have to pay an additional 5 per cent of your income for rent to cover the costs of that help.

How can any government look at a social housing program as if it were a business deal meant to bring in profit?

(1805)

Does the word "social" mean anything to this government? Madam Speaker, the poor should not have to bear the cost of social housing. Governments should cut unnecessary spending and reinvest these amounts in programs for the neediest members of our society.

Different problems require different solutions. People on low incomes who are home-owners need financial help to make repairs. The RRAP program which has just been reinstated can provide a partial response to this kind of situation. Unfortunately, the program has its limitations: income criteria are such that very few people living in urban areas can take advantage of the program.

On the other hand, certain needs are no longer being met. Take, for instance, people who would like to be part of a housing co-operative. This type of housing meets a specific need. Often it may be the only way for low and middle-income families to become home-owners.

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In its report released in May 1991, the Conseil de la famille said that "a housing co-operative is an excellent way to help families become acquainted with the responsibilities and advantages of home-ownership".

It is also a fact that housing co-operatives generate employment, whether we are talking about construction or renovation. Furthermore, every new co-operative housing unit that is built provides governments with significant tax revenues, including personal and corporate income tax, contributions to the Canada Pension Plan, sales tax and development tax. Finally, providing access to home ownership makes it possible to free accommodation for other families that are in need.

There are also people on low incomes who want access to low-cost rental housing. As we all know, there is no budget for building new units. According to the FRAPRU, we would need at least 195,000 new social housing units in Canada. In Saint-Sauveur alone, in my riding, an estimated 3,000 new units would be required. However, this government has decided not to build any.

When he appeared before the Standing Committee on Human Resources Development, Mr. Brown, president of the Canadian housing coalition, questioned payments made under the Canada Assistance Plan for housing. Like other coalition members, he feels that this money could be better spent. They decry the fact that a good part of this money goes towards paying the rent and ends up in the landlord's pocket. According to Mr. Brown, it is not an investment. Instead of being invested in co-op or non-profit housing programs, this money is just poured down the drain. We agree with Mr. Brown.

Current rehabilitation assistance programs for rental housing are inadequate. As a matter of fact, studies have shown that instead of dealing with things that are important for tenants, such as insulation and soundproofing, renovations are done for purely cosmetic reasons. Between 1990 and 1992, in Quebec alone, \$44.84 million went towards painting against \$7.31 million for insulation and soundproofing. One will understand that poor insulation affects only tenants since they are the ones who have to pay for their own power and heating bills. It was also noted that there was no systematic control of rent increases after renovations.

A study undertaken by the City of Montreal in 1989 showed that renovations had disastrous consequences for tenants. It was found that the average rent increase was \$127 a month. Similarly, a CMHC survey concluded that subsidies benefited landlords, not their tenants.

Indeed, slightly more than half of these tenants stayed in their apartments after the renovations and they experienced an average rent increase of 11 per cent. So, we can draw the conclusion that, in the end, tenants pay for part of the landlord's investments and that rents still keep on increasing.

To remedy such a situation, we believe that the government should implement measures to ensure that subsidies for renovations benefit tenants.

(1810)

The government could also be in favour of grants being directly paid to tenants, which would allow them to get some decent housing or even buy a house. This would help people who spend more than 25 per cent of their income on rent. As we have seen, the needs are great and the programs are inadequate.

Let us now talk of Quebec's control. The Canadian government stresses the fact that it needs the cooperation of the provinces. In Quebec's case in particular, we believe that this cooperation is unnecessary, since the whole housing assistance budget should be transferred to Quebec, and Quebec should have total control over it.

The federal government entered the social housing field by virtue of its spending power, whereas social housing is first and foremost a provincial jurisdiction. Mr. Justice Duff, on behalf of the Supreme Court of Canada, stated in 1938, in the referral on the Ontario Adoption Act: "Provinces have the responsibility to care for people in need". Nobody will deny the fact that social housing is for people in need.

We demand that the federal government give back to Quebec total control over social housing programs. We demand also that it transfer to Quebec the amounts that are due to it according to the needs of the Quebec people.

As it was said over and over again, 25 per cent of all renting households in Canada that spend more than 30 per cent of their income on rent are in Quebec, and 33 per cent of those which must set aside more than 50 per cent of their income just for rent are also in Quebec. It shows how important social housing is for Quebec. It is important that the Quebec government be able to decide, according to its needs, its organizational structures and its social priorities, where it wants to invest.

For investments to be more efficient, it is important that the decision-making process be exclusively in the hands of provincial and local authorities. It is important that the allocation criteria be based upon the situation in Quebec, and not the situation in other parts of Canada. Also important is the harmonization of the social housing programs with other social programs made for and by Quebec, for and by its citizens. Quebecers do not want the federal government to interfere in areas of jurisdiction they consider their very own.

Thus, to get better social housing, we need massive investments, under various forms, to meet the needs of all Canadians and Quebecers. However, Quebec wants these investments to be managed by its own government, according to its needs, its standards and priorities. Social housing is only one component

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of social programs, which fall under provincial jurisdiction. Quebec must be put in charge as soon as possible.

[*English*]

**Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada):** Madam Speaker, I am pleased to rise in the House today to address the motion.

Frankly I am dismayed by the apparent substance of the hon. member's motion. From my reading of it, she is in favour of receiving funding for housing but with no strings attached.

Not only does this go against all logic and common sense, it goes against the spirit and the tradition of partnership of governments working together in the Canadian federation.

[*Translation*]

I am sure members in this House will agree that the federal government must ensure equal access to federal programs from coast to coast. Moreover, public funds must be managed in such a way as to benefit all Canadians.

I would like to stress the fact that the Canadian government has always worked in partnership with Quebec and the other provincial governments. We deal with the various aspects of this very complex housing issue by sharing responsibilities. Why? Because Canadians want the same national standards to prevail throughout Canada so that access to affordable housing does not vary from one jurisdiction to another.

(1815)

[*English*]

All governments recognize the need to find creative solutions to facilitate the provision of affordable and accessible housing because housing involves various levels of government, all of which must be working in partnership to achieve progress. The federal government believes in the need to adopt a comprehensive and co-ordinated approach in this sphere.

[*Translation*]

This being said, the governments of Canada and Quebec have a long tradition of working together in the area of housing. We intend to maintain that strong co-operation for the good of all Canadians. This co-operation has a name, we call it compassion. This means that Canadians care for their fellow Canadians, and the government will not abandon that compassion.

Abandon is, in my opinion, something to keep in mind. I would like to remind the hon. member that it is the leader of her party, when he was a member of the previous Cabinet, who oversaw the abolition of all social housing programs, including those for housing co-ops, for non-profit housing, and for owners, whether they be occupants or leasers. The people who

used to benefit from these programs are the same the hon. member seeks to help with this motion.

Madam Speaker, the government is presently reviewing these programs to make them more responsive to the needs of the people who were abandoned by the previous government and the present leader of the Official Opposition.

[*English*]

In contrast to the actions of the previous government, I would like to make known to the House some of the initiatives of the Liberal government. The major effort on the part of the federal-provincial-territorial partnership in the delivery of social housing funds has been to meet core housing needs. The objective is to assist families or individuals most in need, those who would have to spend more than 30 per cent of their income for suitable, adequate accommodation on the private market.

[*Translation*]

The latest figures, for December 31, 1993, show that there are more than 140,000 family units administered in Quebec and in 1992-93, the Government of Canada spent over \$318 million on affordable housing in Quebec alone.

I am thinking, for example, of the Creesom housing initiative which helps disadvantaged people in southwestern Montreal. Madam Speaker, despite the cuts that governments must make, the federal government will give this original and innovative program \$5.1 million in financial aid over a four-year period so that it can continue to help people on low and moderate incomes own property, individually or collectively. In co-operation with the City of Montreal, the Government of Canada will commit to 100 co-op housing units as part of the Creesom program in southwestern Montreal.

[*English*]

As well, the Government of Quebec recently announced a renovation program for low income home owners, Réparation. In light of the reinstatement and provincial renovation program the federal government will be working with the province of Quebec to put in place cost sharing agreements.

[*Translation*]

In addition, the Canada Mortgage and Housing Corporation offers financial assistance for victims of violence. The Project Haven and Next Step programs provide emergency and long-term shelter for victims and their children.

Under Project Haven, which expired on March 21, 1992, commitments were made for 458 emergency shelters in 78 municipalities. The second phase of the family violence initiative, Next Step, expires on March 31, 1995. This phase provides for 150 independent housing units and 100 emergency shelters, with a budget of \$20.6 million. By January 31, 1994, 46

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independent units and 53 emergency shelters had been completed, at a cost of \$4.5 million. That is far from nothing, Madam Speaker.

(1820)

As for Quebec, the Canada Mortgage and Housing Corporation is working in collaboration with the Government of Quebec to create eight new shelters which will be completed by the end of March 1995. Three are already in service and the others are either under construction or at the design stage.

[English]

As I am sure members can appreciate, the demand for this type of facility far exceeds the level of resources that we have been able to direct for the establishment of new shelters and the funds to March 31, 1995 have already been committed.

I think we all understand that the fiscal capacity of all governments is extremely limited, and that includes the Government of Quebec. However I believe we must also take into account societal problems and priorities, and not simply focus strictly on fiscal solutions.

[Translation]

To conclude, I will say that in this area it is difficult to have a perfect balance, but the Government of Canada is trying very hard and is having good results thanks to a close partnership with all Canadian provinces, including Quebec.

[English]

**Mrs. Jan Brown (Calgary Southeast):** Madam Speaker, this is the second time that the Bloc Québécois has put forward a motion on social housing. This is the second time that I have risen to speak against it.

The first motion deplored the fact that the government had not increased or re-established funding for social housing construction programs. However this time its concern is more emotional.

In the first motion debated on February 16, the Bloc declared that it was interested in social housing support for all Canadians. Let me be clear, the Bloc carries a singular agenda. The only care that the Bloc has for Canada is to take what it can and separate post haste.

The motion before us is terribly wrong minded. It fails to appreciate the economic reality our country faces today. The taxpayers of Canada, you and I, Madam Speaker, my children and my grandchildren will pay for this folly of overspending.

The combined debt is now over \$600 billion and the federal deficit is predicted to be about \$40 billion. Despite this colossal financial lodestone, the Bloc Québécois is saying the government has not yet spent enough. It is urging the government to

spend more, to increase the deficit and the debt, to climb aboard this runaway debt train, giving no thought to fixing its brakes.

It is important to clearly establish what is needed before we blindly commit to throwing around millions of dollars.

A 1992 study stated that the majority of people on welfare received adequate support to meet their basic housing needs. It stated that the traditional solution has been to spend a fortune on these programs and if things are not improving, throw more money at them.

In its 1991 annual report the CMHC agrees that social housing needs can be met under the existing funding plan. The report states that more of an effort must be made to achieve greater cost effectiveness so that more can be done with the available budgets.

I recognize that we need a major social revenue in Canada. However, throwing money at a singular and specific problem is not a good resolution. We need to assess what the problem is and then address it specifically.

The clamour for federal funding support is not decreasing. The demand is there but there are fewer dollars to spread around. Given this, new innovative ideas are needed to ensure sound fiscal management at all levels of government.

In 1988 all three levels of government spent under \$3 billion on housing or \$114 for every person in Canada. That is up from just \$366 million or \$17 per capital in 1970. Yet poverty advocates claim the housing problem is as acute as ever.

Given that this funding spiral cannot continue unabated, it is more important than ever that housing subsidies, like other forms of assistance—and we said this over and over again—be targeted to those in need. The Canada Mortgage and Housing Corporation ensures that all Canadians, regardless of who they are and where they live in Canada, have equal access to federal resources allocated for housing. CMHC currently administers more than 652,000 units.

(1825)

Despite these enormous holdings, my hon. colleague would have us believe that more money yet needs to be spent on social housing programs in Quebec. In the fiscal year 1994–95, according to the main estimates for public works and government services, CMHC will receive \$2,033,779,000 for social housing alone. Of this approximately \$366 million will be going to the province of Quebec. That represents about 18 per cent of CMHC's total budget for social housing.

In comparison, Alberta, my province will receive approximately \$150 million. For every dollar that Alberta receives, Quebec gets \$2.25.

Believe me, Albertans question this transfer payment ratio even more so as they work through a seriously difficult time, difficult days of deep, deep cuts to our provincial programs.

While we are doing comparisons, let us take a quick look at the United States provision for social housing. When the leader of the Queen's Loyal Opposition visited the U.S. I wonder if he discussed social housing spending habits with the Americans. Canada may not yet be a paradise of social housing but we are sure not doing too badly in comparison with the U.S.

We spend approximately \$114 a year per capita on social housing while in the U.S. that expenditure is about \$40 per year per capita. We spend almost three times as much right now.

Therefore Canada is not facing serious social housing problems. It is facing serious economic problems. This government fails to recognize that we are facing a financial crisis. This motion shows that the Bloc also fails to recognize it.

Canadian and international money markets are hugely unstable because this government cannot keep its spending under control and shows scant interest in doing so. The Canadian dollar is in a sinkhole, interest rates are rising and despite a decrease in the unemployment rate the dollar remains unstable, an indicator that investors have lost faith in our economy.

In principle the solution to the problem is simple. The government needs to put a cap on spending. The government needs to clearly demonstrate to the financial communities both within and without Canada that it is serious about reducing the deficit.

I can assure the government that if it introduced measures of this kind it would find support from my side of the House. All members of this Parliament should be mindful that we cannot spend ourselves out of a recession. Governments have tried this for 15 years and it has not worked.

It is for these economic reasons that Gordon Thiessen, the head of the Bank of Canada, stated on April 5 that to inspire consumer and market confidence this government will have to address its debt and deficit situation by cutting spending.

Given this, when members in this House put forward matters for debate, especially when those matters involve the spending of taxpayers dollars which are at a premium, they must ask themselves: Who will pay? Where will the money come from? Could this be done better and more cheaply?

I see no indication that the Bloc either heard what Mr. Thiessen said last week or that it considered even asking questions such as these. It must be too busy figuring out strategies for separation.

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We cannot condone yet more money being siphoned off by Quebec. Constituents from my riding are getting very tired of seeing their tax dollars inequitably flushed into the province of Quebec, especially given the Bloc's mandate for separation.

Alberta's transfer payments have been capped and the need to cut spending has been recognized there. But here is the Bloc yet again with its hand out asking for extra money.

In its strategic plan for 1992 through to 1996 CMHC does not mention a need for increased funding nor a need to increase programs in Quebec. However, in a businesslike move in keeping with the private sector, the CMHC is promoting cost effective programming and management.

(1830)

Finally, this demand for social housing support is an indicator of a larger economic problem. Simply spending more money to alleviate social housing problems is like trying to tend to a fever of 105 by rolling someone in the snow. You may cool the body for a short period of time but surely you have not found out why that body is sick.

Quebec needs to look more closely at this problem. The Bloc Quebecois is showing that as a province said to be on the verge of separation, it clearly lacks an appreciation for its own economic, social and political upheaval.

[*Translation*]

**Mr. Robert Bertrand (Pontiac—Gatineau—Labelle):** Madam Speaker, I am pleased to participate in the debate on this motion that raises important issues. However, since this is the first time that I rise in the House, I would like to take this opportunity to thank all the constituents of Pontiac—Gatineau—Labelle for the vote of confidence they gave me last October.

I am pleased to address the House in reply to a motion that raises very important issues. Our country benefits from a shared heritage based on compassion. We do care about the well-being of our neighbours. We help them when they are in need and this government is not about to end that tradition.

I am convinced that hon. members in this House agree with me when I say that the federal government must be at the forefront, along with the provinces, to ensure that poor Canadians can live in adequate dwellings.

This government's vision of Canada includes all Canadians, regardless of their income, their language or their social condition. Our vision is that of a country where everyone can enjoy a quality of life, where we are responsible for the well-being of each other, and where people remain optimistic about their future and that of their children.

There is no doubt in my mind that this vision includes the provision of adequate dwellings to all Canadians. It is abso-

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lutely out of the question to exclude people merely because they need help to meet their basic need for shelter.

Our support is necessary and we have found ways to help these people. I am referring to the Residential Rehabilitation Assistance Program, or RRAP, and to the Emergency Repair Program, or EARP.

[English]

In his recent budget the Minister of Finance has struck a balance between the need for fiscal restraint and the need for social responsibility.

By reinstating RRAP including RRAP for the disabled and EARP the government is making a real difference in the lives of low income Canadians, families, seniors, people with disabilities, aboriginals. Through this program with a total of \$100 million, \$50 million over each of the next two years, we are helping these people make basic repairs to their homes.

[Translation]

We know, however, that these public funds are insufficient. To put an end to poverty, we must eliminate restrictive policies which prevent innovative solutions.

Given the budget constraints, we will look for available resources and tools to invest in Canadians, and to create a climate allowing native peoples to develop their potential and progress towards economic and social self-determination.

[English]

We are not alone in thinking that these programs are important to the people of Canada. We have approached the provinces about cost sharing to maximize the impact of these programs. We have received favourable responses. With the provinces contributing to RRAP and EARP, with the provinces working in partnership with the federal government, we will be able to help even more people than we expected.

(1835)

The social impact of these programs is not to be overstated. My colleagues need to be aware of an important element to these programs. It is an element I should think they would appreciate for not only is this government introducing programs to help house Canadians. It is also providing a much needed economic boost to the Canadian economy. There is economic stimulus. Yes, RRAP and EARP will create thousands of jobs in communities across the country.

It goes without saying that investment in renovating housing enhances older modest income communities and encourages other forms of neighbourhood improvement. What we are talking about here is an investment in the physical and social fabric of our communities, providing more affordable housing of adequate quality with a relatively small investment per unit.

[Translation]

The RRAP and ERP funds are smart expenditures that will pay off economically by stimulating the renovation sector and creating much needed jobs and, at the human level, by helping people repair their homes to bring them up to minimum health and safety standards. That is the purpose of these programs.

We are talking about minimum standards and not luxury; basic requirements for the health and safety of occupants and for energy efficiency. What every Canadian expects. Something the government should not have to justify.

[English]

I am proud of the fact that my government made a firm commitment in its red book to reinstate the residential rehabilitation assistance program. I am proud the Minister of Finance included RRAP and EARP in his recent budget. How many other programs do we know of that help low income families, seniors, people with disabilities and aboriginals all at the same time?

We believe we are making the right fiscal decisions and we intend to continue to do more. We intend to stretch our social housing dollars as far as possible.

The federal government currently provides approximately \$2 billion in assistance to over 659,000 households across the country. We know that the need is greater than our ability to meet it. We know we have to find creative and innovative ways to make our social housing dollars work better.

One way we intend to achieve this is by identifying savings and efficiencies. Taxpayers have a right to expect an efficient government. I have agreed with my provincial and territorial colleagues that we will work together to ensure efficient delivery of housing programs. We will continue to provide an acceptable level of service and we will do it while making the best use of taxpayers' dollars.

[Translation]

We are already moving in that direction. Last August, Canada Mortgage and Housing Corporation started making loans to finance and refinance social housing units to better use available resources and reduce expenditures. Through direct loans, CMHC will refinance social housing units at balanced rates, thus reducing the cost of housing assistance.

We are talking about improving social housing efficiency. CMHC will save about \$120 million in grants over the next four years, out of an \$11 billion budget. CMHC will lend directly to qualified social housing borrowers when loans come due or when advances are required for new commitments.

This is only one measure, one case of using resources more efficiently and reducing expenditures. I made a commitment to work with my provincial and territorial colleagues to reduce administration costs and make program delivery more efficient.

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(1840)

*[English]*

At the end of the day we expect to identify savings that can be reinvested in social housing, to keep the existing social housing stock in good repair and to allow for new commitments. Our commitment to social housing must not simply be measured in terms of public expenditure. We have to look at housing within the broader and more comprehensive context of market forces and overall economic and social policy.

Along with the provinces, territories and interested stakeholders, we will be taking action to ensure that rules and regulations do not impede the creation of affordable housing. We will ensure that housing policies and programs encourage people to seek new opportunities to break out of the poverty cycle.

We want to ensure that the private market is able to provide affordable housing for Canadians. We are currently looking into new financial instruments which will increase access to housing for Canadians. We are also considering reintroducing indexed link mortgages for co-operatives.

*[Translation]*

**Mrs. Monique Guay (Laurentides):** Madam Speaker, again today, I have the opportunity to rise to ask the Liberal government to act quickly to respond to the pressing housing needs of 1,200,000 Canadians.

So far, the representations and lobbying by community organizations, by members of the Official Opposition and even by some members across the floor who have shown a little interest and resolve, have yielded nothing. Zero, zilch. Since January of this year, the government has invested nothing at all in social housing programs. Low-cost housing, non-profit organizations, co-operative housing were completely neglected and forgotten by the Liberals. In fact, the members opposite do nothing else but close their eyes and renew the policies of the Conservatives. This attitude on the part of the Liberals is shameful and totally unacceptable. Do they not remember that, not so long ago, when they were the Official Opposition, they spent a lot of time condemning the Conservative government for withdrawing funding for social housing? Do they not remember that?

And that is not all. The Liberals said that they wanted to work together with housing organizations in order to establish a national policy on social housing. They even promised to fully restore all programs. The Minister of Finance even wrote this in a letter to various organizations dated September 22, 1993, and I quote: "There is no doubt that a Liberal government will ensure funding for these sectors. We think that the state must adopt a positive and dynamic national policy in this area. It is incumbent on general management to ensure that over one million Canadian families are provided with decent and affordable housing".

The minister ended that letter by stating, and again I quote: "to that end, we wish to establish new partnerships with your organizations. I believe that over the past three years, our leader, our members of Parliament as well as our official critic for social housing, Joe Fontana, have consistently showed our commitment to social housing. We therefore rely on your co-operation on this socio-economic issue, which is of the highest importance", and I stress "of the highest importance". The letter is signed Paul Martin. Those are the words our dear Minister of Finance wrote on September 22 last.

Where are they today, those members of Parliament, this leader and this official critic, to show their commitment to social housing? They have vanished! Gone too are all those lovely speeches and the will to provide decent housing to needy families.

But what happened since then? Why did the members opposite completely change their mind? It is unacceptable and dishonest for elected and accountable people to alter their course in mid-stream. How can the population now seriously believe the Minister of Finance? How can he live with the words he wrote without feeling shame, without feeling any remorse? The minister looks a bit silly today and his credibility is no better than his social housing programs which deserve a big zero. They call him the sinister Minister of Finance.

(1845)

And yet, the needs are obviously huge and urgent. The Canada, I repeat, Canada Mortgage and Housing Corporation estimates that 1,200,000 families are in urgent need of housing. How can you ignore this reality? How can you ignore such glaring statistics? The members opposite so free with their promises have no vision. All they are good at is damage control. They are unable to plan for the long term. They do not manage anything, they only hope and wait for things to get better on their own.

They put nothing on the table, no plan, no policy to deal with the housing crisis. In the meantime, people in substandard housing are waiting. They are hoping that the Liberal government will be true to its promises and will immediately provide funds to build low-rent housing, as well as non-profit and co-op housing. Hundreds of thousands of families find this wait increasingly hard to take. Several of them spend more than 50 per cent of their income on rent. Such poverty has devastating effects.

Every month, these poor families living in substandard housing have to make inhuman choices. Every month, in order to pay for their rent, they have to deprive their children of such essentials as food. Children go hungry and live in substandard housing because the government is not acting responsibly. This projects a very bad image in a society as affluent and developed as ours.



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The government's lack of action is indecent. The minister in charge of social housing is telling us his cupboard is bare and that we must wait for savings that the CMHC could manage over the next few years. The Liberals keep us waiting and waiting. They are in favour of a wait-and-see policy. They sit back and wait for some heaven-sent manna. We must admire the strength, courage and inventiveness of this new government.

It is not ten years from now that we need social housing, Madam Speaker, it is right now. All the organizations, all the municipalities, all the big cities are asking the government to reinstate and increase funding for social housing. The Liberals are deaf and blind. They have been in place for six months now, and they still ask the people to be patient.

We on this side of the House want the government to release public funds immediately so that we can start projects now. You do not have the money? Well, cut the fat, put public finances on a sound footing and get rid of tax shelters for the wealthy. If you had any guts, if you had the political will, you would do your homework and find the money.

In Quebec, the situation is more problematic because more people live in rental accommodation. The problem is more acute, more urgent. The federal government is renegeing on its commitments and the provincial Liberals are not putting up much of a fight.

Nevertheless, the federal government still has a role to play in this area. We in Quebec pay federal taxes and we are entitled to our fair share. We want the government to give Quebec its share of those taxes and we will take care of our own social housing. The Société d'habitation du Québec has all the tools and expertise it needs to develop its own programs.

Soon Quebecers will decide what their future will be. We will then be able to administer our own social and economic development. Meanwhile, give us our share and stop ignoring the demands of the poor and people living in substandard housing across this country. Patience may be a virtue, but enough is enough.

(1850)

[English]

**Mrs. Georgette Sheridan (Saskatoon—Humboldt):** Madam Speaker, I am proud to rise in the House today on behalf of the Government of Canada to speak to this motion.

[Translation]

I am pleased to have an opportunity to stress the commitment of this government in the area of housing. This government acknowledges the right to adequate and affordable housing for

all Canadians, not only in Quebec but all over Canada. This is a most important commitment for this government.

I am sure every single member in this House thinks housing is important for our quality of life and for the prosperity of our communities.

Our government intends to keep contributing to housing and working hand in hand with its various partners so that as many Canadians as possible can find adequate and affordable housing.

This government also strongly supports social housing and keeps its promises but it has to consider the present fiscal situation.

[English]

Our approach balances the need to pursue fiscal restraint with the need to recognize and respond to the social needs of the more vulnerable members of our society.

The federal government is committed to a national co-ordinated approach to ensure that Canadians are well housed. The federal government has maintained its commitment of approximately \$2 billion in annual expenditures on social housing assistance. Through this funding we are able to provide support to some 659,000 low income households across the country. These include singles, families, seniors, persons with disabilities, aboriginals and fellow citizens who are unable to meet their basic housing needs on their own.

Given the difficulties presented by the deficit, this is a serious commitment that reflects the concern of the government for the plight of society's most vulnerable citizens.

Let me underline as well that these expenditures provide a powerful economic stimulus, generating considerable employment in communities across the country year after year.

As my colleagues know, we have taken immediate action to reinstate the residential rehabilitation assistance program. Again this is a program that helps low income Canadians meet their basic housing needs. RRAP grants are used to help people bring their homes up to minimum standards of health and safety.

The federal contribution of \$100 million over two years will go a long way toward helping low income Canadians make basic repairs to their homes.

This significant commitment of resources will also generate a much needed economic stimulus by creating thousands of jobs both directly and indirectly in the construction industry, real estate, manufacturing and related services.

[Translation]

However, to meet the challenges we are faced with in the area of housing, we need more than mere financial assistance. We need a commitment from all levels of government and from all stakeholders in the housing sector.

With everyone's co-operation, we will be able to reach our goals. To meet the challenges, we must first create solid partnerships.

The minister responsible for housing has met with many of our partners in that area. In fact, he held two meetings with some associations in order to better understand the problems facing this sector and to invite them to suggest improvements in some areas. Given the current financial situation in Canada, all levels of government must co-operate more and focus their efforts on protecting the social fabric of this country, which greatly depends on the housing sector. We can reach this goal by helping Canadians find good, affordable housing of the right size.

[English]

We have a long tradition of partnership in the country. Federal and provincial governments have long worked together to create cost share and deliver social housing to needy Canadians.

In this era of fiscal restraint we no longer have the funding levels of the past. Just because our funds are limited it does not mean that our imaginations need to be limited or our efforts cut short. Partnership has brought us success in the past. It will help us to achieve further success today and in the future.

(1855)

Federal-provincial relations with respect to social housing have long been defined by a set of principles. National standards are the cornerstone of these principles. Productive partnerships through which consensus is achieved have always been an important part of relations between the different levels of government. This must continue.

In an effort to consolidate partnership among levels of government the minister responsible for housing met with his federal, provincial and territorial colleagues last January. At that meeting all ministers agreed on the need to work together on behalf of those in need of social housing assistance. They also agreed to undertake a concerted effort to identify program efficiencies that will lead to savings and ultimately enable us to do more with our social housing budgets.

The federal government's commitment to housing for Canadians recognizes there are groups who have special needs to meet. We must strive to meet their needs.

Coming from Saskatchewan as I do, I cannot help but think of the aboriginal community. The plight of this particular sector of society needs to be addressed. CMHC has a long tradition of working in partnership with the aboriginal community to work out solutions to housing issues. The government is focusing its attention on supporting the native community in the goal of achieving greater self-sufficiency and control over their lives.

### *Adjournment Debate*

Another sector are the victims of family violence. As members of the House well know the rate of family violence continues to increase. It is my fervent hope the day will come when we no longer need to build and maintain shelters for women and children who are fleeing domestic violence.

In the meantime however the government will continue to address these issues in the best way it can by providing financial assistance for Project Haven and Project Next Step. These two programs provide emergency shelter and long term housing for victims of family violence and their children.

The government is well aware there is still much work to do to ensure all Canadians have access to decent, affordable housing. We believe we are on the right track and that we are taking positive steps and making a real difference in the lives of many Canadians. We are committed to working in partnership with housing groups and stakeholders in Canada to pursue our objective of providing decent, adequate and affordable housing for Canadians.

**The Acting Speaker (Mrs. Maheu):** The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1) the order is dropped from the Order Paper.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[Translation]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

TEAM CANADA

**Mr. Stéphane Bergeron (Verchères):** Madam Speaker, on January 20 and 21 last, my colleague from Rimouski—Témiscouata and myself questioned the Minister of Canadian Heritage about the ever-present discrimination faced by Quebecers in amateur sport in Canada.

Just days before the Olympic Games opened in Lillehammer, Hockey Team Canada still had not recruited a single player from Quebec. We deplored at the time that the team setting out to represent Canada in the Olympics in our national sport did not reflect more accurately the complex make-up of the Canadian society.

Shortly after the Official Opposition had raised this issue in the House of Commons, one player from Quebec was added in extremis to Team Canada's lineup. I think that the contemptuous attitude displayed at the time toward Quebecers by Team Canada officials must be deplored. It is appalling and it was not

*Adjournment Debate*

the first, nor the last, time this kind of thing happened, as we can well imagine.

In Canada, amateur sport is a real breeding ground of discrimination against Quebecers, yet the minister seems to be indifferently washing his hands of the matter. In such instances, far from expressing our collective pride, sport breeds nothing but spite and injustice. What is the minister waiting for to realize there is a problem and to take steps to remedy the situation? Is he waiting for more cases of discrimination to occur in the amateur sport?

Let us take the case of Myriam Bédard, twice a gold medal winner, who was harassed and suspended by unilingual English-speaking bureaucrats of Biathlon Canada who threatened to throw her out of the national team of “her” country because she refused to obey unjust orders of a federation that wanted to break its sole star. Mr. Réjean Tremblay, reporter of the daily newspaper *La Presse* wrote an article on that.

There is also the case of the Quebecer figure skaters Paul and Isabelle Duchesnay, bronze medallists in dance at the Albertville Olympic Games, who were forced to wear the colours of France because of the intransigence of the Canadian Figure Skating Association.

Following the Lillehammer Games, Canada as a whole had to acknowledge and appreciate the merits of athletes from Quebec who had distinguished themselves by their talent but also by their tenacity and determination. And God knows they need a lot of tenacity and determination to overcome all the obstacles put on their way by the Canadian amateur sport system.

Nevertheless, nine of the thirteen Canadian medals were won by Quebec athletes. Is it not a clear illustration of a fundamental lesson of life, that one should not be afraid to forge ahead and have self-confidence?

One of the many problems in the amateur sport in Canada is that the distribution of powers between the national and provincial sports organizations makes the Quebec amateur sport system literally dependent on the Canadian system.

For sports events outside Canada, the selection of athletes, coaches, officials, volunteers and other sports professionals depends nearly exclusively on policies developed by the national sports associations with the result we know. Unilingual francophone athletes have an additional obstacle to overcome, in particular at the national selection stages since they cannot communicate in their own language with the coaches and people in charge of the selection and training of athletes who are unilingual anglophones in the majority of cases.

Sports professionals who are unilingual francophones face the same problem. They have less of a chance of getting a job in a Canadian sports organization.

In fact, as Sport Quebec was stressing in its submission to the Commission on the Political and Constitutional Future of Quebec, commonly known as the Bélanger–Campeau Commission, on November 2, 1986, and I quote: “Because it is directly related to Quebec’s identity, the most fundamental problem is that the present system considerably limits the assertion of Quebec’s policies in the field of sports, since all management is directly governed by the Canadian associations’ policies”.

That is another one of the many deep-rooted problems of Canadian federalism, a chronic inability to respond to Quebec’s development conditions, an over-centralization aimed at imposing uniformity at all costs. I think that it is a failure, nothing less. Will the minister of Canadian Heritage finally realize that?

(1900)

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Madam Speaker, it is with pleasure that, on behalf of the Minister of Canadian Heritage, I will answer to the question raised by my colleague from Verchères. He knows very well that his arguments are unfounded.

First, I would like to make a point: the selection of athletes for the Canadian Olympic Hockey Team is ultimately the responsibility of Hockey Canada, not that of the federal government.

Hockey Canada has a very vast network of connections which allows it to be aware of the availability of players. The organization is in constant contact with coaches, scouts, league managers, agents and player representatives, team owners and managers. It consults these resource-persons regularly in order to stay aware of the schedule and the hours to which the players must conform.

[*English*]

The majority of the players are professional and Hockey Canada had the task of dealing with numerous National Hockey League clubs, European hockey leagues, and universities and colleges in Canada and the United States for the services of the players, not always an easy task.

[*Translation*]

The Olympic hockey team that played at the winter games in Lillehammer had 23 players, including two francophones from outside Quebec, Adrian Aucoin and Chris Thérien. Jean-Yves Roy, from Rosemère in Quebec, presently with the New York Rangers, was also a member of that team.

(1905)

It is not true that there were no Quebecers on Canada’s Olympic hockey team. Many Quebec players were considered for the team, but were not retained, primarily because they simply were not available.

*Adjournment Debate*

[English]

A number of factors influence the formation of the Olympic team. Certainly the team rose to the occasion meeting the challenge imposed by the Olympics.

[Translation]

The players showed great determination and unparalleled team spirit. Throughout the country, their achievements were a source of pride and admiration. That is what is most important, in my opinion, for Canadians.

[English]

## AGRICULTURE

**Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe):** Madam Speaker, on March 18 I asked a question of the Minister of Agriculture and Agri-Food regarding comments made by the American Secretary of Agriculture. Secretary Espy wanted a cap on wheat exports to the U.S. and zero tariffs on poultry, dairy and eggs. I asked the minister for his assurance that Canadian farmers would be protected.

Reports in the media are stating that Canada has softened its position in the farm trade battle with the U.S. because of strong American pressure. The fact is Canada is not the only country that is suspect of its relationship with the United States. There is a growing resentment about American bullying tactics from several other nations at the same time.

What work is the government undertaking to establish stronger world trading rules to ensure that we are not subject to the continuing American harassment?

**Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food):** Madam Speaker, in response to my colleague who raised that question earlier, I would like to emphasize to my colleague, to the House and to all Canadians in the industry that the minister certainly has not softened his position.

This is emphasized by the fact that the negotiations have been completed in Marrakech and Morocco for today. They will continue tomorrow. I spoke to the minister about 4.30 this afternoon and our position there and his position there is still firm, clear and forceful to the United States.

Let us not be fooled. We are in the midst of some very serious and tough negotiations on bilateral issues with the United States. We have a large two-way trade with the United States in agriculture and agri-food. It is about \$11.5 billion so it is important that what we get a deal, a negotiated deal with the United States, that is in the best interest of Canadians and in the best interest of the agri-food industry in Canada. The minister will accept nothing less than that.

These negotiations were going on before the settlement in Geneva on GATT. Canada plays by the rules. Every country in the world does not always play by the rules. We will be signing on to the GATT rules. We have signed on to the NAFTA rules and

those negotiations will continue. I want to make that very clear to the member and to everyone.

Our officials have been meeting over the last number of weeks with the Americans and we are not going to roll over and play dead. We have been firm. We will continue to be firm and get the best deal for the Canadian industry and for Canadian national interest.

## GUN CONTROL

**Hon. Warren Allmand (Notre-Dame-de-Grâce):** Madam Speaker, on March 24 the member of Parliament for Saint-Hubert and I presented a petition in Parliament with over 200,000 signatures asking that handguns be banned for private use.

This petition was sponsored by Concordia University following the murders with a handgun of four professors at the university in 1992. The murderer, who was also a professor, was able to acquire three handguns legally without much difficulty, indicating a serious weakness in the law. Later on March 24, I asked the Minister of Justice if he would give serious attention to the demands in the petitions. I asked that same question again today.

Handguns are not used for hunting and have no other legitimate use by ordinary citizens. Some members of the House and some Canadians allege that the present gun laws are not effective because we still have crimes with guns.

No laws are 100 per cent effective. On the other hand, there is no doubt that without our present laws the situation would be much worse. It has been proven over and over again that where guns are less available and more difficult to obtain, there is less crime with guns. That is an indisputable fact.

The simplistic slogan spread about by the gun lobby that if one bans guns only criminals will have guns is total nonsense. The professor murderer at Concordia University was not a criminal until he easily and legally acquired his guns and carried out his killings.

Marc Lépine, who killed 14 women at the École Polytechnique, had no criminal record before he easily and legally acquired his automatic rifle and carried out his massacre. When guns are easily and legally available some, perhaps the majority, will obtain them and use them legally. Unfortunately some will obtain them and use them criminally.

The only logical action if we are truly interested in reducing crime with guns is to make them and ammunition more difficult to obtain. This means a total ban on handguns for private use.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, I thank the hon. member for Notre-Dame-de-Grâce for the opportunity to reply on behalf of the Minister of Justice to this most important question that he raised.

Canadians are very concerned about violence and especially about violence involving firearms. They have every right to be so concerned. As recent incidents have shown there is a need for

*Adjournment Debate*

strict gun control in Canada. I am sure hon. members of the House share this worry.

After the tragic deaths of 14 young engineering students in 1989, almost 600,000 Canadians signed a petition calling for stronger legislation controlling firearms. Now the House has been presented with another petition in response to yet another tragedy.

I join with all members of the House in sorrow and sympathy. Our sorrow is not just for the victims of these tragic incidents and their families but for the victims of violence everywhere. We share their grief because in many ways it is our own. Violence in society is a tragedy not only for the victims but for all of us. It affects the quality of our lives and the way in which we live them.

Canadians expect more than sympathy from the government on the matter. They expect us to take measures to address their legitimate concerns. It is a tall order but one which we must take very seriously. As hon. members already know, the Minister of Justice is aware of the problem and is looking at ways to address it.

In addition to specific changes, the government is also looking at longer term crime prevention strategies. It is the view

of the government that reacting to crime with harsher punishments will not serve to eliminate crime. We must try to address the root causes and to respond to crime as a social problem rather than on a case by case basis.

Finally, the voices of those Canadians who signed the petitions calling for strict controls on firearms and other weapons will be heard. We must be willing to look at any gun control option if it will improve safety and help prevent the kind of tragedies we have seen recently.

Every option should be carefully considered and decisions will be made. That is the obligation of the government and I want to assure the House that the government will take its responsibilities very seriously.

**The Acting Speaker (Mrs. Maheu):** Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted.

[*Translation*]

This House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 7.14 p.m.)

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